



**AGRICULTURE SECTOR EDUCATION TRAINING AUTHORITY**

**ANNUAL REPORT**

**2016 - 2017**

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To the Honourable Minister of Higher Education and Training, Dr Bonginkosi Emmanuel Nzimande and Deputy Minister, Mr Mduduzi Manana

2016/2017 Financial Year



It is my pleasure to present to you the Annual Report of the Agriculture Sector Education and Training Authority for the financial year ended 31 March 2017.

**Acting Chairperson: Accounting Authority of AgriSETA**  
**Mr Thami Ka Platjie**

# Contents

## A

### GENERAL INFORMATION

|                                                                                              |           |
|----------------------------------------------------------------------------------------------|-----------|
| <b>PUBLIC ENTITY'S GENERAL INFORMATION</b>                                                   | <b>6</b>  |
| <b>LIST OF ABBREVIATIONS/ACRONYMS</b>                                                        | <b>7</b>  |
| <b>FOREWORD BY THE ACTING CHAIRPERSON</b>                                                    | <b>8</b>  |
| VOORWOORD DEUR DIE WAARNEMENDE<br>VOORSITTER                                                 | 10        |
| IZWI LESANDULELA LWOKWETHULA<br>LOMPHATHI-SIHLALO OBAMBE ISIKHUNDLA<br>OKWESIKHASHANA        | 12        |
| PEHELO KA MODULASETULO WA NAKWANAA                                                           | 14        |
| <b>CHIEF EXECUTIVE OFFICER'S OVERVIEW</b>                                                    | <b>16</b> |
| HOOF-UITVOERENDE BEAMPTTE SE OORSIG<br>IQOQO ELIBALULEKILE ELIVELA KUMPHATHI<br>OMKHULU      | 19        |
| TJHEBOKAKARETSE YA MOOFISIRI E MOHOLO<br>WA PHETHAHATSO                                      | 22        |
|                                                                                              | 25        |
| <b>STATEMENT OF RESPONSIBILITY AND<br/>CONFIRMATION OF ACCURACY OF THE<br/>ANNUAL REPORT</b> | <b>28</b> |
| <b>STRATEGIC OVERVIEW</b>                                                                    | <b>29</b> |
| Vision                                                                                       | 29        |
| Mission                                                                                      | 29        |
| Values                                                                                       | 29        |
| <b>LEGISLATIVE AND OTHER MANDATES</b>                                                        | <b>30</b> |
| <b>ORGANISATIONAL STRUCTURE</b>                                                              | <b>32</b> |

## B

### PERFORMANCE INFORMATION

|                                                                    |           |
|--------------------------------------------------------------------|-----------|
| <b>AUDITOR-GENERAL'S REPORT:<br/>PREDETERMINED OBJECTIVES</b>      | <b>34</b> |
| <b>SITUATIONAL ANALYSIS</b>                                        | <b>34</b> |
| Service Delivery Environment                                       | 34        |
| Organisational Environment                                         | 35        |
| Key Policy Developments<br>and Legislative Changes                 | 36        |
| Strategic Outcome Orientated Goals                                 | 36        |
| <b>PERFORMANCE INFORMATION BY<br/>PROGRAMME/ACTIVITY/OBJECTIVE</b> | <b>36</b> |
| Programme / activity / objective 1                                 | 45        |
| Programme / activity / objective 2                                 | 46        |
| Programme / activity / objective 3                                 | 47        |
| Programme / activity / objective 4                                 | 47        |
| Programme / activity / objective 5                                 | 48        |
| Programme / activity / objective 6                                 | 48        |
| <b>REVENUE COLLECTION</b>                                          | <b>49</b> |
| Capital Investment                                                 | 49        |
| <b>DEPARTMENTAL REPORTING</b>                                      | <b>51</b> |
| Marketing and Communication                                        | 51        |
| Education Training and Quality<br>Assurance (ETQA)                 | 57        |
| Skills Delivery                                                    | 59        |

## C

### GOVERNANCE

|                                                |           |
|------------------------------------------------|-----------|
| <b>INTRODUCTION</b>                            | <b>62</b> |
| <b>PORTFOLIO COMMITTEES</b>                    | <b>62</b> |
| <b>EXECUTIVE AUTHORITY</b>                     | <b>62</b> |
| <b>ACCOUNTING AUTHORITY/THE BOARD</b>          | <b>62</b> |
| <b>RISK MANAGEMENT</b>                         | <b>71</b> |
| <b>INTERNAL CONTROL UNIT</b>                   | <b>71</b> |
| <b>INTERNAL AUDIT AND AUDIT COMMITTEES</b>     | <b>71</b> |
| <b>COMPLIANCE WITH LAWS AND REGULATIONS</b>    | <b>72</b> |
| <b>FRAUD AND CORRUPTION</b>                    | <b>72</b> |
| <b>MINIMISING CONFLICT OF INTEREST</b>         | <b>72</b> |
| <b>CODE OF CONDUCT</b>                         | <b>72</b> |
| <b>HEALTH, SAFETY AND ENVIRONMENTAL ISSUES</b> | <b>72</b> |
| <b>COMPANY SECRETARY/BOARD ADMINISTRATOR</b>   | <b>72</b> |
| <b>SOCIAL RESPONSIBILITY</b>                   | <b>72</b> |
| <b>AUDIT COMMITTEE REPORT</b>                  | <b>73</b> |

## D

### HUMAN RESOURCES MANAGEMENT

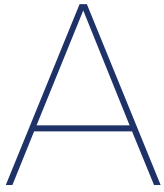
|                                             |           |
|---------------------------------------------|-----------|
| <b>INTRODUCTION</b>                         | <b>75</b> |
| <b>HUMAN RESOURCES OVERSIGHT STATISTICS</b> | <b>77</b> |

## E

### FINANCIAL INFORMATION

|                                       |           |
|---------------------------------------|-----------|
| <b>REPORT OF THE EXTERNAL AUDITOR</b> | <b>81</b> |
| <b>ANNUAL FINANCIAL STATEMENTS</b>    | <b>86</b> |





GENERAL  
INFORMATION

## PUBLIC ENTITY'S GENERAL INFORMATION

**Registered name:** Agriculture Sector Education Training Authority (AgriSETA)

**Registration number:** 20/AgriSETA/1/07/11

**Physical Address:**

AgriSETA House  
529 Belvedere Street  
Arcadia  
0083  
Pretoria  
Republic of South Africa

**Postal Address:**

PO Box 26024  
Arcadia  
0007  
Pretoria  
Republic of South Africa

**Contact Details**

**Telephone:** +27 (0) 12 301 5600

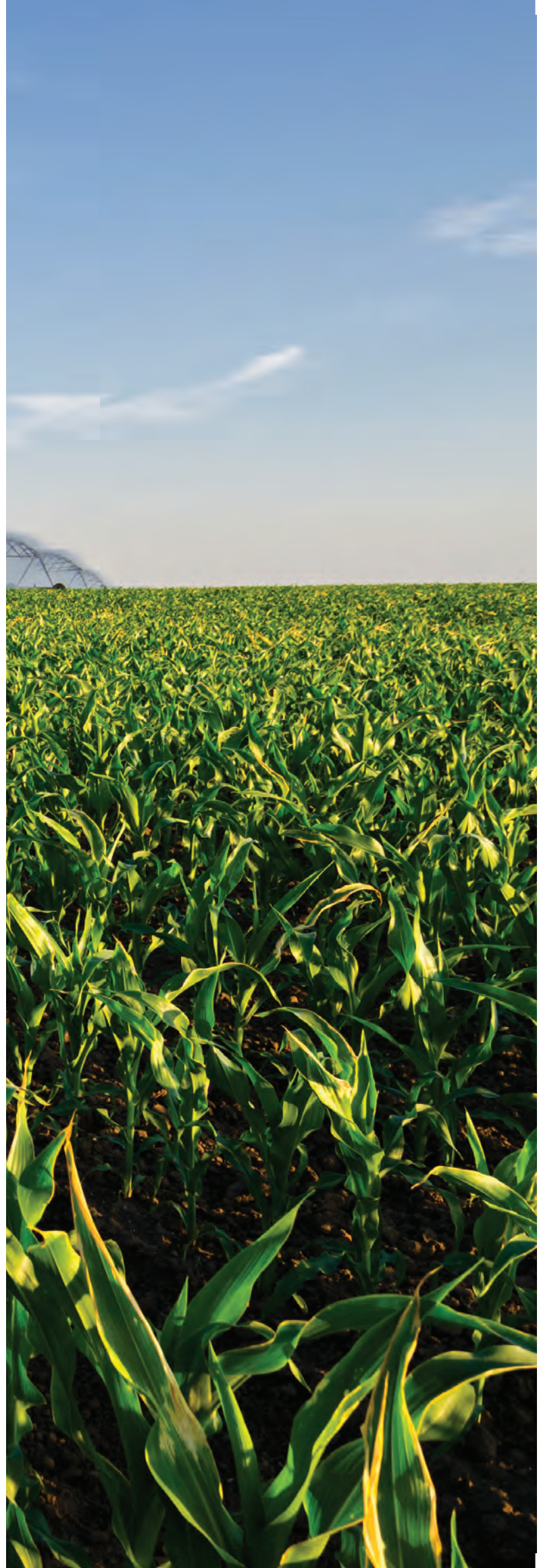
**Email:** [info@agriseta.co.za](mailto:info@agriseta.co.za)

**Website:** [www.agriseta.co.za](http://www.agriseta.co.za)

**External Auditors:** Auditor-General of South Africa

**Banking Institution:** Standard Bank of South Africa

**Board Administrator:** Mr Mzuyanda Dlanga



# LIST OF ABBREVIATIONS/ACRONYMS

## Acronyms

- 18.1** - Permanent employees
- 18.2** - Unemployed people and under-resourced farmers
- AET** - Adult Education and Training
- AGOA** - African Growth and Opportunity Act
- AgriSETA** - Agriculture Sector Education Training Authority
- AGSA** - Auditor-General of South Africa
- AIDS** - Acquired Immuno Deficiency Syndrome
- APAC** - Association of Principals of Agricultural Colleges
- APAP** - Agricultural Policy Action Plan
- APP** - Annual Performance Plan
- AQP** - Assessment Quality Partner
- ASB** - Accounting Standard Board
- ATR** - Annual Training Report
- BMI** - Business Monitor International
- CBO** - Community-Based Organisations
- CEO** - Chief Executive Officer
- CSD** - Central Supplier Database
- DAFF** - Department of Agriculture Forestry and Fisheries
- DEA** - Department of Environmental Affairs
- DHET** - Department of Higher Education and Training
- DRDLR** - Department of Rural Development and Land Reform
- DTI** - Department of Trade and Industry
- DVDs** - Digital Video Disc(s)
- E&T** - Education and Training
- ETQA** - Education Training and Quality Assurance
- EU** - European Union
- FAWU** - Food and Allied Workers Union
- FLP** - Further Learning Programmes
- GRAP** - Generally Recognised Accounting Practices
- HIV** - Human Immunodeficiency Virus
- HRD SA** - Human Resources Development of South Africa
- HSRC** - Human Sciences Research Council
- ICT** - Information Communication Technology
- ISAs** - International Standards on Auditing
- ISRDS** - Integrated Sustainable Rural Development Strategy
- KZN** - KwaZulu Natal
- MG** - Mandatory Grants
- MTSF** - Medium Term Strategic Framework
- NCOP** - National Council of Provinces
- NDP** - National Development Plan
- NEET** - Not in Education, Employment or Training
- NGO** - Non Governmental Organisation
- NGP** - National Growth Plan
- NQF** - National Qualifications Framework
- NSA** - National Skills Authority
- NSDS** - National Skills Development Strategy
- NSF** - National Skills Fund
- NT** - National Treasury
- NVC** - New Venture Creation
- ORCA** - Outsourced Risk and Compliance Assessment (Pty) Ltd
- PAA** - Public Audit Act
- PFMA** - Public Finance Management Act
- PIVOTAL** - Professional Vocational Technical and Academic Learning
- POA** - Programme of Action
- PPP** - Public Private Partnerships
- QCTO** - Quality Council for Trades and Occupations
- RPL** - Recognition of Prior Learning
- SACAU** - South African Confederation of Agricultural Union
- SAPA** - South African Poultry Association
- SCM** - Supply Chain Management
- SDA** - Skills Development Act
- SDFs** - Skills Development Facilitators
- SDL Act** - Skills Development Levy Act
- SDL** - Skills Development Levy
- SETA** - Sector Education Training Authority
- SETAB's** - Sector Education and Training Advisory Boards
- SO** - Strategic Objective
- SP** - Skills Planning
- SSC** - Sub Sector Committee
- SSP** - Sector Skills Plan
- TVET** - Technical Vocational Education and Training
- UIF** - Unemployment Insurance Fund
- UK** - United Kingdom
- US** - United States
- WIL** - Work Integrated Learning
- WSP** - Workplace Skills Plan



**Mr Thami Ka Plaatjie**  
Acting Chairperson of  
the Accounting Authority

## FOREWORD BY THE ACTING CHAIRPERSON

The financial year that ended 31 March 2017 was characterised by governance challenges which are being addressed by AgriSETA's board. The sudden departure of the chairperson of the board, Professor Gilingwe Mayende, who assumed the position of deputy vice-chancellor at Fort Hare University also resulted in the loss of a great leader.

However, the Agriculture Sector Education Training Authority (AgriSETA) continued to strive to achieve an unqualified audit opinion by the Auditor-General South Africa (AGSA) and to realise the strategic objectives set out in its Annual Performance Plan (APP). The management, under the guidance of the board, continued to review its strategic planning and maintained its efforts to align its strategic documents, strategic plans and Annual Performance Plan (APP) with the National Treasury Framework. It also continued working on aligning the APP to the budget programme as mandated by the National Treasury (NT) and Department of Higher Education and Training (DHET). All this was done with the sole purpose of implementing the Annual Performance Plan more effectively and efficiently.

The 2016/17 financial year also marks the end of the seven-year term of office of our Sector Education and Training Authority's (SETA's) Accounting Authority.

But the two-year extension of the term by the Minister of Higher Education and Training, Dr B. E. Nzimande, means we are looking forward to another two years of effective service delivery. The Minister initiated the extension to 2020 to allow for the SETA landscape to be restructured.

### High-level overview of AgriSETA's strategy and its performance in its sector

In AgriSETA's Annual Performance Plan for 2016/17, it set out to achieve seven strategic objectives as outlined in Part B of this annual report. Part B outlines how many sub-programmes were prescribed for each strategic objective and highlights the programme performance indicators for each.

Part E of the annual report presents the financial performance of the organisation, including the report of the AGSA, its external auditor. I am pleased to inform that the AgriSETA has once again received an unqualified report for the 2016/17 financial year.

One of AgriSETA's strategic objectives is Rural Development and Co-operatives (Strategic Objective No. 3). A performance indicator of this strategic objective is giving vital support to co-operatives – a crucial precondition for agrarian reform.

### Strategic Relationships

AgriSETA's strategic relationships are guided by its policy on stakeholder analysis and management of identified stakeholders in internal, external, connected, primary and secondary categories. Each category requires a different level of attention, which corresponds to varying levels of interest and influence with regard to our sectoral skills development activities.

AgriSETA holds stakeholder engagement workshops on an annual basis. During the reporting period, stakeholder engagement workshops were held in all provinces. The workshops were preceded by written communication detailing the state of governance within the SETA to its stakeholders.

In addition, AgriSETA's relationship with the DHET has been sustained through constant communication. Its meetings with the National Skills Authority (NSA) have been invaluable and we thank them for a number of pertinent suggestions and guidance. Finally, constant staff briefings enabled AgriSETA to share developments and get feedback from its own staff.

### Challenges faced by the

### Accounting Authority

The past financial year presented AgriSETA with challenges that the board is committed to resolving. Not only did it lose a seasoned leader, but governance challenges resulted from the Chief Executive Officer's (CEO's) attempt to institute disciplinary action against a senior manager. The manager lodged a grievance against the CEO and this led to an acrimonious atmosphere as well as a litany of other allegations and counter-allegations within the organisation.

The board sought legal opinion and then requested the internal auditor to investigate all the allegations and institute disciplinary action. The results of the investigation served as the basis of a forensic investigation by Outsourced Risk and Compliance Assessment (Pty) Ltd (ORCA) Internal Auditors. A senior manager was acquitted of all charges, while another manager was found guilty. This manager appealed against the decision and was given a final written warning on appeal.

Investigations with the charge sheets are being finalised to institute disciplinary action and we hope to have them finalised expeditiously.

As stated in more detail in various parts of this report, we are continuing to pursue the vision and mission of our organisation, which is to create and promote opportunities for job creation and socio-economic growth within agricultural enterprises. We seek to attain this in conjunction with other stakeholders in the agricultural sector, through the promotion of relevant, quality and accessible training and development in both the primary and secondary sectors.

### The Financial year ahead

The financial year 2017/2018 will be the final year of the current board's second term of office tenure. The CEO, working with the office of the board's administrator under the guidance of the executive authority of DHET, has placed an advertisement to fill the positions of members of the board as stipulated by AgriSETA's constitution. The DHET also advertised for the position of the chairperson of the board in December 2016 and management awaits the outcome of that process.

AgriSETA has set out strategic objectives aligned with the budget programmes in its Annual Performance Plan. Each strategic objective is underpinned by a performance indicator and a performance target. Performance information will be monitored and evaluated on a quarterly

basis in order to anticipate areas of underperformance.

The management of AgriSETA has also been tasked by the board to continue exploring strategies to grow revenue by either identifying new streams of revenue or penetrating the existing revenue streams.

### Acknowledgements

Firstly, as the acting chairperson of the Accounting Authority, and together with my fellow members of the Accounting Authority, I would like to thank the executive authority of DHET, led by the Honourable minister, Dr B.E. Nzimande, his deputy, the Honourable Mr M. Manana, the director-general, Mr G. Qonde, and all members of the department's senior management team and staff. We would also like to thank the chairpersons and members of the National Assembly Portfolio Committee on Higher Education and Training, and the chairperson and members of the Select Committee on Education and Recreation, the committee of the National Council of Provinces responsible for Higher Education and Training.

Secondly, we would like to thank all our key stakeholders who have been part of our strategy development and implementation, including the national and provincial departments of Agriculture, Forestry and Fisheries (DAFF), the Department of Rural Development and Land Reform (DRDLR) and organised employers and organised labour in the agricultural sector.

Last but not least, I would like to extend a word of gratitude to the CEO, management and staff of AgriSETA for their effective participation in the organisation and contribution towards the achievement of its objectives.



*Mr Thami ka Plaatjie*  
*AgriSETA*  
*Acting Chairperson*  
*July 2017*



# VOORWOORD DEUR DIE WAARNEMENDE VOORSITTER

**Mr Thami Ka Plaatjie**

Waarnemende voorsitter van die Rekeningkundige Owerheid

## Voorsittersvoorwoord

Die boekjaar wat op 31 Maart 2017 geëindig het, is gekenmerk deur uitdagings vir die bestuur van AgriSETA. Dié word steeds deur die direksie aangespreek. Boonop was die skielike vertrek van die voorsitter van die raad, prof. Gilingwe Mayende, 'n groot verlies, nadat hy as adjunk-visekanselier aan die Universiteit van Fort Hare aangestel is.

Die AgriSETA het egter steeds 'n ongekwalifiseerde ouditopinie deur die Ouditeur-generaal Suid-Afrika (OGSA) nagestreef en om die strategiese doelwitte te bereik wat in sy Jaarlikse Prestasieplan (JPP) uiteengesit is. Die bestuur het, onder leiding van die direksie, voortgegaan om sy strategiese beplanning te hersien en het pogings volgehou om strategiese dokumente, strategiese planne en die jaarlikse prestasieplan (JPP) aan te pas by die Nasionale Tesourie-raamwerk. Die JPP is ook by die begrotingsprogram aangepas, soos aanbeveel deur die Nasionale Tesourie (NT) en die Departement Hoër Onderwys en Opleiding (DHOO). Dit is alles onderneem met die uitsluitlike doel om die JPP meer effektief en doeltreffend te implementeer.

Die 2016/17 boekjaar sien ook die einde van die sewe-jaarlange ampstermyn van ons Sektorale Onderwys-en-opleidingsowerheid (SETA) se Rekeningkundige Owerheid. Die Minister van Hoër Onderwys en Opleiding, dr. B.E. Nzimande, het die termyn egter met twee jaar verleng, wat beteken dat ons na nog twee jaar van effektiewe dienslewering kan uitsien. Die Minister het die termyn

tot 2020 verleng om die SETA-landskap kans te gee om te herstruktureer.

## Hoëvlakorsig van AgriSETA se strategie en werkverrigting

In AgriSETA se Jaarlikse Prestasieplan vir 2016/17 word sewe strategiese doelwitte nagestreef, soos uiteengesit in Afdeling B van die jaarverslag. Afdeling B sit uiteen die aantal sub-programme wat aanbeveel word vir elke strategiese doelwit en beveel prestasie-aanwysers vir elke program aan.

Afdeling E van die jaarverslag lê die finansiële werkverrigting van die organisasie uit. Dit sluit die verslag van die eksterne ouditeur, OGSA, in. Dit gee my plesier om te sê dat die AgriSETA weereens 'n ongekwalifiseerde verslag vir die boekjaar 2016/17 ontvang het.

Een van AgriSETA se strategiese doelwitte is Landelike Ontwikkeling en Koöperasies (Strategiese Doelwit Nr 3). 'n Prestasie-aanwyser van hierdie strategiese doelwit is die verlening van noodsaaklike steun aan koöperasies – 'n kritieke voorvereiste vir landbouhervorming.

## Strategiese verhoudings

AgriSETA se strategiese verhoudings word gerig deur sy beleid op belangegroepanalise en die bestuur van geïdentifiseerde belanghebbendes in interne, eksterne, verbonde, primêre en sekondêre kategorieë. Elke kategorie vereis sy eie vlak van aandag, wat ooreenstem met verskillende vlakke belangstelling en invloed wat betref ons sektorale vaardighedsontwikkelingsaktiwiteite.

AgriSETA hou jaarliks werksinkels om belangegroep te betrek. Tydens die afgelope verslagtydperk is sodanige werksinkels in al die provinsies gehou. Die werksinkels is voorafgegaan deur kommunikasie waardeur belangegroep skriftelik in kennis gestel is van die toedrag van sake wat betref die SETA se bestuur.

Daarbenewens hou AgriSETA sy verhouding met die DHOO in stand deur gereelde kommunikasie. Vergaderings met die Nasionale Vaardighedsowerheid (NVO) was van onskatbare waarde en ons spreek ons dank uit, nie slegs vir hul leiding nie, maar ook vir heelwat pertinente voorstelle. Ten slotte, die gereelde uitruil van inligting tussen personeel en die bestuur het AgriSETA in staat gestel om ontwikkelinge bekend te stel en om terugvoer van personeel te ontvang.

## Uitdagings vir die

## Rekeningkundige Owerheid

Die afgelope boekjaar het heelwat struikelblokke vir AgriSETA in die pad gewerp, waarvoor die raad beslis oplossings sal vind. Nie net het ons 'n sterk leier verloor nie, maar probleme vir die bestuur het ontstaan as gevolg van die Hoof-uitvoerende Beampte (HUB) se poging om dissiplinêre aksie teen 'n senior bestuurder in te stel. Die betrokke bestuurder het op sy beurt 'n klag teen die HUB gebring en dit het 'n onsmaklike atmosfeer, asook 'n reeks aantygings en teenaantygings tot gevolg gehad.

Die direksie het regsadvies ingewin en die interne ouditeur is versoek om al die aantygings te ondersoek en om dissiplinêr op te tree. Die uiteinde van die ondersoek het gelei tot 'n verdere, forensiese ondersoek deur die ouditeursfirma, Outsourced Risk and Compliance Assessment (Edms) Bpk. 'n Senior bestuurder is vrygespreek van alle klagtes, terwyl 'n ander bestuurder skuldig bevind is. Laasgenoemde bestuurder het teen die besluit appèl aangeteken en op appèl 'n finale skriftelike waarskuwing gekry.

Klagstaatsondersoeke word tans gefinaliseer vir dissiplinêre optrede, en ons is optimisties dat die saak spoedig afgehandel sal word.

Soos meer breedvoerig uitgelê elders in die verslag, hou ons vol om die visie en missie van ons organisasie na te streef, naamlik om geleenthede vir werkskepping en sosio-ekonomiese groei binne landbouondernemings te skep en te bevorder. Dit is slegs haalbaar in genootskap met ander belanghebbendes in die landbousektor en deur die bevordering van relevante, kwaliteit en toeganklike opleiding en ontwikkeling in beide die primêre en sekondêre sektore.

## Die finansiële jaar wat voorlê

Die boekjaar 2017/2018 is die laaste jaar van die huidige direksie se tweede vaste termyn. In samewerking met die direksie se administrateur, en onder leiding van die uitvoerende gesag van die DHOO, het die HUB geadverteer om die posisies van direksie-lede te vul, soos voorgeskryf in die AgriSETA-grondwet. Die DHOO het op sy beurt in Desember 2016 geadverteer vir die pos van voorsitter van die direksie. Die bestuur wag op die uitslag van daardie proses.

AgriSETA het strategiese doelwitte uiteengesit wat ooreenstem met die begrotingsprogramme in sy jaarlikse prestasieplan. Elke strategiese doelwit is gerugsteun deur 'n prestasie-aanwyser en 'n prestasieteiken. Inligting oor hoe daar



presteer word, sal kwartaaliks gemoniteer en geëvalueer word, sodat daar in gevalle van onderprestering pro-aktief opgetree kan word.

Die direksie het die AgriSETA-bestuur ook die taak opgelê op voort te gaan om strategieë te vind om inkomste te laat groei deur of nuwe inkomstestrome te identifiseer, of bestaande inkomstestrome te penetreer.

## Erkennings

In die eerste plek wil ek graag, as waarnemende voorsitter van die Rekeningkundige Owerheid, en namens my kollegas by die Rekeningkundige Owerheid, die uitvoerende gesag van die DHOO onder leiding van sy Edele, die minister dr. B.E. Nzimande; sy adjunk, sy Edele mnr. M. Manana; die direkteur-generaal, mnr. G. Qonde; asook alle lede van die departement se senior bestuurspan en personeel bedank. Ons wil ook graag die voorsitters en lede van die Nasionale Vergadering Portefeuljekomitee oor Hoër Onderwys en Opleiding bedank, asook die voorsitter en lede van die Gekose Komitee vir Onderwys en Ontspanning, die komitee van die Nasionale Raad van Provinsies verantwoordelik vir Hoër Onderwys en Opleiding.

Dan wil ons ook al ons sleutelbelanghebbendes bedank vir hul deel in die ontwikkeling en implementering van ons strategie. Dit sluit in die nasionale en provinsiale departemente van landbou, bosbou en visserye (DLBV), die Departement van Landelike Ontwikkeling en Grondhervorming (DLOGH), en eweneens georganiseerde arbeid en werkgewers in die landbousektor.

Ten slotte wil ek graag 'n woord van dank uitspreek teenoor die Hoof-uitvoerende Beampste, die bestuur en die personeel van AgriSETA vir hul doeltreffende samewerking binne die organisasie en hul vele bydraes tot die behaal van ons doelwitte.




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*Mnr. Thami Ka Plaatjie*  
*AgriSETA*  
*Waarnemende voorsitter*  
*July 2017*

# IZWI LESANDULELA LWOKWETHULA LOMPHATHI- SIHLALO OBAMBE ISIKHUNDLA OKWESIKHASHANA

**Mr Thami Ka Plaatjie**  
Umphathi-Sihlalo Wesikhashana  
Omele iGunya Lokulandisa

Unyaka wemiphumela yezimali ophothulwe ngomhlaka 31 kuNdasa 2017 ububhekene nezinkinga zokubusa kahle, ubeke inselela kwibhodi lwakwaAgriSETA ukuba lithole izisombululo. Ukusula ngokuzunywa kukaSolwazi uGilingwe Mayende, obengumphathi-sihlalo webhodi, osethathe isikhundla esisha enyunivesithi yaseFort Hare kushiye isikhala ngokulahlekelwa ngumholi ovelele.

Kodwa ke igunya eliyigxenywe yezemfundo noqeqesho kwezolimo (AgriSETA) liyaqhubeka nohlelo lukuthola umphumela ongenasici kumcwaningi wezimali jikelele wase Ningizimu Afrika (Auditor-General South Africa) futhi lingathanda nokufeza izinhloso zalo ezisohlelweni lonyaka (APP). Abaphathi beholwa ibhodi bayaqhubeka nokubuyekeza izinhlelo ezibekiwe futhi baziqondanise nako konke okulotshiwe enkambini kazwelonke yomnotho. Iyaqhubeka isebenzela ukuziqondanisa nohlelo lwebhajethi njengoba lunikwe yisigodlo sezimali sikazwelonke nomnyango weziko lemfundo eliphakeme nokuqeqesho (DHET). Lokhu kwenziwa ngenhloso yokwethula uhlelo olukhomba impumelelo yonyaka ukuze lube nomphumela omuhle ngokwenyeziwe.

Unyaka lo ka2016/17 usho ukuphela kwesikhathi seminyaka eyisikhombisa ehhovisi lezigaba segunya zemfundo nentuthuko nezabanomthwalo wemfanelo (SETA's Accounting

Authority). Kodwa ukulehliswa ngeminyaka emibili uMhlonishwa Ophakeme Womnyango weMfundo ePhakeme noQeqesho, udokotela wemfundo uB.E Nzimande kusho ukuthi kuzosetshenzwa ngenkululeko kuleminyaka emibili ezayo.

## Uqoqo oluphakeme olubonisa uhlelo lweAgriSETA nemiphumela yalo

Izinhlelo Zonyaka zakwaAgriSETA ngo2016/17 zibhekene nalezi zinjongo eziyisikhombisa ezibalwe ohlelweni lesiSigaba B, embikweni wokuphela konyaka. Lesosigaba sika B sibala ezinye izingxenyana eziphathelele nezinhloso zonke zethu nokuthi zizokhonjiswa kanjani.

Isigaba E sombiko sona sethula ngezezimali zehlangano nombiko weAGSA ovela kumcwaningi zimali wangaphandle. Ngiyajabula ukwethula umbiko ongenasici wonyaka ka2016/2017.

Ezinye zezinhloso zeAgriSETA ukukhulisa izinhlelo zasemaphandleni (Inhloso 3). Injongo enkulu ehloswe ngalomsebenzi ukusweka izinhlangano ezisebenza ngokubambisana emiphakathini phecelezi ama cooperatives. Lokhu ke enye yezinto ezisemqoka okumele zenziwe ukuletha izinguquko kwezolimo.

## Ubudlelwane Obubalulekile

UAgriSETA nobudlelwane obubalulekile uholwa ngamapholisi okuhlaziya ababambiqhaza ngaphakathi, ngaphandle, abaxhumene, ezingeni eliphansi neliphezulu. Wonke umkhakha udinga indlela yokubhekwa yayo ehambelana nokuthatheka nogoqozi abanalo ngokukhula nentuthuka yamakhono ngezolimo.

UAgriSETA uyaye ube umema ababambiqhaza emhlanganweni wonyaka ezifundazweni zonke. Lokhu kuvame ukwenzeka ngesikhathi sokubika bese futhi kuqoshwa phansi kuvezwe ubunjalo bukaSETA.

Okunye futhi, ubudlelwane buka aAgriSETA noDHET bundlondlobale ngokuhlale bexhumana njalo. Nokubonana emihlanganweni nabantu begunya lwentuthuko kazwelonke (NSA) kwandise kakhulu siphakamisa ukubonga ngezimvo nokusibona kwabo. Okokugcina, ukuhlala sazisa abasebenzi bethu kusenze thina abakwaAgriSETA sikhone ukubazisa ngenqubekela phambili futhi sithole nemibono yabo.

## Izinkinga ezibhekene neGunya elinomthwalo wokuziphendulela

Lonyaka odlule ube nezinkinga okwathi ibhodi yakwaAgriSETA yabona ukuthi kumele ihlanganise amakhanda izisombulule. Ngaphandle kokulahlekelwa umholi onesipiliyoni nekhono, izinkinga zokubusa ngendlela eqotho ziveze amakhanda lokho kuze kwadala umphathi jikelele omkhulu akhiphe isijeziso esibhekiswe komunye wama menenjane ophakeme. Akakuthandanga ukokhonjwa nalowo mphathi wafaka isikhaziso esola umphathi jikelele ngaleyo ndlela kwaba muncu ukusebenzisana enhlanganweni.

Ibhodi lahlalanga ukuzwa imivo ngokomthetho yabiza umcwaningi zimali wangaphakathi ukuba aphenye agubhe anuke imihlola futhi bese ekhipha nesijeziso esifanele. Imiphumela yalolo phenyo yasetshenziswa njengobufokisi babacwaningi bangaphakathi (ORCA). Luphothiwe uphenyo watholakala emsulwa engenacala umenenjane ophakeme icala lanuka labheca omunye umenenjane oseduzane. Wasilwa naye lowo menenja leso sinqumo sesigwebo kepha ekugcineni wanikezwa incwadi yokugcina yesixhwayiso.

Uphenyo ngesigwebo belusaphothulwa luzokwandula ukukhishwa kwesijeziso okwethenjwa ukuthi kuzoba ngokushesha maduzane nje. Njengoba kuveziwe kabanzi ezindaweni eziningi kulo mbiko, sisaqhubeka silandela umbono nenkambo esiphethe kulenhlanganiso okuwukuthi sifuna ukwenza sivule amathuba omsebenzi nentuthuko kumabhizinisi asebenza ngezolimo. Siphokophele ukubambisana sisebenzisana nababambiqhaza kwezolimo kunjalo sithuthukise ezoqeqesho nokukhula kabazi okubambekayo nokutholakala maduzane kuwo wonkana olufunayo ezingxenyeni zezolimo zokuqala nezisibili.

## Ukubhekwa kwonyaka wezimali ozayo

Unyaka ozayo ozothwasa ka 2017/2018 uzoba macishe owokugcina ibhodi elikhona elizobusa ngawo njengoba bekungokwesibili lihlezi. Umphathi omkhulu esebenzisana nomabhalane webhodi besebenza ngaphansi kweso leGunya eliphethe umnyango weziko lemfundo ephakeme ufake isikhangiso sesimemezelo somsebenzi esizoheha abantu ukuba bazogcwalisa bengene ezikhundleni beze ibhodi entsha njengomthethosisekelo obekwe uAgriSETA. Umnyango wemfundo ephakeme wafaka nesinye isikhangiso sesimemezelo sesikhundla somphathi jikelele webhodi ngoMasingana ka2016 (uDesemba).

UAgriSETA undlale obala zonke izinhlelo ezihambelana nezemali amahlelweni okuphumelela nonyaka. Ngalunye ngalunye lonke uhlelo lubekelwe izinkomba zalo ukuthi zizokuphumelela noma zizofika kanjani lapho empumelelweni. Ulwazi alumayelana nempumelelo luzoqhapheliswa nakanjalo luhlolisise ngamakota ukuze kubhekwe izinkomba ezingabhedisa uhlelo.

Ibhodi ithele inselelela kubaphathi bakwaAgriSETA, ibanikwe umsebenzi wokuthi bafune izindlela ezintsha zokuzuza imali noma kugujwe kujulwe kulezi ezivele zikhona.

### Ukuphakamisa Izibongo

Okokuqala, njengomphathi obambe isikhashana weGunya elinomthwalo wokuziphendulela sihlangene nawo wonke amalunga weGunya, ngibonga abagunyaziwe abaphathi abaphezulu kwaDHET beholwa uMhlonishwa, uDokotela B.E. Nzimande, iphiko sekela, uMhlonishwa Mnumzane M. Manana noMqondisi-Jikelele uMnumzane G. Qonde nawo wonke amalunga aphezulu omyango nabasebenzi bonke. Sizothanda ukubonga ozihlalo bonke namalunga ekomiti likaZwelonke omyango wemfundo yezinga eliphakeme noqeqesho (National Assembly Portfolio Committee on Higher Education and Training), usihlalo, amalunga ekomiti elikwethwe ukumelana nezemfundo and nezokungcebeleka, ikomiti lomkhandlu kazwelonke ezifundazweni elibhekene nefundo yezinga eliphezulu noqeqesho.

Okwesibili, ngiphakamisa izibongo kubo bonke ababambiqhaza abafake isandla ohlwelweni lwethu kwasekuqaleni saze safika emaphethelweni. Ngibala iminyango kazwelonke nowezifundaze weZolimo, amaHlathi nezoKudoba (DAFF), nomyango obhekene nezase maphandleni nokwabiwa komhlaba (DRDLR), konke ukuhleleka kwabaqashi nokwabasebenzi engxenyeni yezolimo.

Okokugcina ngizothanda ukudlulisa amazwi okubonga kumpathi osengamele sonke abaphathi bonke amazinga abo nabasebenzi bonke bakwaAgriSETA ngengalelo nangendima yonke abayidlalile ukuze njengenhlangano siphumelele ukufeza zonke izinjongo zethu.



*Mr. Mnumzane Thami Ka Plaatjie*  
*AgriSETA*  
*Umpathi Omkhulu Wesikhashana*  
*uNcwaba*  
*(Julayi) 2017*

# PEHELO KA MODULASETULO WA NAKWANA

## Selelekela ka modulasetulo wa nakwana

**Mr Thami Ka Plaatjie**  
Modulasetulo wa nakwana  
wa Accounting Authority

**Selemo sa ditšhelete se  
feletseng ka 31 March 2017  
se ne se na le diphephetso  
tsa ditsamaiso, mme  
jwale poroto ya AgriSETA  
e sa ntse e ditshohla.  
Ho tloha ka tshoganetso  
ha modulasetulo wa  
poroto, Moporofesana  
Gilingwe Mayende, e se ele  
motlatsi-khanselara wa  
Fort Hare Yunivesity, seo  
sa hlola go lahlehelwa ke  
moetapele yo hlwahloa.**

Empa lefapha la Agriculture Sector Education Training Authority (AgriSETA) le ile la leka ho fumana tlathlombo e hantle hotswa ofising ya Auditor-General South Africa (AGSA) ebile ya ba ya ntshetsa pele sepheo sa mosebetsi wo o entseng ka selemo. Ka tlasa tataiso ya poroto, baokamedi ba AgriSETA ba ile ba tswella pele ka ho ikopotsa merero ya bona e bile ba ba kgona le hore maano a ditokomane, merero le mosebetsi e ba o etsang ka selomo di tsamaelane le meralo ya National Treasury. E ile ya kgona ho etsa hore mosebetsi e ba o etsang ka selemo o tsamaelane le tekanyetso ya ditšhelete e ka tlase taolo ya National Treasury (NT) le lefapha la thuto e phahameng le dikwetliso (DHET). Tsena kaofela di entswe hore ho phethahatswe tsa mosebetsi hantle.

Selemo sa ditšhelete sa 2016/2017 se bontsha ho fella ha dilemo tse supileng tsa Accounting Authority ya setheo sekghahla sa thuto le dikwetliso (SETA). Empa letona la thuto e phahameng le dikwetliso, Dr B.E. Nzimande, o ile a eketsa nako eo ka dilemo tse pedi ho bolelang hore rena le dilemo tse dingwe tse pedi tseo re ka lebellang ditshebeletso tse ntle. Letona le

ekelleditse nako ho fihlela 2020 hore SETA e tsoselletse moralo wa yona.

### Ho lekola morero le tšhebeletso tsa SETA

Mosebetsi o AgriSETA o etsang ka selemo hona le merero e supileng. Merero eo e tla hlaloswa karolong ya B bukeng ena. Karolo B e bontsha hore na mananeo a ma kae tlase ga sepheo se seng le se seng le hore disebeditse jwang.

Karolo E bukeng ena e bontsha hore tšhelete e sebeditse jwang ka hara mokgatlo le tlhaloso ya bahlahlobi ba ditšhelete ba AGSA eya fumaneha. Ke thabetse ha e le mona ke kgona ho letsibisa hore AgriSETA e fumane tlathlombo e bokgabane hape selemong sa 2016/2017.

Sepheo sa bo raro sa AgriSETA se mabapi le dintshetsopele tsa mahaeng le dikgwebo tse nnyane. Mohlala wa mosebetsi wa sepheo sena ke ho fana ka tšhehetso dikgwebong tse nnyane. Dikgwebo tse nnyane dibohlokwa haholo ha o bua ka tsa mobu.

### Leano le dikamano

Dikamano tsa AgriSETA di ka tlasa tataiso ya dipholisi tsa ba amehang. Batho ba amehang ba beilwe tlasa mekgwa e fapaneng jwalo ka hara mokgatlo kapa kante ho mokgatlo. Mekgwa e na e hloka tlhokomelo tse fapaneng, ho ya ka hore ditlhoko tsa bona ke dife.

AgriSETA e tshwara dikopano le ba amehang ka selemo. Dikopano tsena di ile tsa tshwarelwa diporofinsing kaofela. Pele ho dikopano tsena, ba amehang ba rommellwa mangolo a hlalolang tsamaiso ya taolo ka hara SETA.

Godimo ga moo SETA e na le dipoisoano le DHET kgafetsa. Dikopano tsa bona le National Skills Authority (NSA) di e tswetse molemo haholo. Re leboha dikeletso tseo re di fumaneng ho tswa ho NSA. Kopano tsa rona tsa mehla le basebetsi mmoho ba SETA e ile ya re thusa hore re arolelane tsebo ka tsa mosebetsi.

### Diphephetso tse tobaneng le Accounting Authority

Selemo se fetileng sa ditšhelete, SETA ile ya kopana le diphephetso empa poroto e ikemiseditse ho di rarolla. Ka mora hoba e lahlehelwe ke moetapele ya hlwahlwa ya ba diphephetso tsa tataiso di a hlaha. Diphephetso tsena di ne di bakwa ke ha ofisiri ya phethahatso e ka sehlohong (CEO) e ne e batla ho bula nyewe ya kgalemo kgahlano le e mong wa baokamedi. Yaba mookamedi ona le yena a bula nyewe ya tletlebo kgahlano le CEO, ka mora moo ya ba taba ha di fele, ba

supana ka menwana. Seo se ile sa etsa hore maemo a mosebetsing a fetohle.

Poroto e ile ya ilo batla keletso ho maqwetha. Ka morago ga moo poroto ya kopa moqolotsi wa dibuka a ka hara khamphani a fuputse se etsahetseng mme ha a qeta a bule nyewe ya kgalemo. Sephetho sa diphuphutso se ile sa qala tlhahlobo ya dipatlisiso tse ileng tsa etswa ke baqolotsi ba dibuka ba Outsourced Risk le Compliance Assessment (Pty) Ltd (ORCA). Mookamedi e mong o ile a fumanwa a se molato empa o mong o ile a fumanwa a le molato. Mookamedi e ho itsweng o molato o ile a etsa boipiletso kgahlano le diqeto tse nkuweng. Ka mora boipiletso o ile a fumana hlokomediso e ngotsweng.

Ho santse ho nkuwa diqeto ka diphuphutso le lengolo la tefiso, ka mora moo ho tla kena nyewe ya kgalemo. Re tshepa hore diqeto tsena di tla etswa ka pele.

Ka hara buka e na o tla fumana merero e mengata e mabapi le dipono tsa mokgatlo wa rona. Re ikemiseditse ho fana ka mesebetsi le ho kgothalletsa ba bang ho eketsa mesebetsi. Re batla ho bona moruo hara dikgwebo tsa temo. Re tlo sebetsa le mang kapa mang a amehang tabeng tsa ditemo. Re tla ba kwetiisa moo ho hlokalang.

### Selemo sa ditšhelete se tlang

Selemo sa ditšhelete sa 2017/2018 e tla be e le sa ho qetela re ntse re na le poroto e na. CEO, ka tlasa tataiso ya batsamaise ba DHET, o ntshitse phatlalatsa e batlang dintho tsa poroto tlasa motheo wa SETA. DHET le yona e ile ya ntsha phatlalatsa e batlang modulasetulo wa poroto ka kgwedi ya Tshitwe selemong sa 2016. Baokamedi ba SETA ba santse ba emetse sephetho sa tšhebetso eo.

Merero ya AgriSETA e tsamaellana le ditekanyetso tsa ditšhelete tsa mananeo a mosebetsi. Sephetho se seng le se seng se na le mohlala wa hore se sebeditse jwang. Tlhahiso leseding e na e hlahlojwa ka kotara ho sheba hore ke dibaka difeng tse sa sebetsang hantle.

Poroto ya SETA e ile ya kopa baokamedi ba batle maano a ho etsa mokgatlo tšhelete ka ho sheba mekgwa e metjha ya ho etsa tšhelete kapa ka ho sheba hore naa tšhelete e se ntse e le teng ba ka e hodisa jwang.

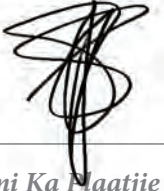
### Diteboho

Jwale ka ha ke le modulasetulo wa nakwana, ke bua lebitsong laka le la dintho tsa Accounting Authority ha ke re ke leboha batsamaise ba DHET ba etetsweng pele ke letona la DHET, mohlomphehi Dr. B. E. Nzimande,

motlatsi wa hae, mohlomphehi Mr M. Manana, motsamaisi-kakaretso, MR G. Qonde, baokamedi ba bang ba phahameng ba lefapha le basebetsi. Re leboha le badulasetulo le ditho tsa potefolio komiti ya National Assembly ya lefapha la thuto tse phahameng le dikwetliso, le badulasetulo le ditho tsa komiti ya thuto le boithabiso le komiti ya National Council ya Provinces a sebetsang ka tsa thuto e phahameng le dikwetliso.

Ke lebohe le mafapha a tsa temo, meru le ditlhapi (DAFF), dintshetsopele tsa mahaeng le tsa pethoho ya mobu (DRDLR), naha kaofela, le basebetsi ba sebetsang ka tsa temo.

Ke qetelle ka ho leboha CEO, balaodi le basebetsi ba AgriSETA ha e le mona ba sebeditse ka thata ho phetisa merero ya mokgatlo.



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*Mr Thami Ka Maatjie*

*AgriSETA*

*Modulasetulo wa nakwana*

*July 2017*



**Mr Jeremiah (Jerry) Madiba**  
Chief Executive Officer

## CHIEF EXECUTIVE OFFICER'S OVERVIEW

### • General financial review of the public entity

Contrary to a business with the sole purpose of growing shareholders' wealth through increased profits, AgriSETA exists purely to provide a service within the post-school education and training arena of the agricultural economy sector. The objective of its financial reporting is to provide users with information on how efficiently and effectively the allocated resources are used by the Accounting Authority.

It is also with great pleasure that I report that AgriSETA has once more achieved an unqualified audit opinion, being a financially unqualified audit opinion. The Auditor-General of South Africa (AGSA) audited the organisation in respect of three aspects, namely its financial statements, predetermined objectives (non-finance performance information as set out in the strategic planning documents such as the Strategic Plan, Annual Performance Plan (APP) and the Sector Skills Plan (SSP) and its compliance with legislation. A challenge that remains is reporting on performance in skills delivery.

The 2016/17 budget approved by our Executive Authority was R349 900 million. The management collected actual revenue of R375 831 million, achieving a favourable variance of R2 405 million compared to the previous financial year's actual collected revenue of R373 426 million. This represents an increase in total revenue of 0.6%. The bulk of the increase was as a result of increased levy income from participating employers and departments (revenue from non-exchange transactions).

Going forward, revenue collection and identifying all possible revenue streams will be a priority, so it is able to fulfil its mandate. This exercise started in the new financial year. AgriSETA's income consists of revenue from non-exchange transactions, which amounted to R351 834 compared to R353 869 million in 2015/16 and revenue from exchange transactions totalling R23 997 million compared to R19 557 million in 2015/16.

The total expenditure was R336 153 million versus total revenue of R375 831 million, resulting in a surplus of R39 678 million. Eighty-six percent of total expenditure was for employer grants and project expenditure, while 9% went towards general expenses, followed by 5% for employee costs.

AgriSETA's statement of position assets are represented by non-current assets in the form of buildings, cash and cash equivalents (current assets). It is worth noting that the National Skills Fund (NSF) debtor is receiving urgent attention from management. As we present the report, a payment of R13 million has been received. The bank balance is represented by the commitment schedule's total balance of R228 619 million (see note No. 25).

The organisation continues to implement accounting policies and notes in compliance with the Accounting Standard Board (ASB) policies as set out in the Annual Financial Statements' presentation section.

### • Spending trends of the public entity

I can confirm that the SETA's core business operations are directed towards supporting and improving the post-education and training opportunities within the agricultural sector. All its expenditure is aligned to the Annual Performance Plan's (APP) stipulated performance indicators and targets.

In most SETAs, the largest expenditure item is the project expense (relating to payments to training providers) as SETAs do not conduct the training themselves. This includes payments to public Technical Vocational Education and Training (TVET) colleges and private TVET colleges for all learning interventions that learners are trained in. It is also worth noting that the SETA supports rural structures for mentoring, the placement of students and the Farm together for co-operatives programme.

AgriSETA's distribution of expenditure line items is consistent with large SETAs that are generally considered well performing (in terms of audit opinion

expressed). Following the project expenses, its general expenses and employee costs, this pattern is also evident in the few SETAs considered to be best performing.

### • Capacity constraints and challenges facing the public entity

The going concern status of all SETAs will continue to be a key focus and challenge until the end of the current SETA lifespan on 31 March 2018. However, it is worth noting that the DHET has extended the current SETA landscape to March 2020 for its current 21 SETAs. The extension gives an assurance of continued roll-out of programmes until then. There is, however, a need to establish the SETAs as permanent structures to promote certainty and provide assurance to the SETA personnel. The proposed SETA landscape has caused unintended anxiety and fears among current and potential staff, which has made it difficult to retain and attract staff.

However, we 'soldier on' until the proposed SETA landscape is finalised, knowing that change is inevitable and we need to be adaptable. We take comfort knowing that Charles Darwin said: "It is not the strongest of the species that survives, nor the most intelligent, but the ones most responsive to change". AgriSETA appreciates the opportunity the extension gives it to continue serving the agricultural sector through skills development initiatives.

One of the challenges experienced by AgriSETA is the process of training in occupational qualifications registered with the Quality Council for Trades and Occupation (QCTO). It would be helpful to pronounce on the process of roll-out of QCTO aligned training.

Revenue collection and the identification of new revenue streams remains a huge challenge for the finance department, which is supported by my office. AgriSETA's business operations cover a very big and critical sector of the South African economy, which is also essential for food security. Yet the revenue from levies deducted from rural development (especially the new Land Reform recipients) is very minimal compared to that of other SETAs, due to the low wage bill of this economic sector. The main challenge is to penetrate the existing industry, including the public sector, and establish how we can grow the revenue through aggressive collection.

As mentioned, identifying new levy participating employers, especially within the private and public institutions, will be

a main focus of the finance department supported by management. Entering into relationships with key stakeholders has also created new streams of revenue, which has assisted in terms of funding some of our funding projects. For the current financial year, Unemployment Insurance Fund (UIF) partnerships have provided additional money for training and provincial departments of Agriculture and Land Reform have raised the bar in their levies contribution to the SETA.

Stakeholder analysis and management remains a challenge for the organisation; we are continuously seeking ways to improve. Stakeholders are critical to the success of the SETA and acknowledging the different categories of stakeholders helps to manage their different interests and capabilities even better. This strategy is implemented and managed by the office of the CEO.

Increasing our visibility and delivery of service within the core rural areas of the country, especially where most of the participating employers are located, remains a strategic objective for the organisation. It is for this reason that AgriSETA went about its strategy development by setting strategic objectives that are supported by performance indicators and performance targets.

Seeking new qualifications and developing them to address the constant changes in the agricultural industry remains a key focus area of AgriSETA's Education Training and Quality Assurance (ETQA) department. In this regard, it has developed more qualifications in line with the occupational model of the QCTO and an increasing number of its agricultural stakeholders and commodities are participating. We have also seen an increase in Work Integrated Learning (WIL) participation by stakeholders, in particular TVET Colleges and Agricultural Colleges.

### • Discontinued activities / activities to be discontinued

There are no activities that will be discontinued in the coming year or that were discontinued in the current financial year. AgriSETA is still guided by legislation and policies developed by the Department of Higher Education and Training (DHET).

### • New or proposed activities

Implementation of Recognition of Prior Learning (RPL) remains a key activity. Six colleges of agriculture are participating in a roll-out of RPL with a view to assisting rural communities and commodity organisations to participate.

This is guided by the fact that one finds employees with a low level of literacy in the Agricultural Sector, yet some of them are highly skilled. The SETA is also involved with the UIF in training rural communities through agricultural skills development initiatives (Skills Programmes, Learnerships and Farm together).

### • Requests for rollover of funds

A letter requesting the retention of surplus funds has been sent to National Treasury. Uncommitted funds amounted to R67 282 million in the current year.

### • Supply Chain Management (SCM)

AgriSETA acknowledges that proper and successful procurement rests upon certain core principles of behaviour — the Five Pillars of Procurement. They are best described as pillars because if any one of them does not function, the procurement system fails. These five pillars are:

- Value for Money
- Open and Effective Competition
- Ethics and Fair Dealing
- Accountability and Reporting
- Equity

AgriSETA endeavours to reduce the level of deviations in the future by continuously developing the SCM systems (particularly personnel) to ensure that quality goods and services continue to be fairly, cost-effectively, equitably, competitively and transparently procured.

The following were achieved for the year:

- Continued development of the provisioning system to be more effective by using computer software (i.e. *Flowcentric*) from quotation requests until closing of invoice(s) for payment.
- Integration of the *Flowcentric* with the Central Supplier Database (CSD) with effect from 1 September 2016 to ensure that AgriSETA transacts only with suppliers that have been effectively vetted by National Treasury.
- The management of 39 SCM contracts amounting to R25 million during the year whose counterparties operate their business enterprises within the province.
- Adoption and integration of all the applicable National Treasury SCM instructions during the year and implementation of all the guidelines and circulars issued during the year.

- Amendment of the AgriSETA SCM Policy and Procedures to give effect to the norms and standards issued by National Treasury.

I, as the accounting officer, strategically supports the Accounting Authority (board) in managing the SCM governance framework, including its design, development and implementation, monitoring and evaluation of compliance.

Through the office of Manager: Finance and SCM, the organisation continuously updates its SCM policy with the legislation applicable to procurement and National Treasury, Instructions, Notes, Circulars and Guidelines. This includes utilisation of the Central Supplier Database (CSD) as opposed to an internal supplier database, in terms of National Treasury circular No. 3 of 2015/2016.

### • Events after the reporting date

It is worth noting that Regulation 3 (12) of the Sector Education and Training Authorities (SETA) Grant Regulation is still being considered by the courts. This relates to the mandatory grant being reduced to 20%. However, the DHET directive to all SETAs is that we maintain the status quo.

A new proposed SETA landscape is being considered by the Executive Authority with all other statutory structures.

### • Economic viability

The SETA remains a viable entity with levies received regularly and continues to fulfil its mandate of skills development.

### • Acknowledgements

It is both rewarding and humbling to be a part of such a remarkable organisation. I have absolute faith that AgriSETA will continue to positively contribute to reshaping the agricultural sector in South Africa through the dedication, passion and innovative spirit of all of us at the SETA.

I would like to acknowledge the AgriSETA Accounting Authority for its commendable work as well as its unwavering support and leadership. I would also like to recognise the Accounting Authority for its willingness and desire to leave a legacy in the SETA. In their book *Your Leadership Legacy*, Galford and Maruca explain legacy not as a matter of behaviour or a report card, but in terms of how your colleagues, employers and others think and behave as a result of the time they have spent with you. In the agricultural sector, the measure of making a lasting impact is then the behaviour of recipients after they have completed training; whether

they deliver more production, better quality production or run more vibrant cooperatives. This is the extent of the impact of your leadership.

AgriSETA appreciates the sterling leadership of Professor Mayende, who left the SETA at the end of July 2016 to assume a leadership role at the University of Fort Hare. Mr. Thami Ka Plaatjie, who took up the baton in the acting capacity, is acknowledged and appreciated. Furthermore, the Accounting Authority ensured that the SETA performed well, despite having to align with new NSDS III targets, demonstrating tireless effort and dedication in delivering on national imperatives.

I would like to extend a special word of gratitude to our levy payers for entrusting us with their funds and co-championing skills development for the agricultural sector. To our service providers, we appreciate the seriousness with which you continue to deliver the skills needed in the sector on behalf of the SETA.

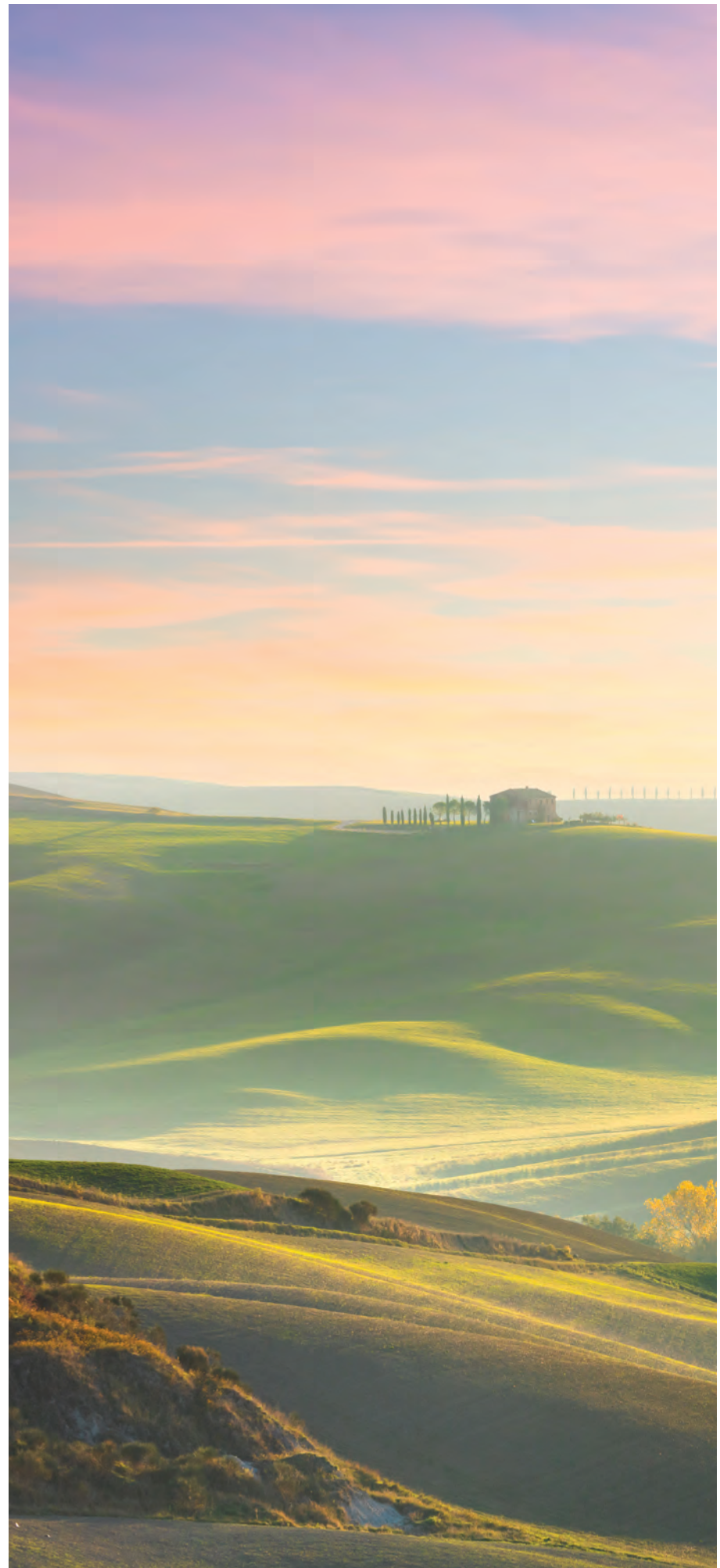
To all our staff at AgriSETA, I am overwhelmed by the motivation, positive attitude and estimable conduct you have exhibited in ensuring the SETA's success.

To all our stakeholders, including the national and local government departments we work with, thank you for your professionalism and the amicable working relationship you have fostered with AgriSETA.



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**Mr Jeremiah (Jerry) Madiba**  
**AgriSETA**  
**Chief Executive Officer**  
**July 2017**





# HOOF UITVOERENDE BEAMPTSE OORSIG

**Mnr. Jeremiah (Jerry) Madiba**  
Hoof-uitvoerende Beampte

## • Algemene finansiële oorsig van die openbare instansie

In teenstelling met 'n besigheid wat se enkele doelwit is om aandeelhouers se rykdom deur hoër winste te groei, bestaan AgriSETA slegs om 'n diens te lewer binne die na-skoolse onderwys en opleiding arena van die landbousektor. Die doel van die instansie se finansiële verslaggewing is om gebruikers in te lig oor die mate waarin die toegekende hulpbronne effektief deur die Rekeningkundige Owerheid aangewend word.

Dit is ook met groot genoegdoening dat ek bekend maak dat AgriSETA weereens 'n ongekwalifiseerde finansiële ouditmening behaal het. Die Ouditeur-generaal Suid-Afrika het 'n audit uitgevoer op drie aspekte van die organisasie: die finansiële state, voorafbepaalde doelstellings (nie-finansiële prestasie inligting vervat in strategiese beplanningsdokumente soos die Strategiese Plan, Jaarlikse Prestasieplan en die Sektor Vaardigheidsplan), en die instansie se voldoening aan wetgewing. Verslaggewing oor die instansie se prestasie rakende die aflewering van vaardighede is steeds 'n uitdaging.

Die 2016/2017 begroting wat deur ons Uitvoerende Owerheid goedgekeur is, is R349 900 miljoen. Die bestuur het werklike inkomste van R375 831 miljoen ingevorder – 'n positiewe verskil van R2 405 miljoen in vergelyking met die vorige finansiële jaar se werklike inkomste van R373 426 miljoen. Dit verteenwoordig 'n 0.6% verhoging in totale inkomste. Die hoër inkomste word hoofsaaklik toegeskryf aan 'n groter heffingsinkomste wat van deelnemende werkgewers en departemente ontvang is (inkomste van nie-ruiltransaksies).

Die invordering van inkomste en die identifisering van alle moontlike bronne van inkomste sal in die toekomst 'n prioriteit wees, sodat die instansie in staat is om sy mandaat uit te voer. Die poging het reeds in die nuwe finansiële jaar begin. AgriSETA se inkomste bestaan uit inkomste van nie-ruiltransaksies

van R351 834 miljoen in vergelyking met R353 869 miljoen in 2015/16, en inkomste van ruiltransaksies van R23 997 miljoen in vergelyking met R19 557 miljoen in 2015/16.

Die totale uitgawes van R336 153 miljoen, teenoor die totale inkomste van R375 831 miljoen, het die resultaat van 'n R39 678 miljoen surplus gelewer. Agt-en-sestig persent van totale uitgawes was aan werkgewertoelae en projekuitgawes, terwyl 9% aangewend is vir algemene uitgawes en 5% vir werknemerskoste.

AgriSETA se verklaring van posisiebates bestaan uit nie-bedryfsbates soos geboue, kontant en kontantekwivalente (huidige bates). Dit is belangrik om te verklaar dat die Nasionale Opleidingsfonds skuldenaar dringende aandag van die bestuur ontvang. 'n Betaling van R13 miljoen is juis ontvang ten tyde van die voorlegging van die verslag. Die bankbalans reflekteer die betaalbare-skedule se totale balans van R228 619 miljoen (sien nota Nr 25).

Die organisasie gaan voort om rekenkundige beleide en notas in werking te stel wat ooreenstem met die beleide van die Raad van Rekeningkundige Standaard, soos vervat in die voorleggingsafdeling van die Jaarlikse Finansiële State.

## Tendense in uitgawes van die openbare organisasie

Ek kan bevestig dat die SETA se kern besigheidsaktiwiteite daarop toegespits is om die na-skoolse onderwys en opleidingsgeleenthede in die landbousektor te ondersteun. Al die instansie se uitgawes stem ooreen met die gestipuleerde prestasie-aanwysers en prestasieteikens in die JPP.

Die meeste SETAs se grootste uitgawe-item is die projekuitgawes wat verband hou met betalings aan opleidingsverskaffers, aangesien SETAs nie self die opleiding behartig nie. Dit sluit in betalings aan openbare en privaat Tegniese Beroepsgeoriënteerde Opleidingkolleges vir alle leerprogramme wat aangebied word. Dit is ook belangrik om by te voeg dat die SETA landelike mentor-strukture, sowel as die plasing van studente en die Farm Together for Co-operatives (Boer Saam vir Koöperatiewe) program ondersteun.

AgriSETA se lyn-items van uitgawes stem ooreen met die van groot SETAs wat oor die algemeen as goeie presteerders gesien word (ingevoelge ouditeursmenings).

## • Beperkings en uitdagings van die openbare instansie

Die status van alle SETAs as lopende sake sal tot die einde van die huidige SETA lewensduur op 31 Maart 2018 'n kern fokuspunt en uitdaging wees. Maar dit is belangrik om te let daarop dat die Departement van Hoër Onderwys en Opleiding (DHOO) die huidige SETA landskap vir die bestaande 21 SETAs tot Maart 2020 uitgestel het. Die verlenging van die landskap gee die versekering dat programme tot dan aangebied sal word.

Daar is egter steeds 'n behoefte om die SETAs as permanente strukture te vestig om sekerheid aan die SETA personeel te gee. Die huidige SETA landskap het onbedoeld angs en vrees in huidige en voornemende personeel veroorsaak, wat dit moeilik maak om personeel te behou en te vind.

Ons gaan egter voort met die werk tot die voorgestelde SETA landskap gefinaliseer is, met die wete dat verandering onafwendbaar is en dat ons aanpasbaar moet wees. Ons vind ook troos in die aanhaling van Charles Darwin: *It is not the strongest of the species that survives, nor the most intelligent, but the ones most responsive to change.* AgriSETA waardeer die geleentheid om voort te gaan om die landbousektor deur vaardigheidsontwikkeling-inisiatiewe te dien.

Een van die uitdagings wat AgriSETA ondervind het, is die proses van opleiding aan die hand van beroeps-kwalifikasies wat by die QCTO (Quality Council for Trades and Occupation) geregistreer is. Die bekendmaking van die wyse waarop QCTO-gerigte opleiding sal plaasvind, sou van hulp wees.

Die invordering van inkomste en die identifikasie van nuwe bronne van inkomste is steeds 'n groot uitdaging vir die finansies departement aan wie my kantoor ondersteuning verleen. AgriSETA se besigheidsaktiwiteite dek 'n groot en kritiese sektor van die Suid-Afrikaanse ekonomie wat ook krities is vir voedselsekureit. Tog is die inkomste van heffings wat afgetrek word van landelike ontwikkeling baie min in vergelyking met die van ander SETAs, as gevolg van die lae loonrekening van die ekonomiese sektor. Die grootste uitdaging is om die bestaande industrie, insluitend die openbare sektor, te penetreer en vas te stel hoe ons die instansie se inkomste deur agressiewe invordering kan groei.

Soos genoem, die identifikasie van nuwe werkgewers wat heffings bydrae, veral binne publieke en privaatinstansies, sal 'n groot prioriteit van die finansies departement wees. Ons het ook verhoudings met sleutelbelanghebbendes aangegaan wat nuwe strome van inkomste geskep

het en gehelp het met die befondsing van sommige befondsingsprojekte. Werkloosheidsversekeringsfonds vennootskappe het in die finansiële jaar addisionele fondse vir opleiding verskaf en die provinsiale departemente van landbou en grondhervorming het die standaard verhoog wat hulle heffingsbydraes betref.

Die analisering en bestuur van belanghebbendes is steeds 'n uitdaging vir die organisasie; ons ondersoek aanhoudend maniere om hierin te verbeter. Belanghebbendes is krities vir ons sukses en die erkenning van die verskillende kategorieë van belanghebbendes help om hul verskillende belange en vermoëns beter te bestuur. Die strategie word deur die kantoor van die Hoof-uitvoerende Beampte geïmplementeer en bestuur.

Dit bly die organisasie se strategiese doelwit om sy sigbaarheid en dienslewering te verhoog, veral in die areas waar die meeste deelnemende werkgewers woon. AgriSETA het om die rede sy strategiese ontwikkeling benader deur strategiese doelwitte te stel wat deur prestasie-aanwysers en prestasieteikens gerugsteun word.

Dit bly verder 'n kern prioriteit van AgriSETA se ETQA (Education, Training and Quality Authority) om nuwe kwalifikasies te vind en te ontwikkel om die aanhoudende veranderinge in die landbou-industrie aan te spreek. In die opsig het die instansie meer kwalifikasies volgens die beroeps-model van die QCTO ontwikkel, wat gelei het tot die deelname van 'n toenemende aantal van sy landbou-belanghebbendes en kommoditeite. Ons het ook 'n toename ondervind in belanghebbendes se deelname aan geïntegreerde beroepsopleiding, veral aan Tegniese Beroepsgeoriënteerde Opleidingskolleges en Landbou Kolleges.

### • **Gestaakte aktiwiteite/ aktiwiteite wat gestaak sal word**

Daar is geen aktiwiteite wat in die komende jaar gestaak sal word of wat in die huidige finansiële jaar gestaak is nie. AgriSETA word steeds gelei deur wetgewing en beleide wat deur die Departement van Hoër Onderwys en Opleiding ontwikkel is.

### • **Nuwe of voorgestelde aktiwiteite**

Die implementering van die Erkenning van Vorige Leer (EVL) is steeds 'n kern aktiwiteit. Ses landbou kolleges neem deel in die uitrol van 'n EVL program, met die doel om landelike gemeenskappe en kommoditeitsorganisasies te help om deel te neem. Dit word gedryf deur

die feit dat daar in die landbousektor werknemers is wat 'n lae vlak van geletterdheid, maar wel hoë vlak van vaardigheid het. Die SETA is ook saam met die Werkloosheidsversekeringsfonds betrokke by die opleiding van landelike gemeenskappe deur landbouvaardigheidsontwikkelingsinisiatiewe (Vaardigheidsprogramme, Leerlingskappe en Boer Saam (Farm together).

### • **Versoeke vir oordrag van fondse**

'n Brief wat versoek dat surplus fondse behou word, is aan die Nasionale Tesourie gestuur. Ongebonde fondse het in die huidige jaar R67 282 miljoen beloop.

### • **Bestuur van dienslewaars en verskaffers**

AgriSETA erken dat behoorlike en suksesvolle aankope van dienste op sekere kern beginsels berus – die Vyf Pilare van Aankope. Die pilare word as sulks beskryf, want elkeen moet funksioneer voordat die aankoopstelsel doeltreffend is. Die vyf pilare is:

- Waarde vir Geld
- Oop en Doeltreffende Kompetisie
- Etiek en Regverdige Optrede
- Verantwoordbaarheid en Verslagdoening
- Gelykheid

AgriSETA streef daarna om die voorkoms van afwykings in die toekoms te verlaag deur die bestuurstelsel van die diensteverskaffer-netwerk deurentyd te ontwikkel. Dit sal verseker dat goedere en dienste van hoë kwaliteit steeds op 'n regverdige, koste-effektiewe, gelyke, kompeterende en deursigtige manier verkry word.

Die volgende is bereik vir die jaar:

- Volgehoute ontwikkeling van die verskafferstelsel om meer effektief te wees, deur die gebruik van rekenaarsagteware (bv. *Flowcentric*) vanaf die uitreik van versoeke vir kwotasies tot die sluiting van fakture vir betaling.
- Integrasie van die *Flowcentric* met die sentrale verskaffersdatabasis met effek van 1 September 2016, om te verseker dat AgriSETA slegs sake doen met verskaffers wat deur die Nasionale Tesourie gekeur is.
- Die bestuur van 38 diensteverskafferskontrakte ter waarde van R25 miljoen waarvan die teenpartye hul besighede binne die provinsie bedryf.
- Die aanneem en integrasie van al die toepaslike Nasionale Tesourie

instruksies vir die bestuur van diensteverskaffers gedurende die jaar en die implementering van al die voorskrifte en skrywes wat deur die jaar uitgereik is.

- Wysiging van die AgriSETA se verskaffingsnetwerk-bestuursbeleid en prosedures om die norme en standaarde toe te pas wat deur die Nasionale Tesourie uitgereik is.

As die rekenkundige beampte, ondersteun ek die Rekenkundige Owerheid in die bestuur van die verskaffingsnetwerk se reguleringsraamwerk. Dit sluit in die ontwerp, ontwikkeling en implementering, monitoring en evaluasie van die organisasie se nakoming daarvan.

Die instansie dateer sy verskaffingsnetwerk-bestuursbeleid aanhoudend op deur die kantoor van die Bestuurder: Finansies en Verskaffingsnetwerk-bestuur. Dit word gedoen aan die hand van wetgewing toepaslik tot verkryging en die Nasionale Tesourie se instruksies, notas, skrywes en voorskrifte. Verder sluit dit die gebruik van die sentrale verskaffersdatabasis teenoor 'n interne verskaffersdatabasis in, ingevolge die Nasionale Tesourie se skrywe Nr 3 van 2015/2016.

### • **Gebeure na die rapporteringsdatum**

Dit is belangrik om daarop te let dat Regulasie 3 (12) van die Sektorale Onderwys en Opleidingsowerheid (SETA) se subsidie-regulasies steeds deur die howe beoordeel word.

Die saak handel oor die 20% vermindering van die verpligtende subsidie. Intussen het die Departement van Hoër Onderwys en Opleiding opdrag gegee dat alle SETAs die huidige stand van sake volg.

'n Nuwe voorgestelde SETA landskap word deur die Uitvoerende Gesag oorweeg, in medewerking met al die statutêre owerhede.

### • **Ekonomiese lewensvatbaarheid**

Die SETA is steeds 'n lewensvatbare instansie wat gereeld heffings ontvang en voortgaan om sy mandaat van vaardigheidsontwikkeling uit te voer.

### • **Dankseggings**

Dit is lonend om deel van so 'n merkwaardige organisasie te wees, maar dit maak 'n mens ook nederig. Ek glo absoluut dat AgriSETA sal voortgaan om 'n positiewe bydrae te lewer tot die hervorming van die landbousektor in Suid-Afrika met die toewyding, passie

en innoverende gees van ons almal verbonde aan die SETA.

Ek wil graag die AgriSETA Rekenkundige Owerheid bedank vir die instansie se prysenswaardige werk, sowel as sy voortdurende ondersteuning en leierskap. Ek wil ook die Rekenkundige Owerheid bedank vir sy bereidwilligheid en begeerte om 'n nalatenskap in die SETA te laat. In die boek met die titel van *Your Leadership Legacy*, sê Galford en Maruca dat nalatenskap gedefinieer moet word as die wyse waarop ander dink en optree as gevolg van die tyd wat hulle saam met jou spandeer het. In die landbou sektor kan nalatenskap dan gesien word in die lig van die gedrag van leerders nadat hulle opleiding ontvang het: die lewering van hoër produksie, beter kwaliteit produksie en die bestuur van meer dinamiese koöperatiewe. Die impak van julle leierskap kan so ver strek.

Die Rekenkundige Owerheid het verder verseker dat die SETA 'n goeie vertoning lewer, ten spyte van die feit dat die instansie homself na die doelwitte van die nuwe Nasionale Vaardigheidsontwikkeling strategie moes rig. Die owerheid het daarmee sy meendoënlose werk en toewyding aan die aflewering van nasionale prioriteite bewys.

Ek wil 'n spesiale woord van dankbaarheid uitspreek aan diegene wat heffings betaal vir hulle vertroue en bydrae to vaardigheidsontwikkeling in die landbousektor. Aan ons diensverskaffers – ons waardeer die erns waarmee julle namens die SETA aanhou om die vaardighede af te lewer wat die sektor nodig het.

Aan al ons personeel by AgriSETA, ek is oorweldig deur die motivering, positiewe houding en eerbare gedrag wat julle bewys om die SETA se sukses te verseker.

Aan al ons belanghebbendes, insluitend die nasionale en plaaslike regeringsdepartemente saam met wie ons werk, dankie vir die professionele en vriendelike werksverhouding wat julle met AgriSETA handhaaf.




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***Mnr Jeremiah (Jerry) Madiba***  
***AgriSETA***  
***Hoof Uitvoerende Beampte***  
***July 2017***

# IQOQO ELIBALULEKILE ELIVELA KUMPHATHI OMKHULU

**Mnumzane Jeremiah (Jerry Madiba)**  
Umphathi Omkhulu

## • Ukuhlaziywa jikelele nokuhlolwa kwezimali zenkonzo yomphakathi

Amabhezini aziwa ngokufuna ukuzalela abaphathimqambi babo inzuzo nomnotho, UAgriSETA yena wehlukile ngoba eyabo inzuzo unikeza ngayo ethuthukisa imfundo kwabaqede isikole nokubaqeqesha ngokwenzeka ngezolimo. Inhlalo yalombiko ukunika incazelo ezonceda ngokubonisa ukuphathwa nokusetshenziswa kahle kwezimali neGunya elinomthwalo wokuziphendulela.

Kuyangithokozisa ukunibikela ukuthi uAgriSETA uphinde wathola ukuhlolwa okungenasici abacwaningi bezimali. Uncwaningi zimali jikelele uhlolisise ecwaninga lezi zinto ezintathu; izitatimende zezimali, izinhloso ezibekiwe ngaphambilini (imibiko ebhaliwe phansi yemiphumela engahlangene nezezimali ehlelwe kabanzi enjengo Hlelo lwendlela eyaphambili, Uhlelo lonyaka lwemiphumela (APP), nohlelo lokuqeqesha (SSP), nokuvumelana kwalo nezomthetho.

Onyakeni ka 2016/17 izimali ezivunyelwe ukwabiwa iGunya Labaphathi zaba izigidi ezingu R349 900. Abaphathi bakoleke inzuzo yomvuso ongangezigi ezingu R375 831, imali ithe xaxa yakhuphuka ngezigi ezingu R2 405 uma iqhathaniswa nemali ekolekwe ngonyaka odlule ebeyizigidi ezingu R373 426. Ikhuphuke ngamaphesenti angu 0.6% ngokubalwa seyihlangene yonke. Iimbangela enkulu yokwenyuka yintela yeholo lamalevi elikolekwe kubasebenzi naseminyango eminye (izimali ezivela ekuthengiselaneni okungashintsheki)

Uma sesiyaphambili, ukukolekwa kwezimali nokubheka izintuba ezingangenisa imali kuzoba mqoka kakhulu sizokhona ukufeza esibekelwe khona. Lolu hlelo luqaliswe enyakeni wezimali omusha. Inzuzo yeAgriSETA iqhamuke izimalini ezivela ekuthengiselaneni okungashintsheki eyizigidi ezingu R351 834 eqhathaniswa noR353 869 ngonyaka ka 2015/16

nenzuzo evela ekuthengiseni okushintshekayo isihlangene yaba yizigidi ezingu R23 997 uma iqhathaniswa no R19 557 wonyaka ka 2015/16.

Imali esetshenziwe isiyonke ibe izigidi enzingu R336 153 uma iqhathaniswa nenzuzo engenile eyizigidi ezinguR375 831 lokho kwasho ukuthi kukhona imali esalayo ngaphezulu eyinani eliyizigidi ezingu R39 678. Amaphesenti angamashumi ayisishiyagalombili (86%) ezimali zonke ezisetshenziwe abhekane nezindleko zabaqashi nokhuqhuba umsebenzi kwase kuthi amaphesenti ayisishiyagalombili (9%) abhekane nezindleko ezijwayelekile kulandelwa amaphesenti amahlanu abhekane (5%) nezindleko zabasebenzi.

Isitatimende sikaAgriSETA sikhombisa izimpahla eziphathekayo ezinjengama bhilidi, imali nokufaniswa nemali ephathekayo. Nibhekisise izikweletu ezihlangene nesitsha sokuqeqesha kazwelonke siyacilongwa ngabaphathi. Njengoba sininika lombiko, imali engangenani lezigidi zika R13 000 isingenile ebhange. Ibhalsani ebhange ikhonjiswa isihlangene yonke ibikiwe iyizigidi ezingu R228 619 (bukeza lapho umbiko No. 25).

Lenhlangano izimisele ngokuqhubeka igcwalise amapholisi nemibiko evumelana neBhodi Eliqondisa ngama-Akhawunti (ASB) ngoba isohlelweni lapho kubonisa khona izitatimende ngezizimali zonyaka nonyaka.

## • Indlela eyinkomba zokusetshenziswa kwezimali yomphakathi

Nginyaqinisekisa ukuthi udaba olukhulu uSETA abhekane nalo ukusekela nokuphucukisa imfundo yezinga elithe ukuphakama namathuba oqeqesho kwezolimo. Zonke izimali ezizochithwa zingumaqondana ngengoba kuchaziwe ohlelweni lonyaka lwemiphumela ebekiwe (APP) nezinjongo.

Kubo bonke oSETAs, imali eningi ichithelwa izindleko zokuqhuba umsebenzi (zokubhadala abahlizeki bokuqeqesha) njengoba inhlangano ayiziqeqesheli yona iqasha abangaphandle. Kuhlenganisa izimali eziphuma ziyobhadala amakolishi nezindawo ezivulelwe umphakathi wonke (TVET) namakolishi angasese ezemfundo yokuqeqeshela umsebenzi wezandla nezinye izinhlelo ezincedisa abaqeqeshi.

UAgriSETA ubona ukwahlukwaniswa ngokulingana kwezimali kuyahambisana namanye amaSETAs amakhudlwana okuthiwa anemiphumela emihle (ngokubekwa kombono ngabacwaningi zimali). Ukulandela izindleko zokuqhuba

umsebenzi, izindleko ezijwayelekile nezindleko zabasebenzi, lomlinganis ulandela ufanise nabanye oSETAs okuthiwa bakhombisa impumelelo.

## • Ukusweleka kwezandla nezingqinamba ezithinta inkonzo yomphakathi

Ukukhathazeka ngenhlalakahle yawo wonke oSETAs kusazoqhubeka kube yindaba esemlonyeni kuze kufike isikhathi samaphethelo kule SETA kuze kube ngomhlaka 31 kuMbaso 2018 (uMashi). Makwaziwe ukuthi uDHET usekhulise isikhathi sokuphila kumaSETA angamashumi amabili nakunye (21) kuhlehliselwe kuze kube wuMbaso ka2020 (uMashi 2020). Ukulehliswa lokhu kunika isiqiniseko kokuqhubeka kwezinhlelo ezibekiwe kuze kufike leso sikhathi. Kunesidingo sokuthi ukusungulwa kwamaSETA kume kungapheli kube nesiqiniseko sokungaphelelwa ngumsebenzi kubasebenzi. Kwamanje abasebenzi bahlelel' ovalweni bamanqikanqika, abanye bayasula bayahamba ngenxa yokungazi ukuthi bamephi nomsebenzi kumaSETAs. Ngalokhu ke oSETAs bathwele ubunzima obukhulu abakhoni ukuheha nokuqasha amathalente amasha nalaba abakhona bayamuka.

Nakuba kunjalo siphokophelele phambili size sazi umphumela nesigcino ngamaSETA, ngeke silubalekelele ushintsho oluzayo sidinga ukuqondana nalo ngqo. Kuyinduduzo kithi ukwazi amazwi kaCharles Darwin lapho ethi: "Akubona abanamandla abaphumelelayo, noma abahlakaniphileyo kepha yilabo abamukela ushintsho".

USETA uyalibonga ithuba uyakwamukela lokhu kuhlehliswa kwesikhathi ngoba kudala amathuba amanye wokuzinikela sisebenzele abantu sibaqeqeshe ngezolimo.

USETA uyalibonga ithuba uyakwamukela lokhu kuhlehliswa kwesikhathi ngoba kudala amathuba amanye wokuzinikela sisebenzele abantu sibaqeqeshe ngezolimo.

Ezinye zezinkinga esihlangabezana nazo kwaAgriSETA, yindlela ekuqeqeshwa ngayo ngeziqu zemisebenzini ebhaliswe Nomkhandlu Oqiniseka Ngezohwebo Nemisebenzi (QCTO). Kuzosiza impela ukuphimisa kushiwo indlela okuzosetshenzwa ngayo nxa kwethulwa uhlelo lokuqeqesha oluqondene ne QCTO.

Ukuqoqa nokukolekwa kwezimali, ukuthola izindlela ezintsha zokwenza imali kusayinkinga kumkhandlu wezimali, basancike ehhovisi lami. Inqubo

yokuhweba yeAgriSETA imboze isigaba esibalulekile emnothweni waseNingizimu Afrika, yiso lesi esiqiniseka ukuthi kunokudla okwanele. Umvuzo wentela yamalevi okolwekwa ezindaweni zokuthuthukiswa zasemaphandleni (kulaba abanikwe umhlaba) yincane ayifiki ndawo uma kuqhathaniswa nabanye oSETAs nangenxa yokulandel' emuva ngezimali kulengxeny yomnotho.

Njengoba besengishilo, ukukhomba abaqashi abasha abangakhokha lentela ezinkampanini zangasese neziziphethe, nezomphakathi. Lokhu kubalulekile kakhulu kithina manje sesizoqhaphelisisa ngalapho nomkhandlu wethu wezimali, nathi kanjalo singabaphathi sizofaka isandla sibambe iqhaza. Sifisa nokubambisa okusha nababambiqhaza ababalulekile sizokhulisa izindlela zokuthola imali nanokuthi sizimele sizisekele ngokwezimali. Kulonyaka, sithole inxaso enye ngezimali eye ekuqeqesheni Isitsheni Somshwalense Wezemisebenzi (UIF) futhi ke umikhandlu yezifundaze yeZolimo noMhlaba nayo ithele kakhulu esivivaneni seSETA ngokukoleka intela yamalevi.

Ukuhlaziya ababambiqhaza nabaphathi kusasinika inkinga njengenglangano; sibheka njalo izindlela esingaguqula isimo sethu. Ababambiqhaza babaluleke kakhulu emphumelelweni yethu njengoSETA, okunye ukuhlukanisa izinhlobo zonke zababambiqhaza kuwusizo kithi ngoba sikhona ukubona ukuthi bathandani namakhono abo yini kanjalo. Loluhlelo lubhekelle ihhovisi lomphathi omkhulu (CEO).

Esikuphokophele njengamanje njengenglangano ukuziveza sizibonakalise ngokwethula kwemisebenzi ezindaweni eziphakathi emaphandleni kule lizwe, ikakhulukazi lapho abaqashi abangababambiqhaza bezinze khona. Ngalesi sizathu uAgriSETA uzibekela uhlelo lokuzikala ngalolu hlelo uma selukhiqhiza umphumela efunekayo.

Sibuke ukuqala sikhulise iziqu ezintsha ezizobukana noshintsho lweminhla ezimbonini zezolimo, lokhu kubalulekile kithi njengomkhandlu kaAgriSETA obhekene nezemfundo uqeqesha okusezingeni (ETQA). Sivumelana lanokhu sesikhiqhize iziqu ezimaqondana nendlela efuna ngayo uQCTO okunye laba esibadingayo abahlangen' nezolimo bathatha inxeny nabo. Nezinga elihlanganisa umsebenzi kanye nohlelo lezifundo (WIL) likhuphukile impela nalo ngokubona kwethu, ikakhulukazi kumakholishi womphakathi wonke ezemfundo yokuqeqeshela umsebenzi wezandla (TVET).

## • Izenzo eziyekiwe/izenzo ezizoyekwa

Azikhona izenzo noma ubukhuphekhuphe obuzoyekiswe kulonyaka futhi ngeke buyekiswe ngonyaka ozayo. UAgriSETA usaholwa umthetho nezimiso, namapholisi akhiwe nguMkhandlu Wezinga Lemfundo Ephakeme Nokuqeqesha (DHET).

## • Izenzo ezintsha noma eziphakanyisiwe

Ukwethula okuvuma kuvuna imfundo edlulileyo nolwazi (RPL) luyisenzo esimqoka. Amakholishi ayisithupha afundisa ngezolimo athula kabanzi uhlelo oluvuna imfundo edlulile nolwazi, injongo yalokhu ukusiza umphakathi wasemaphandleni nezinhlangano kanjalo ukuba zilungele loluhlelo. Lokhu kuqhutshwa ukuthi kulengxeny, abasebenzi banolwazi olunzulu ngezolimo kodwa abayanga esikoleni noma banezinga eliphansi kakhulu lemfundo. USETA uhlanganyele no UIF ukuqeqesha umphakathi wasemaphandleni ukuthuthukisa amakhono (amathuba wokuqeqeshela umsebenzi, amathuba wohlelo lokufunda, namathuba wokuhlanyela kutshalwe kanye kanye)

## • Isicelo esifakiwe sokuba izimali zisetshenziswe futhi

Incwadi yesicelo sezimali ezisilele ithunyelwe emnyangweni ka hulumeni ongamele ezezimali kuleli. Isamba semali yalonyaka engakasetshenziswa iyisigidi esiwu-R67 282.

## • Ukuphathwa nokudluliswa kwezimali (SCM)

UAgriSETA uyavumelana nokuthi ukudluliswa inzuzo ngezimali kume kwasima ngokukhombisa ukuziphatha kahle yingakho uveze lezigxobo ezinhlanu zokudluliswa imali. Kuthiwe yizigxobo ngoba uma esodwa singasebenzi zonke kubanzima ukusebenza zithwala kanzima nalezi ezinye. Lezi zigxobo zibizwa ngokuthi:

- Ukufaneleka kwentengo yemali
- Okuqophisana okuvulelwe noma ubani
- Ukuba nonembeza nokusebenza ngobuqotho
- Ukunika umbiko nencasiselo ngendlela
- Ubulungiswa nangokulingana

UAgriSETA uzama ukunqamula uqede amazinga okuchezuka ngokuqamba ulethe izinhlelo ezintsha zokwenza umsebenzi, phecelezi SCM

systems (ikakhulu kubasebenzi). Lokhu kwenzelwe ukuthi izimpahla zibesezingeni eliphezulu, uhwebo lube luhle ngokubambisana, ngendlela ethengeka kahle, ngokuqophisana okuhle.

Nakhu ke okwenzekile kulonyaka:

- Ukusetshenziswa kwekhompyutha (isiquqelalwazi iFlowcentric) encedisisa ngokuthuthukisa yenze umsebenzi ubelula wokukhipha incwadi yokwamukela isicelo senani lokuthenga izimpahla kuze kuye kuvalwe ngokubhadala
- Ukuhlanganiswa kweFlowcentric nomqhulu lwazi wamagama abathengi (CSD) kusukela ngomhlaka 31 kuMfumfu 2016 (uSeptemba) lokhu kwaqinisekisa ukuthi uAgriSETA uthengiselana nalabo abathengisi abahlungwe isiGodlo seMali kaZwelonke (National Treasury).
- Ukuphathwa kwezinkontileka ezingu 39 phakathi nonyaka wumkhandlu wokudluliswa kwezimali osuhlanganise wenza izigidi ezinguR25 000 futhi osebenza kuso isifundaze
- Ukuvunywa nokuhlukaniswa kunonyaka kwayo yonke into evumelekile esigodlweni semali kaZwelonke nomkhandlu waso wokudluliswa izimali nokwethulwa kwayo yonke imigomo ivunye, imithetho noyingeleza ashuchulelwe phakathi nonyaka Ukulungiswa kwembandela, kusiswa amaphutha emapholisini nenqubo emkhandlweni ophethelene ukudluliswa kwezimali kwaAgriSETA

Mina, njengehovisi elimele noakhawunti, ngiyaleseka iGunya Mhlinzeki maAkhawunti (ibhodi) ekuphatheni uhlelo lomsebenzi nomkhandlu ophethe eziphathelene nokudluliswa kwezimali, nokuqanjwa kwezinhlelo, zikhuliswe zize zethulwe nano kuqhaphelwa nokukalwa ukuthi imithetho iyalandelwa.

Kuze ngeHhovisi lomphathi wezimali nokudluliswa kwezimali, njengenglangano sithanda ukuqhubeka sikhulise amapholisi nomthetho obungaze ukuphathwa nokudluliswa okubekwe iSigodlo seMali kaZwelonke, iZifundiso, iZaziso, oYengeleza naZeluleko. Lokho kufaka ukusetshenziswa koMqhululwazi wamagama abathengi (CSD) kunosetshenziwa kweyangaphakathi njengoba kushiwo kuYingeleza No.3 of 2015/2016 weSigodlo seZimali kaZwelonke.

### • Izehlo ezenzeke ngemva lwelanga lombiko

Kubalulekile ukulandela nokwazi Isimiso 3 (12) Wesigamu seGunya leMfundonokuQeqesha Nokunikela ukuthi usabuyekwezwa enkantolo. Lokho kumayelana nokwehliswa kweminikelo ephoqekekile ngamaphesenti angamashumi amabili (20%). Kodwa, umyalezo ophuma kwaDHET ubhekiswe kuwo wonke amaSETA uthi izinto mazohlale zinjalo. Isiphakamiso nombono omusha obhekene noSETA usadingidwa Abaphathimandla nawo wonke umthetho mandla.

### • Ukuhambeka ngezomnotho

USETA uyakhona ukuzimela, futhi ugcwalise nezinjongo ufeze nezimiso zazo zokuthuthukisa amakhono ngenxa sesimo somnotho esihlala sisihle esidalwa ukubhadwalwa kwentela wayalevi njalo.

### • Ukuphakamisa izibongo

Kunomvuso nentobeko ukuba womunye ababalwa nalenhlangano enodumo. Anginakungabaza ukuthi uAgriSETA uzoqhubeka negalelo elihle nokubumba ezolimo eNingizimu Afrika ngokuzinikela, ngothando nangomoya osingame sonke kwaSETA wenqubekela phambili nokwenza kabusha. Ngizothanda nokuphakamisa iGunya-Mhlinzeki maAkhawunti waseAgriSETA ngomsebenzi oncomekayo, nokusisikela ungaphezi nangobuholi esikhombise bona. Ngikhumbula nokuthi iGunya-Mhlinzeki maAkhawunti ubufuna ufisa ukushiya isibonelo esiwumhlahlandlela esihle eSETA. Ezincwadini Zobuholi Obuyisibonelo soMhlahlandlela, uGalford no Maruca bachaza ukuthi umhlahlandlela akusiyona inkambo yokuziphatha noma umbiko ncwadi kuphela; kepha indlela oyihlahlile eyinkomba ukuthi abantu osebenza nabo nabanye basale baziphatha kanjani noma wena usuhambile kuleyo ndawo ngenxa yesikhathi abasichithe nawe. KweZolimo silinganisa impumelelo yethu ekugcineni ngokuziphatha okunesimilo kwabaqeqeshi bethu, ngemikhiqizo yabo nemithelo ebonakalayo, futhi nezinkampani zabo zinomvuso obukekayo. Yiyo ke le indlela ubuholi bakho buthinte ngayo abantu.

Siwu AgriSETA sincoma uSolwazi Mayende ngendima enhle ayidlalile engumholi eSETA, wase esula uthathe manje isikhundla sokuba wumphathi eNyunivesithi yaseFort Hare. UMnumzane Thami Ka Plaatjie uyena osethathe izintambo zomphathi wesikhashana siyamvuma, siyambonga futhi. Okungaphezulu iGunya Mhlinzeki

wamaAkhawunti uqinisekile ukuthi uSETA ukhombise imiphumela emihle, nokuba bekudingeke ifeze izinjongo ezintsha ezibekiwe ngeNSDS III, lokho kubonakalise ukuzimisela nokuzinikela ngokuphelele ukuze imigomo kazwelonke.

Ngizothanda ukudlulisela amazwi okubonga kubo bonke abatheleli bentela yamalevi ngokusithemba kwabo, nangokusiphathisa ngezimali zabo bebambisane nathi begqunguzela inqubelela phambili nokuqeqeshwa ngezemisebenzi esigabeni sezolimo. Kubo bonke abahlinzeki abathuthukisa amakhono emisebenzi antulekile, sidlulisela ukubonga ngokuzimisela kwenu ekwenzeni umsebenzi ngokuncomeka nimele abakwaSETA.

Nakuba sebenzi bethu bonke kwaAgriSETA, ngiphelelw' amazwi uma ngibona ugqozi, umdlandla nesimilo esihle enisibonisile, intshisekelo yenu ngempumelelo kaSETA iyamangaza. Kubo bonke ababambiqhaza nathi, iminyango kahulumeli kazwelonke nowasemakhaya esisebenzisana nayo. Siyanibonga ngezina eliphezulu lomsebenzi nobudlelwane obuhle obukhulayo neAgriSETA.



*Mnu. Jeremiah (Jerry) Madiba  
AgriSETA  
Umphathi Omkhulu  
Ntulikazi 2017*

# TJHEBOKA-KARETISO YA MOOFISIRI E MOHOLO WA PHETHAHA-TSO

## Molaetsa wa ofisiri ya phethahatso e ka sehlohong (CEO)

**Mr Jeremiah (Jerry) Madiba**

Ofisiri ya phethahatso e ka sehlohong

### • Tlhahlobo ya ditšhelete tsa mokgatlo wa setjhaba

AgriSETA e fapane haholo le dikgwebo tseo motheo wa tsona e leng ho fumana phaello le ho eketsa leruo la badikgwebo. AgriSETA e qaduwe hore e fane ka tšhebeletso ya thuto ya sekolo sephahameng le dikwetliso sebakeng sa moruo wa temo. Sepheo sa tlaleho ya ditšhelete ke ho fa basebedisi tlhahiso leseding la hore maruo a Accounting Authority a sebediswa hantle naa.

Ke thabela ha e le mona ke kgona ho le bolella hore AgriSETA e fumane tlhahlobo e hantle hotswa ho bahlahlobi ba ditšhelete. Auditor-General South Africa (AGSA) e ile ya tlhahloba mokgatlo tlasa dikarolo tse tharo. E ile ya lekolwa ka ditokodiso tsa ditšhelete le merero ya mokgatlo (dintho tse sa sebetseng ka ditšhelete jwale ka ditokomane tsa merero, mosebetsi yo o entsweng ka selemo (APP) le merero ya tsebo ya sekgahla (SSP). Bahlahlobi ba tsa ditšhelete ba ile ba lekola le hore mokgatlo naa o latela melao. Phephetso e ntšeng e dutse ke mabapi le tsa ho tlaleha tsa tshebetso ya ho fana ka ditsebo.

Tekanyetso ya ditšhelete e ne e dumelletswa ke maatla a ho laela selemong sa 2016/2017 e ne e le dimilione tse R349 dikete tse makgolo a robong. Baokamedi ba AgriSETA ba entsa tšhelete e lekanang le dimilione tse R375 dikete tse makgolo a robodi le masome a mararo le motso o le mong. Palo e na e feta ya selemo sa ditšhelete se fetile ka dimilione tse R20 le makgolo a mane le a mahlano. Selemong sa ditšhelete se fetileng se ne se okeleditse tšhelete ya dimilione tse R373 dikete tse makgolo a mane le masome a mabedi le metso

e tšhelelang. Tšhelete e na e okeditswe ka diperesente tse 0.6. Tšhelete e na e ile ya nyalloswa ke dikgetho tsa meputso e tswang ho bahiri le mafapha a kentseng letseho mananeong a AgriSETA (ditšhelete tse na ke tsa ditema tsa kgokahanyo tse sa fetoheng).

Ho tswela pele, ho bokanyetswa ha ditšhelete le ho sheba hore re ka etsa tšhelete kae e tlo ba ntho ye re e beileng pele hore re tle re kgone ho etsa mosebetsi ya rona hantle. Re qadile ho etsa tjena selemong se na sa ditšhelete. Tšhelete ya AgriSETA e tswa ho ditema tsa kgokahanyo tse sa fetoheng tse e ntseng dimilione tse R351 dikete tse makgolo a robodi le masome a mararo le metso e mene, tšhelete e na e bapiswa le dimilione tse R353 dikete tse makgolo a robodi le masome a tšhelelang le metso e robong ka selomo sa ditšhelete sa 2015/2016. Tšhelete ye ngwe hape etswa ho ditema tsa kgokahanyo tsa dimilione tse R23 makgolo a robong le masome a robong le metso e supileng, tšhelete e bapiswa le le dimilione tse R19 makgolo a mahlano le metso e supileng ka selemo sa ditšhelete sa 2015/2016.

Kakaretso ya ditšhelete tse sebedisitsweng e ne e le dimilione tse R336 sekete sa lekgolo le leng le mashome a mahlano le metso e meraro. Tšhelete ye keneng e ne e le dimilione tse R375 dikete tse makgolo a robodi le mashome a mararo le motso o le mong. E ne e bolela hore tšhelete ye setseng e ne e le dimilione tse R39 makgolo a tšhelelang mashome a supa le metso e robodi.

Diperesente tse mashome a robodi le metso e tšhelela ya tšhelete e ile ya sebediswa ke bahiri eo mokgatlo o ba thusang le mererong ya mokgatlo. Diperesente tse robong tsa tšhelete di ile tsa sebediswa dinthong tse dingwe tsa mosebetsi ha diperesente tse hlano tsa tšhelete ke tse lefang basebetsi.

Thepa ya AgriSETA e kopantse meaho le tšhelete. Ho bohlokwa ho hlokomela National Skills Fund (NSF) e ile ya re fa tšhelete e ka na ka dimilione tse R13. Tšhelete e setseng bankeng ke dimilione tse R228 dikete tse makgolo a tšeletseng le leshome le metso e robong.

Mokgatlo o ntse o tswela pele o phethahatsa dipholisi tsa akhaonthing le ho latela melao ya Accounting Standard Board (ASB) jwale ka ha e ngotswa tlhahisong ya tsa ditšhelete tsa selemo.

### • Mekgwa eo tšhelete e sebedisitsweng ka gona ka hara mokgatlo wa setjhaba

Ke netefatsa hore kgwebo ya SETA ke ho tsehetsa le go phahamisa tsa thuto le

dikwetliso ka hara sekgahla sa tsa temo. Tšhelete e sebediswang e tsamaelana le mosebetsi yo o etswang ka selemo jwale ka ha ho boletswe karolong ya mehlala ya mosebetsi le setheo sa SETA.

Tšhelete ya SETA ka bongata e sebediswa mererong (jwale ka ditefo tsa bafani ba dikwetliso) ka hobane SETA ha e etse dikwetliso ka bo yona. Ditefo tse na di kopantse tšhelete e yang Technical Vocational Education and Training (TVET) dikholejeng tsa setjhaba le tsa poraefete moo baithuti ba kwetliswang teng. Ho bohlokwa ho hlokomela hore SETA e tsehetsa batho ba mahaeng ebile e ya ba tataisa, e ba kopantse le baithuti le dipolase ka tlase ga mananeo a dikgwebo tse nnyane.

Tšhelete e sebedisang ke AgriSETA e tshwana le e sebediswang ke di khamphani tse kgolo tsa SETA tse ho thweng disebetsa hantle ho tswa ho baqolotsi ba dibuka. Ka mokgwa woo re sebedisang tšhelete mererong, dinthong tse dingwe tsa mosebetsi le ditefo tsa basebetsi, ho tshwana le mekgwa eo khamphani tse hodimo tsa SETA disebetsang ka teng.

### • Dithibelo tsa bokgoni le diphephetso tse tobaneng le mokgatlo wa setjhaba

Boemo ba dikhamphani kaofela tse welang ka tlase ga SETA e tla dula e le phephetso e re tobaneng le yona ho fihlela mafelong ya 31 March 2018. Empa, ho bohlokwa ho hlokomela hore DHET e ekeditse nako ya dikhamphani tse mashome a mabedi le motso o le mong tsa SETA ho fihlela ka Hlakubela 2020. Ho eketsa ha nako e na hore fa tshepo ya hore mananeo a rona a tla nne a tsehetswe ho fihlela ka nako eo. Empa ho hloka hore re ahe dikhamphani tsa SETA hore didule di le teng basebetsi ba SETA ba dule ba tseba hore ba ntse ba na le mosebetsi. Ho na jwale maemo a na a etsa basebetsi ba dule ba tshaba hore ba kanna ba lahlehelwa ke mosebetsi ho bolelang hore ba bang ha ba dule hape ho ba thata hore re kgone ho hira basebetsi ba batjha.

Empa le ha ho le jwalo re tswela pele ka mosebetsi ho fihlela ho nkuwa mehato ya ho fetola SETA. Diphepheto ke ntho tse teng, jwale re tlameile re amohele diphepheto tse tlang. Re fumana matshediso ka ho tseba hore Charles Darwin o ile a re: "Ha se mefuta e matla e pholohang, kapa ba bohlale, empa ke bao ba kgonang ho amohela diphepheto." AgriSETA e lebohela monyetla wa ho eketswa ha nako eo e tla re fang ona. Nako ena e tla re fa monyetla wa hore re tswela pele ka ho sebelletsa sekgahla sa temo le ntshetso pele ya ditsebo.

Engwe ya diphephetso tse AgriSETA e nang le tsona ke tshebetso ya dikwetliso tsa ditsebo tsa mosebetsi tse ngodisitsweng le lefapheng la Quality Council ya Trade le Occupation (QCTO). E tla thusa ha ho ka phatlalatswa hore ditshebetso tse tsamaelanang le dikwetliso tsa QCTO di tla qala neng.

Ho okeletswa ha ditšhelete le ho fumana mekgwa e meng ya ho etsa tšhelete e ntse e le phephetso e kgole e opisang lefapha la ditšhelete leo re le tsehetsang hlooho. AgriSETA e sebetsa ka sekgahla se seholo ene se bohlokwa haholo moruong wa naha ya Afrika Borwa. Sekgahla sena se bohlokwa haholo ha ho tluwa ditabeng tsa poloheho ya dijo. Le ha hole jwalo tšhelete ya dikgetho e nkuwang ho ba ntshetsopele ba mahaeng (haholo-holo batho ba tholang monyetla ka tlasa dipheho tse ntjha tsa mobu) e nyane ho feta eo dikhampani tse dingwe tsa SETA e ditholang hobane basebatsi ba lefella tjelele e nyane ka hara sekgahla sena. Phephetso e kgole re e fumana ha re leka ho phunyaletsa dikgwebong tse teng le tse welang ka tlasa setjhaba mme re bone hore re ka hodisa ditšhelete ka ho etsa bo nnete ba hore dikgwebo di a lefa.

Jwale ka ha re se buile, ho fumana bahiri ba ikemiseditseng ho kenya letsoho ha ho batlwa tšhelete ya dikgetho, haholo-holo mekgatlo ya poraefete le ya setjhaba, e tlo ba sepheo se seholo sa lefapha la ditšhelete ebile e tla be e tshheditswe ke baokamaedi ba AgriSETA. Ho qala dikamano le ba amehang ka hara khamphani le yona e ile ya re thusa hore re fumane tsela engwe ya ho etsa tšhelete le hore re fumane tšhelete ya merero ya rona. Selemong se sa ditšhelete dikamano tsa Unemployment Insurance Fund (UIF) e ile ya fana ka tšhelete ya dikwetliso le mafapha a Agriculture le Land Reform diporofensing ba ile ba nyolosa tšhelete ya dikgetho tseo ba dilefang ho SETA.

Tlhahlobo ya ba amehang le hore tshutsumetso tsa bona di ho kae ke engwe ya diphephetso tse ntse rena le tsona ka hara mekgatlo, empa re leka ho fumana mekgwa ya ho e lokisa. Ba amehang ba bohlokwa haholo ha re batla SETA e atlehe. Ho tseba mefuta ya ba amehang le hore ba kgona ho etsang kapa ba rata eng e tla re thusa haholo. Morero o na wa ho hlaloba ba amehang e phethahatswa ya ba ya okamellwa ke ofisi ya CEO.

Nyollelo ya ponahalo ya rona setjhabeng le ho fana ka tshebetso magaheng naha ka bophara, haholo-holo moo bahiri ba kentseng matsoho ba leng teng, e dula e le setheo sa mekgatlo o na. Ke ka mekgwa oo AgriSETA e ileng

ya etsa leano la tswelopele ka merero e tshehetswang ke mehlala ya mesebetsi le setheo sa mosebetsi.

Ho batlana le meralo ya mangolo a thuto e metšha le ntshetsopele ya ho rarolla mathata a dipheho tsa kamehla ka hara dikgwebo tsa temo e sa ntse e le setheo sa lefapha la thuto, dikwetliso le netefaletso (ETQA) ya boleng ba AgriSETA. Ka hoo e ntshetsang pele meralo ya mangolo a thuto a tsamaelana le mohla wa mosebetsi wa QCTO le ho nyollela palo ya ba amehang ba nkang karolo ka hara sekgahla sa ditemo le dintho tse rekwang. Re bona le ho nyolla ha ba amehang ba nkang karolo thutong tse kopanetsweng mosebetsing (WIL), haholo-holo dikholejeng tsa TVET le tsa ditemo.

### • Ditshebetso tse kgaotsweng/ ditshebetso tse tlo kgaolwa

Ha hona ditshebetso tse tlo kgaolwa selemong se tlang kapa tse ileng tsa kgaolwa selemong sena sa ditšhelete. AgriSETA e tataiswa ke melao le dipholisi tse ntshetswang pele ke lefapha la thuto tse phahameng le dikwetliso (DHET).

### • Ditshebetso tse ntjha kapa tse hlahisitsweng

Phethahatso ya lengolo leo le tlotlang ka ho ithuta (RPL) e sa ntse e le tshebetso e bohlokwa. Dikholeje tsa temo tse tshelatseng dinka karolo qalong ya RPL hore di thuse metse ya magaheng le mekgatlo ya thepa hore dinke karolo. Re etsa tjena hobane o tla fumana e le hore basebetsi ka hara sekgahla sa ditemo ha ba tsebe ho bala le ho ngola le hae empa ba na le tsebo e phahameng haholo ya mosebetsi. Hape SETA le UIF di etsa dikwetliso metseng ya magaheng ka meralo ya bona ya ho ntshetsa pele tsebo ya temo (mananeo a tsebo le baithuti)

### • Kopo ya tšhelete

Re romelletse lengolo le kopang hore tšhelete e sa sebediswang e seke ya kgutlisetswa ho National Treasury. Tšhelete e setseng e kana ka dimilione tse R67 makgolo a mabedi le masome a robong le metsotso e mebedi.

### • Taolo ya ketane ya phepelo (SCM)

AgriSETA e dumellana le melao-theo e hlano ya ho fa dikhampani mosebetsi. Melao-theo eo ke ena:

- Boleng ba tšhelete
- Tlhodisano e bulehileng le e sebetsang
- Melao ya boitshwaro le ho loka
- Boikarabello le tlaleho

- Ho lekana

AgriSETA e leka ho fokotsa maemo a mefokolo nakong e tlang ka ho dula e ntse e ntshetsa pele taolo ya ketane ya phepelo (haholo-holo ho basebetsi) ho netefatsa hore thepa ya boleng le ditshebetso di tswela pele ebile di fumanwa ka leeme, ka theko e tlase, ka mekgwa o lekaneng, ka ditlhodisano le ka tsela e hlakileng.

Selemong sena re fihleletse dintho tse latelang:

- Re ile ra kgona ho ntshetsa pele mekgwa wa ho fana ka tsamaiso hore re sebetse hantle ka ho sebedisa mananeo a khomphuthara e bitswang Flowcentric moo o ka kgona ho botsa hore dintho dija bokae ho fihlela ditsebo tsa tšhelete.
- Ho kopantsha ha Flowcentric le didatabeisi tsa bafani ba thepa e kopantsweng (CSD) ho tloha ka la pele Lwetse 2016 ho ile ha netefatswa hore AgriSETA e sebetse le bafani ba thepa ba amohetsweng ke National Treasury.
- Re okametse konteraka tsa SCM tse masome a mararo le metso e robong tse etsang tjelele e kana ka dimilione tse R25 ka selemo.
- Ho amohela le ho kopantsha ditaello tsa National Treasury SCM hara selemo le ho phethahatsa tataiso hara selemo.
- Ho fetola dipholisi le ditsamaiso tsa AgriSETA SCM hore di latelle melao le ditsebo tsa National Treasury.

Jwale ka ha ke le molaudi wa akhaonthing, ke tshehetsa poroto ya Accounting Authority ka ho laola tsa ditsamaiso tsa SCM jwalo ka moralo, ntshetsopele, tshebetso le tlhahlobo ya ho latela.

Ka tlase ga ofisi ya mookamedi wa ditšhelete le SCM, mekgatlo o kgona ho ntjhafatsa dipholisi tsa SCM hore di tsamaellane le melao, ditaello le ditataiso tsa National Treasury. Ho na ho belela hore ho tla sebediswa CSD, e seng didatabeise tsa bafani ba thepa ba ka hara khampani fela jwale ka mantswa a National Treasury a lengolong le potolohang No. 3 ya 2015/2016.

### • Diketsahalo ka mora letsatsi la ditlaleho

Ho bohlokwa hore re hlokomele hore molao-theo 3(12) wa setheo sekgahla sa thuto le dikwetliso (SETA) e fanang ka thuso ya ditšhelete e sa ntse e nahanwa ke ba lekgotla. E ne e amane le tšhelete e



tlameileng e patalwe e ileng ya fokotswa ka diperesente tse masome a mabedi. Empa DHET e itse re sebetse jwalo ka ha re ne re ntse re sebetsa.

Diphetoho tse hlahisitsweng tsa SETA di sa ntse di nahanwa ke Executive Authority le mekgatlo e meng hape.

### • Ho sebetsa hantle ha moruo

SETA e dula e sebetsa hantle. Tšhelete ya dikgetho e fumanwa ka mehla ebile e ntse e kgona ho phethahatsa ditaola tsa yona tsa ho ntshetsa pele ditsebo.

### • Diteboho

Ho a kgotsofatsa ebile ho a thabisa ho sebeletsa mokgatlo o makgethe jwale ka ona. Ke dumela hore AgriSETA e tla dula e kenya letsoho ho tsosolosa sekgahla sa temo ka hara Afrika Borwa ka ho inehela, ka takatso e matla le ka moya o motjha wa SETA.

Ke leboha AgriSETA Accounting Authority ka mosebetsi wa ona o motle le tshehetso le boeta-pele ba yona bo sa feleng. Ke leboha Accounting Authority ka ho ikemisetsa le takatso ya yona ho siya lefa le letle ka hara SETA. Bukeng ya bona e bitswang Your Leadership Legacy, Galford le Maruca hlalosa hore lefa ha se boitshwaro kapa tlaleho ya mosebetsi wa hao ke mokgwa oo basebetsi mmoho, bahiri le batho ba bang ba ileng ba fetola boitshwaro ba bona ka lebaka la nako eo ba e sebedisitseng le wena. Ka mantswa a mangwe e lefa la hao ka hara sekgahla sa temo le tla bonahala boitshwarong ba baithuti ha ba se ba qetile dikwetliso. E tla bonahala ka hore ba kgona ho sebetsa ha kae, boleng ba mosebetsi wa bona le hore ba kgona ho tsamaisa dikgwebo tse nnyane hantle. Ke hona he re tla reng o ne o le moetapele wo hantle.

AgriSETA e thabela boetapele bo botle bo re ileng ra bo bontshwa ke Moporofesa Mayende a ileng a tsamaya SETA mafelong a Phupujane 2016 o ile goba moetapele wa Fort Hare Yunivesity. Re leboha le mosebetsi oo Mr. Thami Ka Plaatjie, a ileng a nka marapo a modulasetulo wa nakwana, a o etsa. Ho feta moo, Accounting Authority e ile ya netefatsa hore SETA e sebetse ka makgethe. Le ha hone ho hlakahlala hore e tsamaelane le meroro ya NSDS III e metjha e ile ya sebetsa ka thata mme ya bontsha boinehelo ba ho fana ka ditlhoko tsa naha.

Ke lekatsa le ho leboha batho ba lefang ditšhelete tsa dikgetho ka hore tshepa ka tšhelete le ho tshehetsa ntshetsopele ya ditsebo ka hara sekgahla sa temo. Ke leboha le bafani ba ditshebeletso ho thusa ka ho hlahisa ditsebo tse

hlokahalang ka hara sekgahla sebakeng sa SETA.

Ke leboha le basebetsi ba AgriSETA. Ke thabetše tshutsumetso, boikutlo bo nepahetseng le boitshwaro bo hantle beo le bo bontshitseng ho netefatsa hore SETA e tswelapele. Ke boele ke lebohe ba amehang ba mokgatlo le mafapha a mmuso naha ka bophara ao re sebetsang le ona. Ke thabetse mosebetsi wa lona o makgethe ka hara SETA.



*Mr Jeremiah (Jerry) Madiba*

*AgriSETA*

*Ofisiri ya phethahatso e ka sehlohong (CEO)*

*July 2017*

# STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

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

The annual report is complete, accurate and free from any omissions.

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

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and the judgements made in this information.

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

The Auditor-General and the external auditors are engaged to provide an independent opinion on the annual financial statements.

AgriSETA believes the annual report fairly reflects the state of the operations, the performance, human resources and financial affairs of the public entity for the financial year ended 31 March 2017.



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*Mr Jeremiah (Jerry) Madiba*  
*AgriSETA*  
*Chief Executive Officer*  
*July 2017*



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*Mr Thami Ka Plaatjie*  
*AgriSETA*  
*Acting Chairperson of the Board*  
*July 2017*

# STRATEGIC OVERVIEW



## Vision

The Agricultural Sector Education and Training Authority (AgriSETA) will be a true and legitimate partner to the stakeholders representing the agricultural sector. AgriSETA will be a recognised and highly-appreciated vehicle, which accelerates training and development. It will establish sustainable, prosperous enterprises across the country, including in rural communities, and a competent workforce.

AgriSETA will gain trust and credibility through its sincere efforts, leading to better communication and understanding among all stakeholders. AgriSETA will stand tall as an authority that has successfully improved productivity and the viability of enterprises, and conquered the scourges of illiteracy and unemployment.

Its success will benefit everyone. Workers will be proud of their widely-recognised abilities and will enjoy a well-deserved, higher standard of living. Employees and employers from across the country will be eager to participate in training and inundate our offices with requests for learnerships and skills programmes.

AgriSETA will particularly be recognised for its efforts to develop its learners as holistic beings. Personal horizons will be expanded and a range of unique, market-related skills across the total value chain will be developed to help establish prosperous and stable enterprises. These critical skills will be nurtured jealously and retained by a highly specialised industry.

AgriSETA will serve as a model of excellence and perform like a smooth-running engine – quietly yet powerfully, setting new standards to both local and international acclaim. Loyalty to one another will be its trademark. It will be characterised by its tenacity to secure funds for achieving its objectives and its passion for doing quality work. AgriSETA will challenge the complexity and inherent risk of agriculture in Africa with vigour and resourcefulness, meeting the changing demands of the business world.



## Mission

AgriSETA creates and promotes social, economic and employment growth opportunities for agri-enterprises in conjunction with other stakeholders in agriculture. It achieves this objective through relevant, quality and accessible education, training and development in both primary and secondary agriculture.



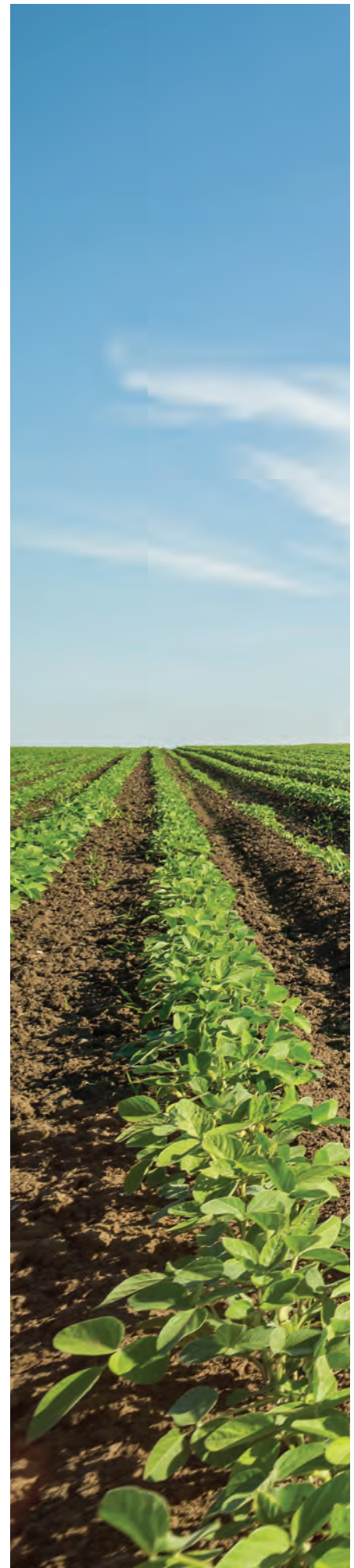
## Values

**Integrity:** “In all our relationships, interactions and transactions, AgriSETA will honour the spirit and letter of its agreements with its customers, colleagues, stakeholders and the communities it serves.”

**Transparency:** “AgriSETA’s decision-making processes will at all times be subject to examination and the rationale behind decisions will be willingly revealed to affected and/or participating parties within or outside of the authority.”

**Respect:** “AgriSETA will conduct its day-to-day operations and interpersonal interactions with respect for the cultures, customs and morals of its customers, colleagues, stakeholders and society, which stem from their diverse backgrounds, environments and aspirations.”

**Empowerment:** “AgriSETA members will have the authority to take responsibility for decisions within the scope of their defined roles. They will receive support to this end and their ability to innovate will be recognised.”



# LEGISLATIVE AND OTHER MANDATES

## Constitutional Mandates

We as an organisation uphold, defend and respect the Constitution of the Republic of South Africa (Act 108 of 1996) as the supreme law of the land.

AgriSETA is a public institution listed in the Public Finance Management Act (PFMA) Schedule 3 (OTHER PUBLIC ENTITIES), Part A. National Public Entities. (Schedule 3 Part A).

AgriSETA derives its legislative mandate from the Acts passed by the Parliament of the Republic of South Africa listed below:

| Legislation                                                                | Relevant         |
|----------------------------------------------------------------------------|------------------|
| Skills Development Act, 1998 (Act No. 97 of 1998) (SD Act)                 | Entire Act       |
| Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDL Act)          | Entire Act       |
| National Qualifications Framework Act, 2008 (Act No. 67 of 2008) (NQF Act) | Entire Act       |
| Public Finance Management Act, 1999 (Act No. 1 of 1999) (Act No.1 of 1999) | Chapter 6, 9 &10 |
| National Treasury Regulations                                              | Entire Act       |
| Labour Relations Act                                                       | Entire Act       |
| Basic Conditions of Employment Act                                         | Entire Act       |
| SETA Grant Regulations                                                     | Entire Act       |

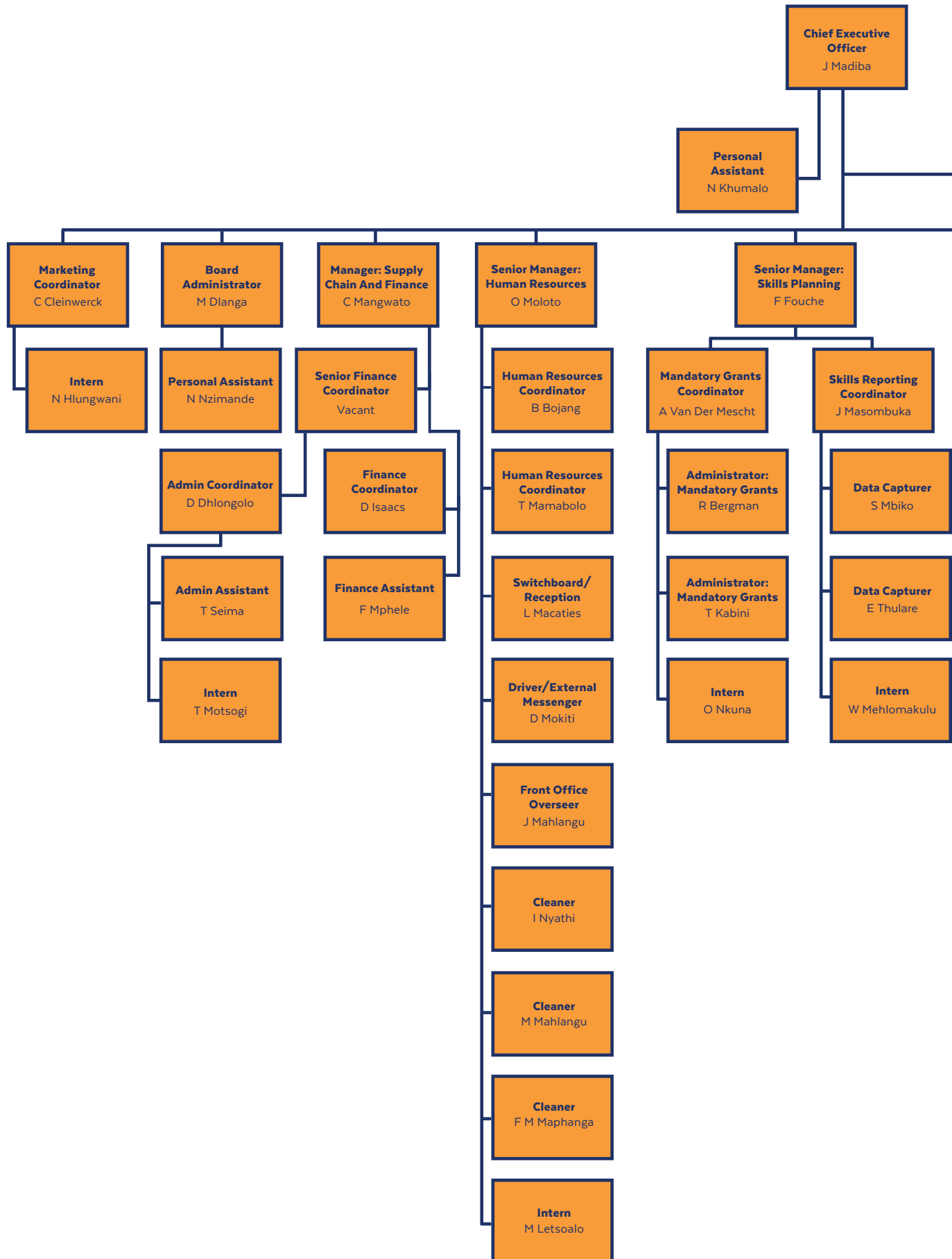
## Policy Mandates

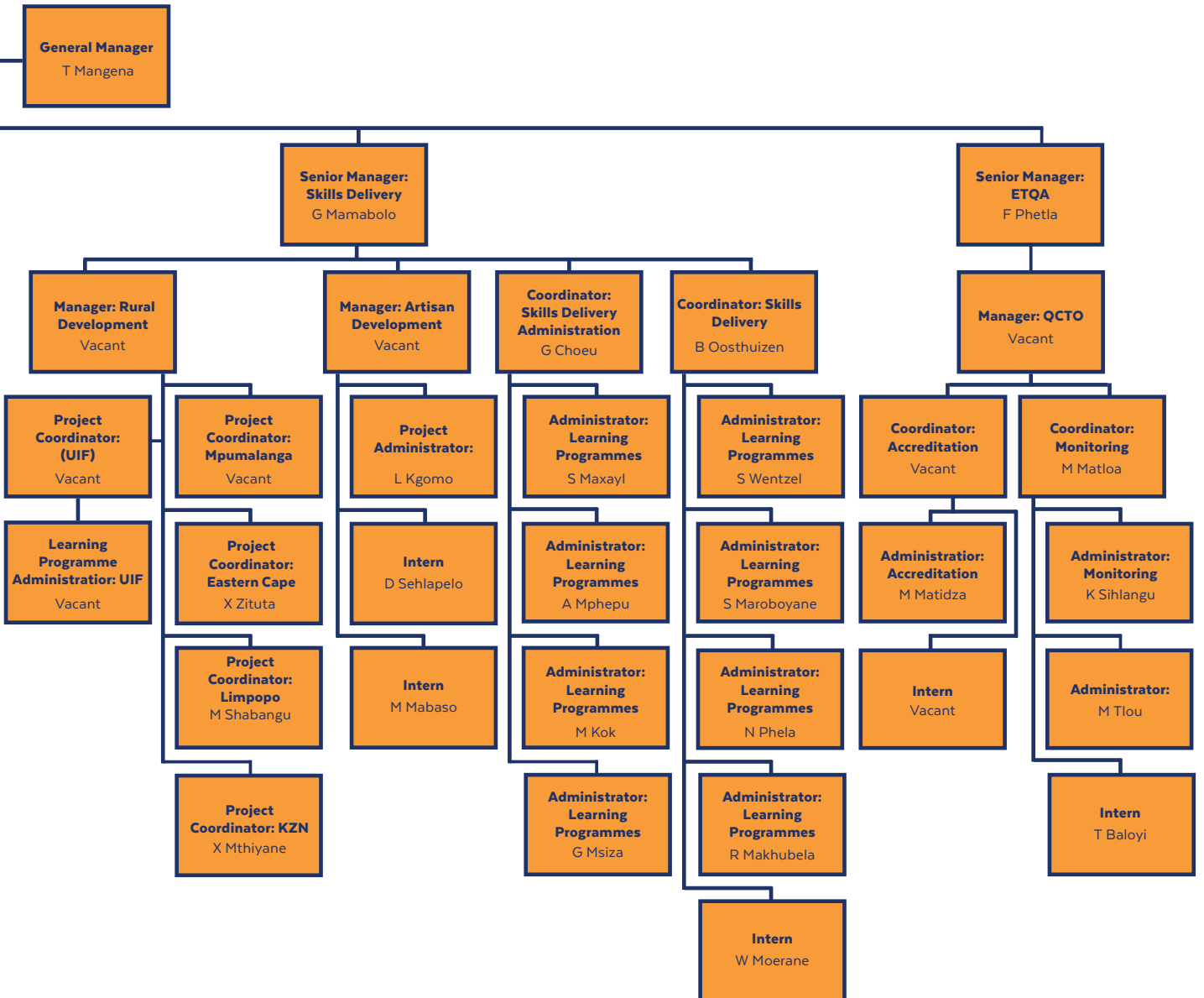
Within the context of the Sector Education and Training Authority (SETA), appropriate key policies were developed. The policies can be summarised as follows:

1. White Paper for Post School Education and Training approved by Cabinet November 2013
2. National Skills Development Strategy (2011-2016) NSDS III
3. The National Skills Development Strategy (2011-2016) NSDS III is informed and guided by overarching government programmes such as:
  - a. The National Skills Accord – one of the first outcomes of social dialogue on the New Growth Path
  - b. Industrial Policy Action Plan (2013/14-2015/16-2016/17-2018/9)
  - c. The Comprehensive Rural Development Programme
  - d. Human Resources Development Strategy for South Africa (HRD-SA) 2010-2030
  - e. National Development Plan (NDP) 2030
  - f. Industrial Policy Action Plan
  - g. The Integrated Sustainable Rural Development Strategy (ISRDS)



# ORGANISATIONAL STRUCTURE





# B PERFORMANCE INFORMATION



**Frikkie Fouché**  
Senior Manager: Skills Planning

## 1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the *Report on Other Legal and Regulatory Requirements* section of the auditor's report.

**Refer to page 81 of the Report of the Auditors' Report, published as Part E: Financial Information.**

## 2. SITUATIONAL ANALYSIS



### 2.1. Service Delivery Environment

#### Performance environment

The following were identified as factors that impact the skills development in the agricultural sector:

#### Land and agrarian reform

The government places high value on the need for land reform as a form of redress for historical issues of dispossession. To date, the success of land reform has been limited with no increase in production or economic growth. This is because many beneficiaries lack the necessary production skills and business acumen to farm effectively.

It was reported in July 2016 that land reform had the potential to “deter investment in agribusiness activities” and that the “growing exodus of South African farmers” could have a “detrimental impact on the agribusiness sector, depriving it of knowledge and skills” (Business Monitor International (BMI), 2016). The 2014 Agricultural Policy Action Plan (APAP) noted that small commercial farmers, of which land reform beneficiaries are a subset, are disappearing “at an alarming rate”, with smaller farms being taken out of the market by bigger producers who survive because of economies of scale.

These findings, supported by research and existing programme interventions, point to the urgent need to retain existing skills in the sector, mentor emerging farmers in management skills, and drive enterprise development in the field (Kane-Berman, 2016, stakeholder interviews, 2014, CDE, 2008).

#### Agricultural co-operatives

It was reported by BMI that 80% of farmers in sub-Saharan Africa are smallholders. It is argued that in the long term, African farming will have to move away from subsistence agriculture to be competitive and profitable in the genetically modified farming sector (BMI, 2016). For this reason, “partnerships with food companies, the development of co-operatives and greater access to credit” are needed to develop the sector more generally (BMI, 2016). Agricultural co-operatives are explicitly mentioned in the policy documents referred to above as entities that require support to ensure their sustainability. These co-operatives face the dual challenge of

needing technical production skills as well as corporate governance skills. Smaller agricultural co-operatives do not stand a chance of competing in the market, with major retailers buying directly from commercial farms in both urban and rural areas (Kane-Berman, 2016).

#### Climate change, drought and food security

The 2015/2016 drought, resulting from the worldwide El Niño effect, is said to be the worst to hit the country since 1992. It has shifted the domestic maize market into a net importing situation (BMI, 2016; GrainSA, 2015; AgriSA). Maize production is expected to decline by 38.8% year-on-year, while sugar production will decline by 20.2% from 2015/16 (BMI, 2016). Already only 45.6% of South Africans are food secure (HSRC, 2014), and the drought could cause food security to deteriorate further. The drought, along with other challenging environmental factors, could deter people from pursuing a career in agriculture. National food security depends on a “capital-intensive agricultural sector based on economies of scale” (Kane-Berman, 2016), and thus smaller producers are even more at risk during the drought as economic and environmental conditions make it challenging to take risks.

#### The green economy

There is an increasing emphasis on the “green economy” in government policy documents (see NDP, NGP). In the agricultural sector, this refers to the use of environmentally sustainable farming practices. These sustainable practices require new knowledge and skills that cut across farming enterprises of all sizes. The need for green knowledge is imparted through industry-specific training interventions across different subsectors. At this stage, green knowledge is largely a high-level skill of the National Qualifications Framework (NQF). Research and development on the function of green knowledge in the agricultural skills sector should be conducted. For instance, there is a need for the upskilling of farm workers in energy-efficient methods, resource sustainability, agro-processing and other green technologies.

#### The youth bulge and skills development

Youth between the ages of 15 and 35 comprise 36% of the South African population and 70% of the unemployed (Stats SA, 2016; Merten, 2016). It has been reported that today black Africans between the ages of 25 and 35 are less skilled than their parents



were. This presents a huge challenge for skills development in general, and the agricultural sector in particular, due to a waning interest in agriculture and rapid urbanisation.

The South African Confederation of Agricultural Unions (SACAU) has called on stakeholders to recognise agriculture as a “highly skilled business with great opportunities for the youth” (AgriSA, 2016). But when the youth are largely unskilled or under-educated, major upskilling needs to take place across the board, before they can take advantage of available employment opportunities. Demographically, there is a general mismatch between the demand for skilled labour and the supply of unskilled labour.

### Technology and mechanisation

Development and production concerns in agriculture emphasise that the sector needs technological advancement to increase productivity and keep up with increasing demand for food. However, there has not been a concomitant focus on technological skills advancement in the sector.

The threatening maxim of the sector is that “as agriculture becomes more mechanised, the unskilled labour force is replaced by a significantly smaller skilled labour force” (Employment Conditions Commission, 2013). However, BMI (2016) reported that “the agricultural mechanisation rate in Africa is the lowest in the world”. Nevertheless, the state of affairs in South Africa is somewhat different to the rest of Africa. For instance, South Africa, Morocco and Tunisia account for the majority of Africa’s new tractor sales (BMI, 2016).

Thus, to remain globally competitive, skills training in agriculture needs to keep up with technological progress. Internal consultation with AgriSETA staff reveals that there is an increasing demand for artisans and technically qualified workers in response to increased mechanisation in the sector.

### Trade agreements

#### Poultry Imports

The African Growth and Opportunity Act (AGOA) is a United States (US) Trade Act that enhances market access to the US for qualifying sub-Saharan African countries — based on certain conditions (AGOA, 2016). To gain access to these markets, South Africa is currently negotiating a large US poultry import deal, which would lead to the import of over 65 000 tonnes of US poultry a year (BMI, 2016), putting

the South African poultry industry under severe pressure.

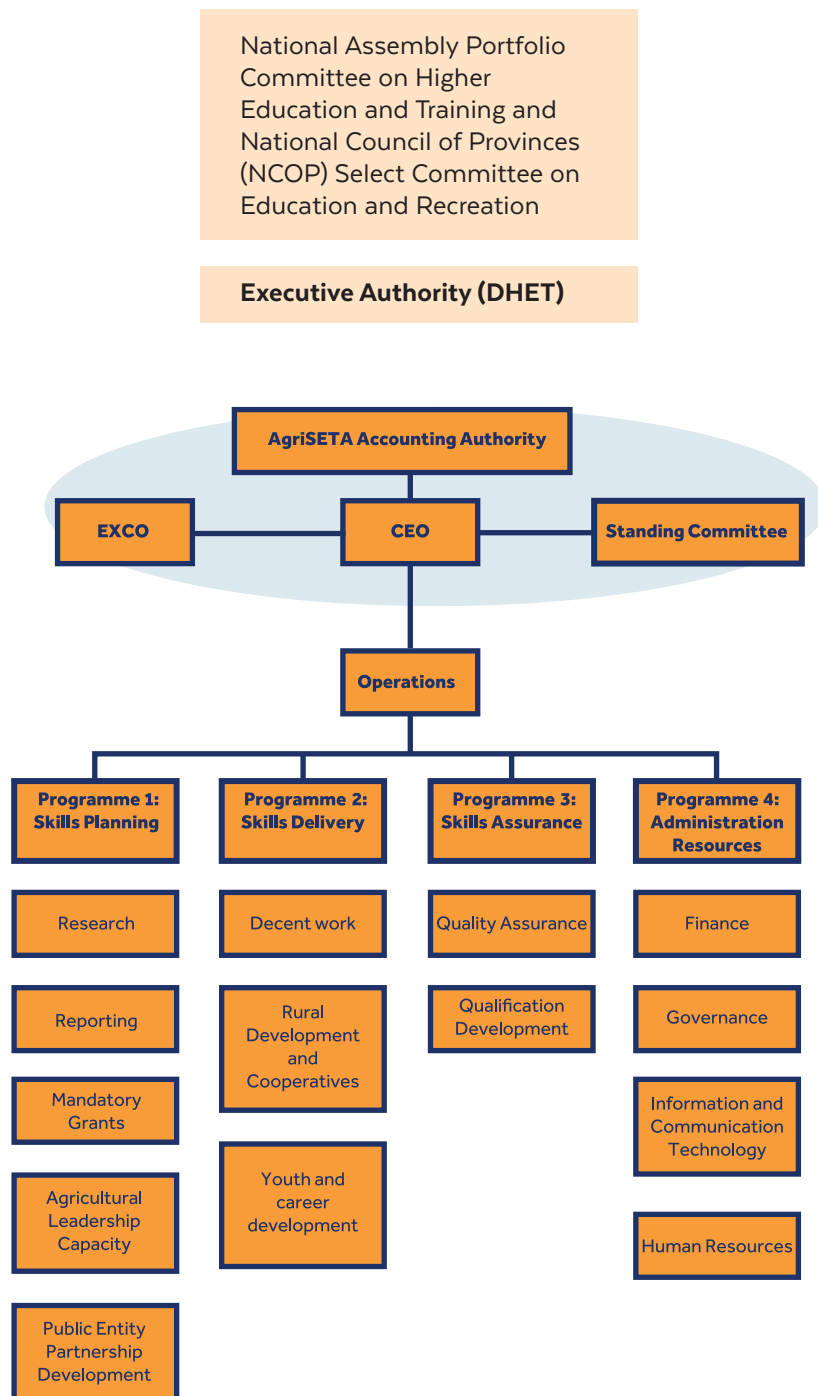
### Brexit & European Union (EU) trade agreements

The effect that Brexit will have on South African agribusiness is yet to be revealed, but what is clear is that South Africa will have to renegotiate its trade agreements with the United Kingdom (UK). Senior agricultural economist in the Agricultural Business Chamber, Mr Wandile Sihlobo, commented that “market access benefits that existed under the agreement would no longer apply” (Mchunu, 2016).



## 2.2. Organisational environment

The AgriSETA structure is well balanced and has been reinforced from the Accounting Authority level through to the operational structure. Stability and extensive institutional knowledge exist due to the low labour turnover rate and the fact that appropriately qualified staff members are employed.



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### In terms of the organisational structure the following can be noted:

- AgriSETA managed to retain employees with the required experience and knowledge. Critical positions were filled and new positions were created to deliver an ever-increasing scope of work;
- The AgriSETA currently has provincial representation in four provinces;
- The predominance of small-sized employers in the sector and resulting lower levy base continues to place pressure on the availability of funding to address the annual need for learning programmes.
- The SETA is experiencing increased challenges in the recruitment of new skilled employees.

The AgriSETA is well-positioned within the agricultural sector and has the provincial footprint to access and increase its delivery to a predominately rural employer base. In this way, it can help to ensure food security and increase job creation.

### Organisational systems

The AgriSETA has a well-established Human Resources and financial system to enhance its capacity to fulfil its mandate.

### Organisational strategy

AgriSETA is set to achieve the strategic goals set in the strategic planning documentation. The Strategic Plan and Annual Performance Plans are shared with all employees, with the result that the short- and medium-term goals are internalised and achieved.

### Leadership style

All management levels within the SETA follow a democratic, participative management style. The oversight function of the Board is effectively executed through functional Board sub-committees, which ensures that the Board is well-informed of the SETA's progress in implementing its mandate.

### Shared values

AgriSETA management and staff are constantly striving to serve the interests of the sector as a whole. They serve the interests of learners and specifically help them to advance. It further made the dissemination of discretionary and mandatory grants in rural areas a priority.



### 2.3. Key policy developments and legislative changes

#### Proposed SETA revised landscape

The following key implications/changes to the SETA landscape can be deduced from the proposal:

- SETA's support functions will be absorbed into the Department of Higher Education and Training but constituted as Specialised Delivery Units. They will be called Sector Education and Training Advisory Boards (SETABs) and will focus on linking employers and the beneficiaries of learning;
- SETABs will become permanent structures rather than have five-year renewable life-spans; and
- SETABs will be clustered into five synergistic groups.

#### White Paper for post school education and training

The white paper on post-school education and training provides a framework that coherently brings together three major components of post-school education and training: education and training, skills development and employment. The following key implications for skills development can be deduced:

- Development of career-orientated programmes that address real skills needs.
- Emphasis on skills development within government departments, including DAFF, DEA, DTI and DRDLR. Inter-departmental skills programmes are ideal.
- Expansion of the role of public colleges and universities in the provision of occupational skills to the sector.



### 2.4. Strategic Outcome Orientated Goals

**Strategic objective 1:** Credible institutional mechanisms

**Strategic objective 2:** Professional, Vocational, Occupational and Workplace Learning – decent work

**Strategic objective 3:** Rural development and co-operatives

**Strategic objective 4:** Agricultural education and training systems

**Strategic objective 5:** Mandatory grant administration

**Strategic objective 6:** Youth and career development

**Strategic objective 7:** Public sector capacity

## PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

### Focal area 1: Credible institutional mechanisms

#### 1.1. Strategic objective 1:

##### 1.1.1. Purpose:

The NSDS III and the DHET see skills planning as a core function of all SETAs. Through sector analysis, research, stakeholder engagement and other means, AgriSETA strives to understand current and emerging trends, which have an impact on the agricultural sector. It also seeks to identify scarce and critical skills in the sector, as well as the skills needs of the labour market. The ultimate aim is to provide credible information about the supply of and demand for skills in the sector.

While skills planning is based on the best current knowledge of the sector, and skills demand scenario projections, change is inevitable. It is important for AgriSETA, in partnership with its sub-sector committees (SSCs) and stakeholders, to constantly monitor the sector and to share and exchange learnings with other role players. In this way, AgriSETA will provide intellectual and strategic leadership on key emerging social and economic development issues, which affect skills planning and development. Moreover, skills planning plays an important role in mobilising the efforts of providers, employers and other stakeholders to address the skills needs.

##### 1.1.2. Sub-programmes

**SO 1.1.** To develop a research system and the capacity to generate coherent and evidence-based information that informs skills planning and delivery processes.

**SO 1.2.** To strengthen the functioning of the SSCs in order to enhance skills planning and delivery processes.

**SO 1.3.** To develop and update sector skills plans, strategic plans and annual performance plans.

**SO 1.4.** To manage information and knowledge that is generated within and outside AgriSETA to enhance performance and inform the overall strategic planning processes.

## Focal Area 2: Professional, Vocational, Occupational and Workplace Learning - decent work

### 2.1. Strategic objective 2:

Establish and strengthen private-public partnerships (PPPs) to encourage better use of workplace skills development and employment-orientated programmes through Professional Vocational Technical and Academic Learning (PIVOTAL) initiatives.

#### 2.1.1. Purpose:

PIVOTAL as an acronym for Professional, Vocational, Technical and Academic Learning that results in qualifications or part qualifications under the National Qualifications Framework, according to the Government Gazette No. 9867. The National Skills Development Strategy III sees PIVOTAL as combining coursework with structured learning at work by means of professional placements, work-integrated learning, apprenticeships, internships, skills programmes and work experience placements (see NSDS III p.14). With this understanding, AgriSETA will allocate a significant amount of funds to PIVOTAL grants, as guided by the new funding regulations. This strategic goal seeks to use the PIVOTAL grant to:

- address the sector’s vocational learning needs;
- bridge the educational gaps through work-integrated learning;
- address middle-level skills needs (e.g. technical and artisan development); and
- address high-level skills (e.g. professional and academic learning initiatives).

Priority will be given to addressing the scarce and critical skills as identified through the skills planning process and other national imperatives.

Agriculture and agribusiness are primarily private-sector activities. In order to develop skills and enhance the performance of the sector, strategic public-private partnerships need to be established to meet the institutional, infrastructural and technological challenges associated with the sector’s fragmentation. In addressing this strategic goal, AgriSETA will encourage and support private companies to engage in skills delivery by providing both their expertise and an enabling environment for workplace learning. This is also in line with the Minister’s call to open up workplaces as places of learning, particularly for the implementation of employment-orientated programmes. As the strategic goal suggests, this will be achieved through strategic partnerships between private and public institutions.

It is important to note that although this strategic goal is well defined, the PIVOTAL initiatives are also addressed in other strategic goals of the AgriSETA. For example, the SETA’s support for New Venture Creation (NVC) and learnership programmes in the land reform initiatives are also PIVOTAL in nature (see strategic goal 3). Our support for commodity organisations also concentrates on programmes of a PIVOTAL nature. The aim is to align all SETA-supported initiatives in order to achieve greater impact.

#### 2.1.2. Sub programmes

**SO 2.1** To provide non-academic, workplace-based vocational learning opportunities in the agri-sector.

**SO 2.2** To provide work-integrated learning opportunities to address employability and work readiness.

**SO 2.3** To address the middle-level skills gap in the sector through artisan development.

**SO 2.4** To address middle- and high-level skills gaps in the sector through the allocation of bursaries.

**SO 2.5** To support HIV/AIDS awareness building and training in the sector.

## Focal area 3: Rural development and co-operatives

### 3.1. Strategic objective 3:

Support agricultural and rural development processes and strategies to promote food security and the growth of the rural economy.

#### 3.1.1. Purpose:

It is important that AgriSETA and its stakeholders contribute to rural development, which is one of the national objectives of the current Medium Term Strategic Framework (MTSF) and a priority in the Integrated Growth and Development Plan. Historically, AgriSETA’s engagement in rural development was ad hoc and sporadic and mainly in response to applications received from service providers. The focus was on the number of people passing through the system, rather than the impact that was made. AgriSETA has to position its programmes to create sustainable skills-development solutions for rural communities.

While it is true that 80% of AgriSETA funding flows to learners residing in rural areas, it is important to draw a clear distinction between the first agriculture rural economy, made up largely of commercial farmers whose employees are supported by strategic goal two and the second agriculture rural economy, largely made up of emerging and subsistence farmers and land reform projects. The second agriculture rural economy reflects the government’s intended target of rural development; it is the skills development needs of this group that will be addressed under this goal.

A great amount of work has already been done by AgriSETA with regard to scoping and understanding the rural agricultural economy and its skills development needs. Preliminary outcomes indicate a need to provide holistic and comprehensive skills development support. This should be premised on enterprise development, with a strong focus on management development (general business management, including marketing and supply chain) and a further focus on self-governance and broader production management.

Many of the initiatives, even though they may not lead to high-level qualifications, will be PIVOTAL in nature as every effort is made to integrate vocational learning with workplace exposure. Workplace exposure will mainly be at the learners’ own workplace. For instance, farmer development will be integrated with practical learning on the learner’s own farming enterprise.

#### 3.1.2. Sub-programmes

**SO 3.1.** To support rural development (including a focus on land reform and co-operatives).

**SO 3.2.** To support entrepreneurial and enterprise development through new venture creation.

**SO 3.3.** To establish strategic partnerships and multi-stakeholder engagement with NGOs, community-based organisations, farmer organisations and other strategic partners, and work together to support agriculture and rural development.

## Focal area 4: Agricultural education and training systems

**4.1. Strategic objective 4:** Enhance agricultural education and training systems to be more responsive to the needs of the sector.

### 4.1.1. Purpose:

Agricultural education and training is a fundamental component of long-term sustainable development. The agricultural education and training system is characterised by many challenges, including the general low level of basic education of workers in the sector; the need to constantly ensure that education and training is effective and responsive; inadequate links with relevant role-players who provide strategic information about employment and entrepreneurial opportunities in the agricultural sector; poor access to higher levels of education for previously disadvantaged communities and in particular women and the disabled; and poor access to educational services for emerging farmers and new entrants into the agriculture sector.

Having a presence in the major agricultural centres of all nine provinces of South Africa will enable AgriSETA to be more effective in the implementation of a quality education and training system, but this is realistically not within AgriSETA's budget. In the past, this challenge was addressed by communicating with local role players through road shows and by establishing effective electronic communication. While these initiatives will continue, the possibility of engaging in agency or partnership arrangements will be explored.

### 4.1.2. Sub-programmes

**SO 4.1** To support agricultural colleges to improve their quality of education

and be more responsive to the needs of the sector.

**SO 4.2** To develop occupational qualifications in line with the new QCTO framework.

**SO 4.3** To prepare the transition of the ETQA to QCTO system through capacity building.

**SO 4.4** To facilitate the implementation of the Recognition of Prior Learning (RLP) processes in the agricultural sector.

## Focal area 5: Public sector capacity

**5.1. Strategic objective:** Administer the mandatory grant system to ensure effective workplace skills planning (WSPs), annual training reporting (ATR) by the companies, and efficient disbursement of the mandatory grant funding.

### 5.1.1. Purpose:

Currently, AgriSETA has approximately 21 408 registered employers, of which 5 233 pay skills development levies. The SETA has a total of 2 394 registered SDFs (skills development facilitators) throughout the nine provinces, who are either employed by companies or work as freelance consultants for one or more companies. Generally, the mandatory grant system and the submission of the WSPs (workplace skills plans) and ATRs (annual training reports) by companies are working well, with a 73% pay-out rate of mandatory grants. However, there are some challenges that need to be addressed in order to maximise the effectiveness of this process.

### 5.1.2. Sub-programmes

**SO 5.1.** To facilitate and ensure the effective workplace skills planning and annual training reporting of the companies and disbursement of the mandatory grants funding.

**SO 5.2** To facilitate and encourage participation of levy-paying companies that are currently not submitting WSPs and ATRs and therefore not claiming their mandatory grants.

**SO 5.3.** To facilitate the deregistration of the companies that have an annual payroll of less than R500 000 but continue to pay skills development levies.

**SO 5.4.** To support SDF capacity development through funding, training and Focal area 7: Mandatory grant administration.

## Focal area 6: Mandatory grant administration

**6.1. Strategic objective 6:** Increase the capacity of the public sector and other relevant actors to improve service delivery and provide appropriate support for agricultural and rural development.

### 6.1.1. Purpose:

The challenges of agriculture and rural development, as well as the overall challenges that the NSDS III seeks to address, are multi-faceted. The interconnectedness of issues and the interface of the different levels add another layer of complexity. These call for a radical change in the mode of operation of many institutions, as well as transformation in the delivery of services by the public sector. The NSDS III attests to the fact that the capacity of the public sector lags far behind what is expected of it in many areas critical to the nation's needs, and there are serious skills gaps.

While government is the key player in agricultural and rural development, there are other important players such as non-governmental organisations (NGOs), farmer organisations, community-based organisations, national agricultural research institutions and others that have to work together and co-ordinate their service delivery in order to make a greater impact. AgriSETA is also one of the public institutions whose capacity needs to be strengthened in order to deliver appropriate services that address the needs of the NSDS III.

### 6.1.2. Sub-programmes

**SO 6.1** To develop the capacity of AgriSETA to effectively direct and facilitate the delivery of sector-specific interventions that help achieve the goals of NSDS III.

**SO 6.2** To develop the capacity of the AgriSETA to direct support structures to effectively provide input into AgriSETA processes.



# KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

## Focal area 1 (Programme activity): Credible institutional mechanisms

**Strategic Objective 1:** Establish a credible mechanism for skills planning and delivery in the agricultural sector.

**Specific Objective 1.1:** Develop a research system and the capacity to generate coherent and evidence-based information that informs skills planning and delivery processes.

**Specific Objective 1.2:** Strengthen the functioning of sub-sector committees (SSCs) to enhance skills planning and delivery processes.

**Specific Objective 1.3:** Develop and update sector skills plans, strategic plans and annual performance plans.

**Specific Objective 1.4:** Manage information and knowledge that is generated within and outside the AgriSETA to enhance performance and inform the overall strategic planning process.

### Annual Performance Report

| Performance indicator (specific outcomes)                                            | Actual achievement 2015/2016 | Planned target 2016/2017 | Actual achievement 2016/2017 | Deviation from planned target to actual achievement for 2016/2017 | Comments on deviation                                                                                         |
|--------------------------------------------------------------------------------------|------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 1.1.1. SSPx1 to be submitted on 1 August 2016                                        | 1 SSP submitted              | 1                        | 1                            | 0                                                                 | Target achieved                                                                                               |
| 1.1.2. Number of commissioned intelligence gathering and research projects conducted | No target                    | 1                        | 1                            | 0                                                                 | Target achieved                                                                                               |
| 1.2.1. Number of career guides distributed                                           | 5 000 guides distributed     | 20 000                   | 2 690                        | 17 310                                                            | Target not achieved; career guide distribution was filtered to provinces with fewer invitations to distribute |
| 1.2.2. Number of career expos organised                                              | 8 career expos               | 15                       | 18                           | -3                                                                | Target exceeded - nationally; AgriSETA attended additional expos                                              |
| 1.2.3. Number of schools visited                                                     | 873 schools visited          | 120                      | 164                          | -44                                                               | Target exceeded through partnership with Grain SA                                                             |
| 1.2.4. Number of learners exposed to career guidance                                 | 873 schools visited          | 7 000                    | 28 887                       | -21 887                                                           | Target exceeded through partnership with Grain SA                                                             |
| 1.3.1. Number of capacity-building sessions per SSC held                             | 0 individual meetings        | 2                        | 2                            | 0                                                                 | Target achieved                                                                                               |
| 1.3.2. Number of plenaries held                                                      | 0 individual meetings        | 2                        | 1                            | 1                                                                 | Target not achieved; SSCs re-establishment did not allow for two plenary meetings                             |

## Focal area 2 (Programme activity): Professional, Vocational, Occupational and Workplace Learning – decent work

### Annual Performance Report

| Performance indicator (specific outcomes)                                         | Actual achievement 2015/2016                   | Planned target 2016/2017 | Actual achievement 2016/2017 | Deviation from planned target to actual achievement for 2016/2017 | Comments on deviation                                                          |
|-----------------------------------------------------------------------------------|------------------------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 2.1.1. Number of learning programme provisioning in:<br>• Learnerships            | 899 learners entered                           | 2 300                    | 1 822                        | 478                                                               | Target not achieved; some projects cancelled and delays with contracting       |
|                                                                                   | 1249 learners completed                        | No target                | 466                          | -466                                                              | No completion target set in APP                                                |
| • Skills programmes                                                               | 3469 learners entered                          | 2 304                    | 2 447                        | -143                                                              | Target exceeded; additional learners included in the approved funding          |
|                                                                                   | 3547 learners completed                        | No target                | 2 447                        | -2 447                                                            | No completion target set in APP                                                |
| • AET to employed learners                                                        | 933 learners entered                           | 827                      | 1 025                        | -198                                                              | Target exceeded due to surplus funding                                         |
|                                                                                   | 519 learners completed                         | No target set            | 431                          | -431                                                              | No completion target set in APP                                                |
| 2.1.2. Support to commodity organisations as per the prescript of NSDS III target | 15 supported                                   | 16                       | 17                           | -1                                                                | Target exceeded; additional requests could be supported with available funding |
| 2.2.1. Number of learners placed at TVET and agricultural colleges                | 268 interns placed                             | INT-300                  | INT-613                      | -313                                                              | Targets exceeded due to earlier contracting                                    |
|                                                                                   | 294 graduates placed                           | G.PL-350                 | G.PL-361                     | -11                                                               | Target exceeded due to additional project implementation                       |
|                                                                                   | 138 interns completed<br>41 learners completed | No target                | INT 318<br>GPL 175           | -318<br>-175                                                      | No completion target set in APP                                                |
| 2.3.1. Number of learners placed in Artisan Development Programme                 | 335 learners entered                           | 210                      | 201                          | 9                                                                 | Target not achieved due to slow implementation                                 |
|                                                                                   | 175 learners completed                         | No target                | 165                          | -165                                                              | No completion target set in APP                                                |

## Annual Performance Report (Continues)

| Performance indicator (specific outcomes)                           | Actual achievement 2015/2016                | Planned target 2016/2017                     | Actual achievement 2016/2017 | Deviation from planned target to actual achievement for 2016/2017 | Comments on deviation                                                                                              |
|---------------------------------------------------------------------|---------------------------------------------|----------------------------------------------|------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 2.4.1. Number of bursaries awarded for both unemployed and employed | B (18.1) 95 entered<br>B (18.2) 234 entered | B (18.1)-100<br>B (18.2)-200                 | 100<br>372                   | 0<br>-172                                                         | Target achieved<br>Target exceeded due to more learners that could be accommodated at TVETs with available funding |
|                                                                     | No target set<br>No target set              | B (18.1) - No target<br>B (18.2) - No target | 50<br>65                     | -<br>-                                                            | No completion target set in APP                                                                                    |
| 2.5.1. Number of DVDs produced                                      | No target set                               | 1000                                         | 1840                         | -840                                                              | Target exceeded through partnership with AgriSA                                                                    |
| 2.5.2. Number of DVDs distributed                                   | 704 distributed                             | 1000                                         | 563                          | 437                                                               | Target not achieved due to postponement of employer information sessions to June 2017                              |

### Focal area 3 (Programme activity): Rural development and co-operatives

**Strategic Objective:3** Support agricultural and rural development processes and strategies to promote food security and growth of the rural economy.

**Specific objective 3.1:** To support rural development (including a focus on land reform and co-operatives).

**Specific objective 3.2:** To support entrepreneurial and enterprise

development through new venture creation.

**Specific objective 3.3:** To establish strategic partnerships and multi-stakeholder engagement with NGOs, Community-Based Organisations (CBOs), Farmer Organisations and other strategic partners and work together to support agriculture and rural development.

## Annual Performance Report

| Performance indicator (specific outcomes)                                        | Actual achievement 2015/2016 | Planned target 2016/2017 | Actual achievement 2016/2017 | Deviation from planned target to actual achievement for 2016/2017 | Comments on deviation                                               |
|----------------------------------------------------------------------------------|------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|
| 3.1.1. Number of learning programme provisioning in:<br>• Learnership programmes | 1 263 entered                | 1 536                    | 1 258                        | 278                                                               | Target not achieved due to delays in contracting and implementation |
|                                                                                  | 470 completed                | No target set            | 670                          | -                                                                 | No target set in the APP                                            |
| • Skills programmes                                                              | 1 651 entered                | 3 500                    | 3 258                        | 242                                                               | Target not achieved due to delays in implementation                 |
|                                                                                  | No completions               | No target                | 3 254                        | -                                                                 | No target set in the APP                                            |



## Annual Performance Report (Continues)

| Performance indicator (specific outcomes) | Actual achievement 2015/2016 | Planned target 2016/2017 | Actual achievement 2016/2017 | Deviation from planned target to actual achievement for 2016/2017 | Comments on deviation                                            |
|-------------------------------------------|------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------|
| • Mentorships                             | 24                           | 25                       | 48                           | -23                                                               | Target exceeded due to non-credit-bearing support programmes     |
| 3.2.1. Number of people trained           | 50 learners trained on NVC   | 50                       | 27                           | 23                                                                | Target not achieved due to cancelled projects                    |
| 3.3.1 Number of NGOs/CBOs to be supported | 220                          | 220                      | 321                          | -101                                                              | Target exceeded; support could be provided to more organisations |

## Focal area 4 (Programme activity): Agriculture Education and Training Systems

### Annual Performance Report

| Performance indicator                                                            | Actual achievement 2016/2017 | Planned target 2016/2017 | Actual achievement 2016/2017 | Deviation from planned target to actual achievement for 2016/2017 | Comments on deviation                                 |
|----------------------------------------------------------------------------------|------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|
| 4.1.1. Number of agricultural colleges supported for capacity-building programme | 15 colleges supported        | 11                       | 21                           | -10                                                               | Target exceeded due to additional capacity building   |
| 4.2.1. Number of qualifications developed                                        | 7 qualifications developed   | 5                        | 0                            | 5                                                                 | Target not achieved due to long development processes |
| 4.3.1. Number of AQPs supported                                                  | 0 AQPs supported             | 5                        | 3                            | 2                                                                 | Target not achieved due to long QCTO processes        |
| 4.4.1. Number of RPL projects supported                                          | 6 projects                   | 6                        | 6                            | 0                                                                 | Target achieved                                       |

## Focal area 5 (Programme activity): Public sector capacity

**Strategic Objective 5:** Increase the capacity of the public sector and other relevant parties for improved service delivery; and provide appropriate support for agricultural and rural development.

**Specific Objective 5.1:** To develop the capacity of AgriSETA to effectively direct and facilitate the delivery of sector specific interventions that help achieve the goals of NSDS III.

**Specific Objective 5.2:** To develop the capacity of AgriSETA to direct support structures to effectively provide input into the AgriSETA processes.

**Specific Objective 5.3:** To develop leadership capacity within the sector that leads to the enabling of innovative thinking in addressing the complexity of agriculture and rural development.

**Specific Objective 5.4:** To develop the capacity of the Department of Agriculture, Forestry and Fisheries to provide quality advisory and extension services.

| Performance indicator (specific outcomes)                                                | Actual achievement 2015/2016   | Planned target 2016/2017 | Actual achievement 2016/2017 | Deviation from planned target to actual achievement for 2016/2017 | Comments on deviation                                  |
|------------------------------------------------------------------------------------------|--------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|--------------------------------------------------------|
| 5.1.1 Number of capacity-building programmes to be conducted for the Board on Governance | 0 capacity-building programmes | 1                        | 1                            | 0                                                                 | Target achieved                                        |
| 5.2.1 Number of participants exposed to leadership training                              | 25                             | 40                       | 40                           | 0                                                                 | Target achieved                                        |
| 5.3.1 Number of extension officers trained on the DAFF sponsored                         | 233                            | 50                       | 56                           | -6                                                                | Target exceeded due to partnership with Tongaat Hullet |

## Focal area 6 (Programme Activity): Mandatory grant administration

| Performance indicator (specific outcomes)            | Actual achievement 2015/2016                                           | Planned target 2016/2017                                               | Actual achievement 2016/2017                                            | Deviation from planned target to actual achievement for 2016/2017 | Comments on deviation                                                                                                                                                                                                                            |
|------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.1.1 Number of trained SDFs for the mandatory grant | No target set                                                          | 50                                                                     | 412                                                                     | -362                                                              | Target exceeded due to additional mandatory grant support session                                                                                                                                                                                |
| 6.2.1 Number of Road shows held                      | 10 Road shows<br>73 Large firms<br>104 Medium firms<br>338 Small firms | 9 Road shows<br>380 Large firms<br>470 Medium firms<br>850 Small firms | 9 Road shows<br>361 Large firms<br>545 Medium firms<br>1011 Small firms | 0<br>19<br>-75<br>-161                                            | Target achieved<br>Target not achieved due to lower than expected submissions from large companies<br>Target exceeded due to additional mandatory grant support session<br><br>Target exceeded due to additional mandatory grant support session |

### Strategy to overcome areas of underperformance

The performance of AgriSETA for the year under review highlights areas of underperformance that need strategies to improve performance.

#### The following strategies will be implemented:

1. Continuous capacity building with administrators and target-holders to ensure a uniform understanding of the new DHET verification guidelines.

This will improve performance reporting, especially in terms of completions.

2. The strengthening and enhancement of data collection and verification systems.
3. The establishment and strengthening of monitoring and evaluation capacity within AgriSETA.
4. Strengthening contract management practices within AgriSETA to ensure completion of projects.

5. Improved communication between departments to ensure that progress is reported and corrections are made where needed.

#### Changes to planned targets

The annual targets for 2016/17 were not changed.

### Linking performance with budgets

| Strategic Objective 1:<br>Establish a credible mechanism for skills planning and delivery in agricultural sector                                                                                                                                                                                                                                               | 2016/17 |                    |                           | 2015/16   |                    |                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------|---------------------------|-----------|--------------------|---------------------------|
|                                                                                                                                                                                                                                                                                                                                                                | BUDGET  | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE | BUDGET    | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE |
| 1.1.1 Skills planning, monitoring and evaluation system established, through <ul style="list-style-type: none"> <li>• SP policy developed and approved</li> <li>• Research agenda developed and approved</li> </ul>                                                                                                                                            | 700 000 | 854 000            | -154 000                  | 1 000 000 | 845 000            | 155 000                   |
| 1.2.1 Learning and skills development needs and opportunities communicated, through: <ul style="list-style-type: none"> <li>• Printing and distribution of career info guides during the financial year</li> <li>• Participation in career expos during 15/16.</li> </ul> Through appointed stakeholders, school visits and interacting directly with learners | 500 000 | 476 658            | 23 342                    | 890 000   | 261 674            | 628 326                   |
| 1.3.1 SSCs strengthened and utilised                                                                                                                                                                                                                                                                                                                           | 995 062 | 682 167            | 312 895                   | 2 000 000 | 844 456            | 1 155 544                 |

| Strategic objective 2:<br>Establish PPPs to encourage better use of workplace skills development    | 2016/17    |                    |                           | 2015/16    |                    |                           |
|-----------------------------------------------------------------------------------------------------|------------|--------------------|---------------------------|------------|--------------------|---------------------------|
|                                                                                                     | BUDGET     | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE | BUDGET     | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE |
| 2.1.1 Learnerships (18.1)                                                                           | 41 860 000 | 31 117 375         | 10 742 625                | 23 581 975 | 9 496 246          | 14 085 729                |
| 2.1.2 Skills programmes (18.1)                                                                      | 10 063 872 | 9 403 274          | 660 598                   | 10 544 693 | 5 905 528          | 4 639 165                 |
| 2.1.3 Adult Education and Training (AET)                                                            | 3 511 442  | 3 212 757          | 298 685                   | 4 066 896  | 1 537 052          | 2 529 844                 |
| 2.1.4 Commodity organisations supported                                                             | 8 000 000  | 7 790 004          | 209 996                   | 9 591 112  | 6 399 858          | 3 191 254                 |
| 2.2.1 Internships awarded                                                                           | 24 263 858 | 14 699 579         | 9 564 279                 | 21 562 920 | 4 655 045          | 16 907 875                |
| 2.2.2 Graduate placement                                                                            | 15 750 000 | 15 058 081         | 691 919                   | 19 258 200 | 10 344 063         | 8 914 137                 |
| 2.2.3 Candidacy Programme                                                                           | 0          | 0                  | 0                         | 1 500 000  | 0                  | 1 500 000                 |
| 2.2.4 FLP (employed and unemployed)                                                                 | 0          | 0                  | 0                         | 1 986 012  | 0                  | 1 986 012                 |
| 2.3.1 Artisan training                                                                              | 11 900 000 | 26 218 484         | -14 318 484               | 55 000 000 | 4 249 000          | 51 251 000                |
| 2.4.1 Bursaries for unemployed (post and under graduates)                                           | 8 175 000  | 10 268 377         | -2 093 377                | 17 698 402 | 5 559 626          | 12 138 776                |
| 2.4.2 Bursaries for unemployed (post- and undergraduates)                                           | 4 425 000  | 2 250 332          | 2 174 668                 | 4 480 315  | 1 311 536          | 3 168 779                 |
| 2.5.1 HIV/AIDS training included in all learning interventions<br>Provide DVD to training providers | 200 000    | 0                  | 200 000                   | 9 250      | 0                  | 9 250                     |

| Strategic objective 3:<br>Support agricultural<br>and rural development<br>processes and<br>strategies to promote<br>food security and<br>growth of the rural<br>economy | 2016/17    |                       |                                 | 2015/16    |                       |                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------|---------------------------------|------------|-----------------------|---------------------------------|
|                                                                                                                                                                          | BUDGET     | ACTUAL<br>EXPENDITURE | (OVER)/<br>UNDER<br>EXPENDITURE | BUDGET     | ACTUAL<br>EXPENDITURE | (OVER)/<br>UNDER<br>EXPENDITURE |
| 3.1.1 Learnerships (18.2)                                                                                                                                                | 32 130 640 | 41 517 687            | -9 387 047                      | 41 487 280 | 20 207 664            | 21 279 616                      |
| 3.1.2 Skills programmes<br>(18.2)                                                                                                                                        | 20 386 435 | 13 389 194            | 6 997 241                       | 10 063 282 | 8 673 635             | 1 389 647                       |
| 3.1.3 Mentorships to<br>support new farmers                                                                                                                              | 11 165 764 | 24 758 186            | -13 592 422                     | 25 598 384 | 6 505 433             | 19 092 951                      |
| 3.2.1 NVC programme<br>implemented                                                                                                                                       | 3 347 486  | 712 579               | 2 634 907                       | 1 816 000  | 1 260 230             | 555 770                         |
| 3.3.1 NGO/CBOs/Co-ops<br>supported with learning<br>interventions<br>AgriSETA to ensure that<br>projects are contributing<br>to NSDS                                     |            |                       |                                 |            |                       |                                 |

| Strategic objective 4:<br>Enhancing agricultural<br>education and training<br>systems to be more<br>responsive to the<br>needs of the sector               | 2016/17                           |                       |                                 | 2015/16   |                       |                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------|---------------------------------|-----------|-----------------------|---------------------------------|
|                                                                                                                                                            | BUDGET                            | ACTUAL<br>EXPENDITURE | (OVER)/<br>UNDER<br>EXPENDITURE | BUDGET    | ACTUAL<br>EXPENDITURE | (OVER)/<br>UNDER<br>EXPENDITURE |
| 4.1.1 Agricultural colleges<br>supported with capacity-<br>building programmes                                                                             | 5 500 000                         | 3 758 296             | 1 741 704                       | 5 550 000 | 3 478 597             | 2 069 772                       |
| 4.1.2 Partnership<br>with DAFF and APAC<br>maintained                                                                                                      | NO PROJECT BUDGET                 |                       |                                 |           |                       |                                 |
| 4.1.3 Mainstream TVET<br>Colleges supported<br>through the placement<br>of university agricultural<br>graduates at colleges -<br>180 learners = R8 million | FUNDED FROM DISCRETIONARY FUNDING |                       |                                 |           |                       |                                 |
| 4.2.1 Qualifications<br>developed and/<br>or learning material<br>developed                                                                                | 3 000 000                         | 426 907               | 2 573 093                       | 3 237 500 | 578 000               | 2 659 500                       |
| 4.3.1. AQPs and<br>workplaces identified and<br>established                                                                                                | 1 200 000                         | 0                     | 1 200 000                       | 1 110 000 | 14 315                | 1 095 685                       |
| 4.4.1 RPL projects<br>implemented at<br>agricultural colleges                                                                                              | 0                                 | 573 333               | -573 333                        | 9 250 000 | 0                     | 9 250 000                       |

| Strategic objective 5:<br>Increase capacity of public sector and other relevant actors for improved service delivery and to provide appropriate support for agricultural and rural development | 2016/17   |                    |                           | 2015/16   |                    |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|---------------------------|-----------|--------------------|---------------------------|
|                                                                                                                                                                                                | BUDGET    | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE | BUDGET    | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE |
| 5.1.1 Board and standing committees' capacity built                                                                                                                                            | 537 500   | 69 825             | 467 6757                  | 500 000   | 0                  | 500 000                   |
| 5.2.1 Leaders selected from both employer and employee structures and developed                                                                                                                | 1 720 000 | 2 882 376          | -1 162 376                | 1 767 000 | 0                  | 1 767 000                 |
| 5.3.1 Partnership with Onderstepoort Veterinary School - skills programmes                                                                                                                     | 0         | 0                  | 0                         | 2 000 000 | 0                  | 2 000 000                 |
| 5.3.2 Partnership with Onderstepoort Veterinary School -bursaries                                                                                                                              | 0         | 0                  | 0                         | 3 750 000 | 0                  | 3 750 000                 |
| 5.3.3 Partnership with DAFF - development of extension officers                                                                                                                                | 2 000 000 | 729 855            | 1 270 145                 | 2 000 000 | 0                  | 2 000 000                 |

| Strategic objective 6:<br>To administer the mandatory grant system to ensure effective workplace skills planning (WSPs) and annual training reporting (ATR) of the companies and the disbursement of the mandatory grants funding | 2016/17 |                    |                           | 2015/16 |                    |                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------|---------------------------|---------|--------------------|---------------------------|
|                                                                                                                                                                                                                                   | BUDGET  | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE | BUDGET  | ACTUAL EXPENDITURE | (OVER)/ UNDER EXPENDITURE |
| 6.1.1 A new and more accessible online MG system developed and implemented                                                                                                                                                        |         |                    |                           |         |                    |                           |
| 6.2.1 Hold a special roadshow focusing on MG and remunerate selected SDFs to increase registrations                                                                                                                               | 505 480 | 12 645             | 492 835                   | 0       | 0                  | 0                         |

# REVENUE COLLECTION

| Sources of revenue                     | 2016/17        |                         |                         | 2015/16        |                         |                         |
|----------------------------------------|----------------|-------------------------|-------------------------|----------------|-------------------------|-------------------------|
|                                        | Estimate       | Actual Amount Collected | (Over)/Under Collection | Estimate       | Actual Amount Collected | (Over)/Under Collection |
|                                        | R'000          | R'000                   | R'000                   | R'000          | R'000                   | R'000                   |
| Government grants and subsidies        | -              | -                       | -                       | 4 200          | 9 198                   | -                       |
| Levy income                            | 329 860        | 341 731                 | (11 871)                | 331 029        | 330 518                 | 511                     |
| Penalties and interest                 | 6 575          | 9 325                   | (2751)                  | 6 191          | 8 463                   | (2272)                  |
| Investment income                      | 13 466         | 22 287                  | (8 821)                 | 12 794         | 18 440                  | (5 646)                 |
| Other income                           | 0              | 1710                    | (1710)                  | 0              | 1 117                   | (1117)                  |
| <b>Total (excluding donor funding)</b> | <b>349 901</b> | <b>375 053</b>          | <b>25 153</b>           | <b>354 214</b> | <b>367 727</b>          | <b>8 524</b>            |

AgriSETA had a fairly good year in terms of revenue collection, actual levies collected exceeded the budget by R10 million. This was mainly due to the increase in declaration submissions by levy payers.

Interest received increased due to the fact that no withdrawals were made from the investment account. Interest received from the investment is reinvested in the account, thus increasing the capital. A deposit was made to the investment account from the NSF account in order to earn more interest. A more focused approach was followed to ensure that provinces contribute their provincial levies as prescribed by the circular. Several meetings were arranged with departments to encourage them to contribute levies to the SETA, hence it exceeded the target for the collection of revenue from levies.

## 4.1. Capital investment

Capital investment at AgriSETA consists mainly of assets used on a daily basis. These include buildings, furniture and fittings and computer equipment. AgriSETA purchased new assets to the value of R150 000 in the current year. Numerous assets have been identified as redundant assets, which should be disposed of.

AgriSETA does not currently hold any infrastructure assets and does not have any plans to close down or downgrade any current facilities.

- There are currently no new developments relating to the capital assets that are expected to impact on the public entity's current expenditure.
- The carrying amount of capital assets held at AgriSETA increased from R4 897 000 to R6 021 000 from the financial year 2015/16 to 2016/17. An exercise to clean up the asset register was completed during the current year to ensure that the asset register reflects the most accurate values. Assets that were no longer usable have been scrapped together with assets that were lost or stolen.
- AgriSETA has to ensure that quarterly asset counts are done and proper reconciliations are made to the asset register to ensure that the asset register remains accurate and complete.
- The current state of the public entity's capital assets is generally good; all assets in the asset register are still in a workable condition and will be able to sustain the SETA to the end of the current SETA licence.
- No major maintenance projects were undertaken during the period under review.



| CAPITAL ASSETS         | 2015/16         |                    |                          | 2016/17         |                    | 2016/17                  |
|------------------------|-----------------|--------------------|--------------------------|-----------------|--------------------|--------------------------|
|                        | BUDGET          | ACTUAL EXPENDITURE | (OVER)/UNDER EXPENDITURE | BUDGET          | ACTUAL EXPENDITURE | (OVER)/UNDER EXPENDITURE |
|                        | R0'00           | R 60 000           | (R 60 000)               | R0.00           | R0.00              | R0.00                    |
| Computer hardware      | R106 000        | R130 000           | (24 000)                 | R141 000        | R64 000            | R77 000                  |
| Computer software      | R159 000        | R8 000             | 151 000                  | R42 000         | R20 000            | R22 000                  |
| Office equipment       | R109 180        | R160 000           | (50 820)                 | R31 000         | R27 000            | R4 000                   |
| Furniture and fittings | R63 600         | R130 000           | (66 400)                 | R139 000        | R39 000            | R100 000                 |
| <b>TOTAL</b>           | <b>R437 780</b> | <b>R488 000</b>    | <b>R50 220</b>           | <b>R353 000</b> | <b>R150 000</b>    | <b>R203 000</b>          |



# DEPARTMENTAL REPORTING

## MARKETING AND COMMUNICATION

### Annual information sessions

Stakeholders were invited to attend national road shows during the month of March 2016. This was a well-attended information session as consultation meetings were held with stakeholders with regard to the SETA landscape. The Minister of Higher Education and Training indicated in December 2016 that the Sector Education Training Authorities' (SETAs) lifespan would be extended until 31 March 2020.

The information sessions included dedicated sessions on the submission of the Workplace Skills Plan (WSP) and the Annual Training Reports (ATRs), which were due on 30 April 2017.

### Annual general meeting, Excellence Awards Dinner and annual seminar

The SETA hosted its 12th annual general meeting at the premier O. R. Tambo Hotel. Stakeholders attended the meeting to learn about the financial status of the SETA and the achievement of skills development within the agricultural sector.

Stakeholders were further invited to attend an Excellence Awards Dinner where those who have excelled in skills development in the various learning programmes offered at the SETA are honoured.

The Awards Dinner is the culmination of an annual competition held by AgriSETA for its stakeholders, to recognise individuals and institutions for excelling in skills development training. Entries are increasing every year and competition is becoming more fierce as a result. The organising committee conducts evaluations and adjudications and carries out site visits to make practical observations of shortlisted entrants. The winners were awarded at the Excellence Awards Dinner held on 5 October 2016.

The SETA also holds an annual seminar on topics that are relevant to the sector. The last seminar follows the 2015 seminar, which focused on 'Climate change', and the 2016 seminar, which focused on 'Threats facing agriculture in the present millennium'. During the 2016/17 seminar, guest speakers such as Prof Johan van Rooyen and Dr Roelof Botha concentrated on topics such as 'The impact of drought and medium-term outlook' and 'The economic challenges facing agriculture and food security in South Africa'.

## EXCELLENCE AWARDS

The Excellence Awards winners for 2016 were:

### Best Performing Learner: Adult Education and Training

| Title | Winner and Runner-up | Participating Employer |
|-------|----------------------|------------------------|
| Mr    | Bongani George       | HIK Abalone Farm       |
| Mr    | Celani Dubu          | Abagold Ltd            |



### Best Performing Learner: Artisan Development

| Title | Winner and Runner-up | Participating Employer            |
|-------|----------------------|-----------------------------------|
| Mr    | Rick Jones           | Golden Frontiers Citrus (Pty) Ltd |
| Ms    | Portia Chabalala     | RCL Foods - Sugar & Milling       |



### Best Performing Learner: Graduate Placement

| Title | Winner and Runner-up | Participating Employer |
|-------|----------------------|------------------------|
| Ms    | Lindokuhle Methula   | TWK Agri (Pty) Ltd     |
| Ms    | Luandi van Deventer  | Senwes                 |



### Best Performing Learner: Internship

| Title | Winner and Runner-up | Participating Employer                         |
|-------|----------------------|------------------------------------------------|
| Mr    | Omphemetse Matlawe   | Rossgro Feeds (Pty) Ltd                        |
| Mr    | Sanele Hlongwa       | National Agricultural Marketing Council (NAMC) |



### Best Performing Learner: Bursary

| Title | Winner and Runner-up  | Participating Employer |
|-------|-----------------------|------------------------|
| Ms    | Teboho Ntoahae        | Senwes                 |
| Mr    | Sihlangusempi Dlamini | TWK Agri (Pty) Ltd     |



### Best Performing Learner: Skills Programmes

| Title | Winner and Runner-up | Participating Employer         |
|-------|----------------------|--------------------------------|
| Ms    | Preline Swart        | Swart Boerdery                 |
| Mr    | Brent Browne         | British American Tobacco (BAT) |



### Best Performing Learner: Learnership

| Title | Winner and Runner-up | Participating Employer |
|-------|----------------------|------------------------|
| Ms    | Maria Lebona         | Kholokoane Enterprise  |
| Mr    | Mvuleni Balani       | Rocklands (De Keur)    |



### Leading Employer: AgriSETA Skills Development

| Participating Employer      |
|-----------------------------|
| RCL Foods - Sugar & Milling |
| Karsten Boerdery            |



### Leading Private Provider: AgriSETA Skills Development

| Participating Employer                  |
|-----------------------------------------|
| Batho Pele HR and Management Consultant |
| Hygro Training College (Pty) Ltd        |



### Best Performing Learner: Entrepreneurship

| Title | Winner and Runner-up | Participating Employer                    |
|-------|----------------------|-------------------------------------------|
| Mr    | Kobela Mokgohloa     | Korema Farms                              |
| Ms    | Manoko Selepe        | Mohau Farming Enterprises                 |
| Ms    | Reason Mphika        | Sizabantu Youth Farming Project Co-op Ltd |



### Best Performing Learner: Bursary (Special Award)

| Title | Winner and Runner-up | Participating Employer |
|-------|----------------------|------------------------|
| Ms    | Yolandi Kruger       | Grain SA               |



### Best Performing Learner: Bursary (Followed Excellence)

| Title | Winner and Runner-up | Participating Employer |
|-------|----------------------|------------------------|
| Dr    | Asanda Mditshwa      | Citrus Academy         |



### Youth and Career Development

The National Skills Development Strategy (NSDS III) and the White Paper for Post-School Education and Training emphasises: *“An important area of concern for both the schools and the post-school system is ensuring that all young people in the latter years of schooling (and those in their early years of post-school education) receive appropriate and adequate career guidance and advice.”*

Agriculture is a very important industry throughout the world – farming provides food and fibre to all people on earth. Unfortunately, due to urbanisation, children are no longer aware of the value of agriculture and they do not realise that it is the source of so many products.

The schools programme, which is funded by the AgriSETA and Maize Trust in the central parts of South Africa and the Winter Cereals Trust in the wheat

producing areas, is aimed at making learners in Grade 9 aware of agriculture, and specifically making them aware of agriculture as a possible career choice. The industry needs young people to become involved at all levels of the industry.

One hundred and sixty schools from towns in the North West, Free State, Gauteng, Eastern Cape, Limpopo, Kwa-Zulu Natal and Mpumalanga were selected for the programme.

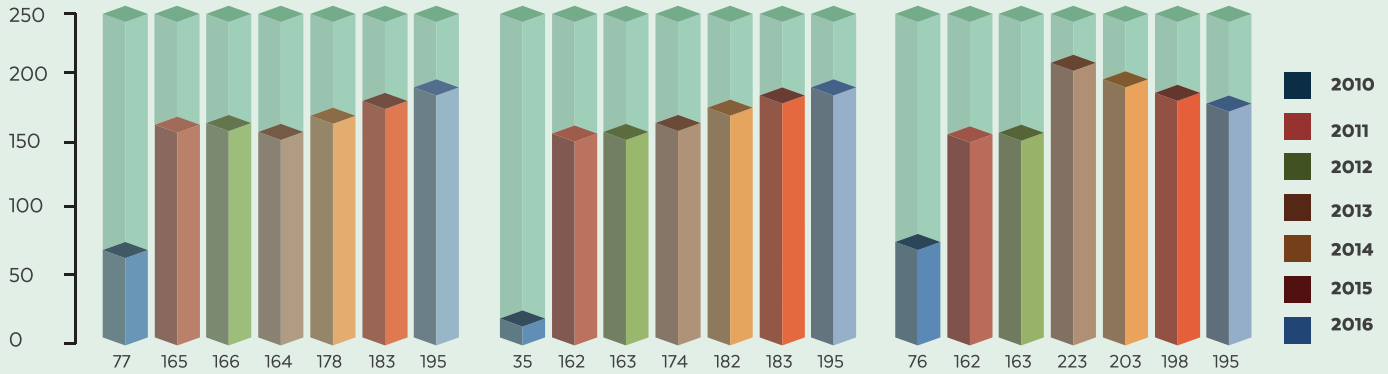
For the Winter Cereals Trust, the goal was to reach 100 schools in the Western, Eastern and Southern Cape, where the winter cereals are produced, to expose them to the wonder of agriculture. We managed to reach 104 schools in the third term. The grade nine learners are shown the informative DVDs at this critical point in their school careers where they have to make subject choices that will affect their careers.

The DVD that is shown to the learners during the visits cover the following:

- Food, Fibre and Life
- Farming – What it is all about?
- The Economy – What it is for me?
- Your lifeline – The story of bread
- Careers with Plants
- Careers with Livestock

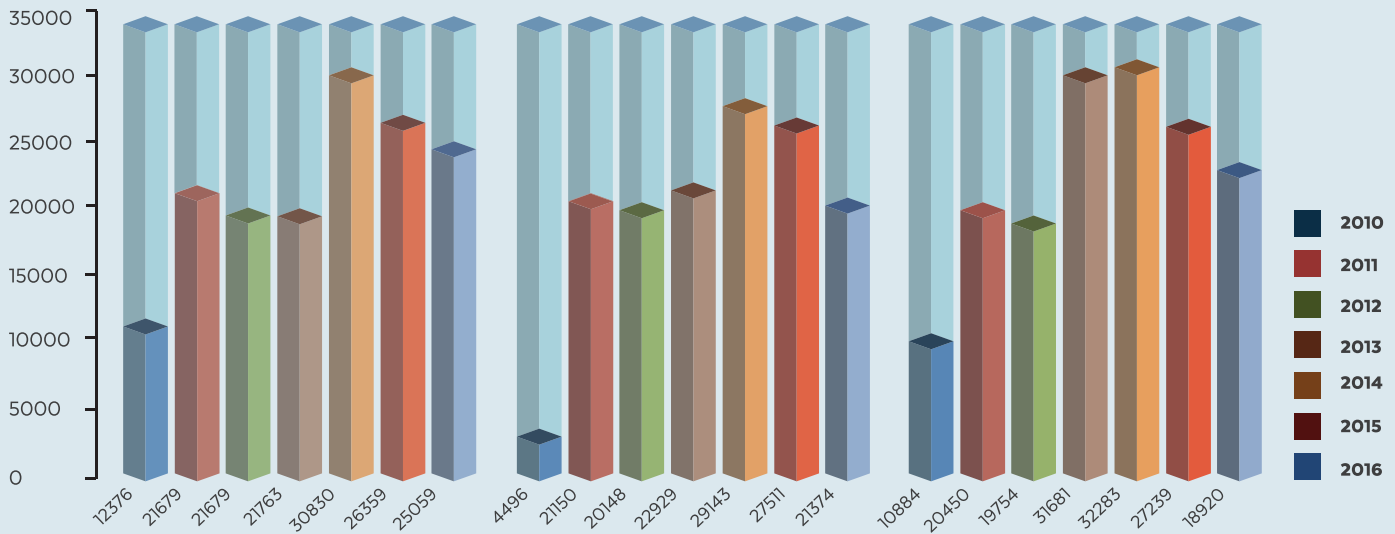
Below is the table for the schools visited and learners reached in partnership with Grain SA (The Maize Trust and the Winter Cereal Trust).

### SCHOOL VISITS - MAIZE TRUST & AGRI-SETA



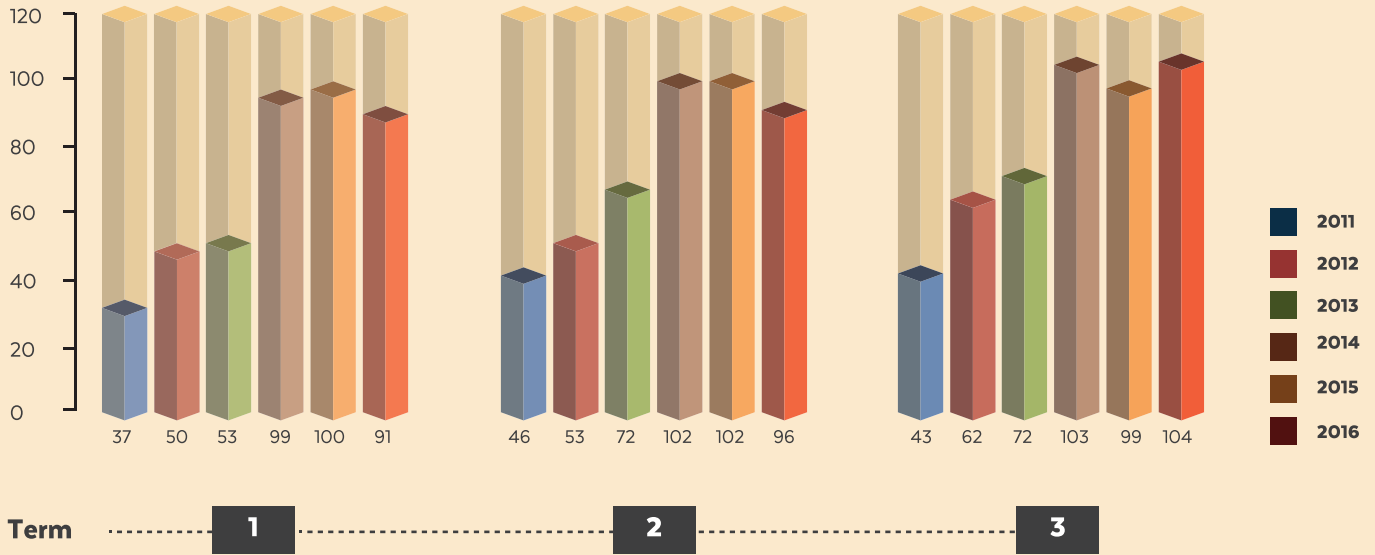
Term ..... **1** ..... **2** ..... **3**

### LEARNERS ATTENDED - MAIZE TRUST & AGRI-SETA

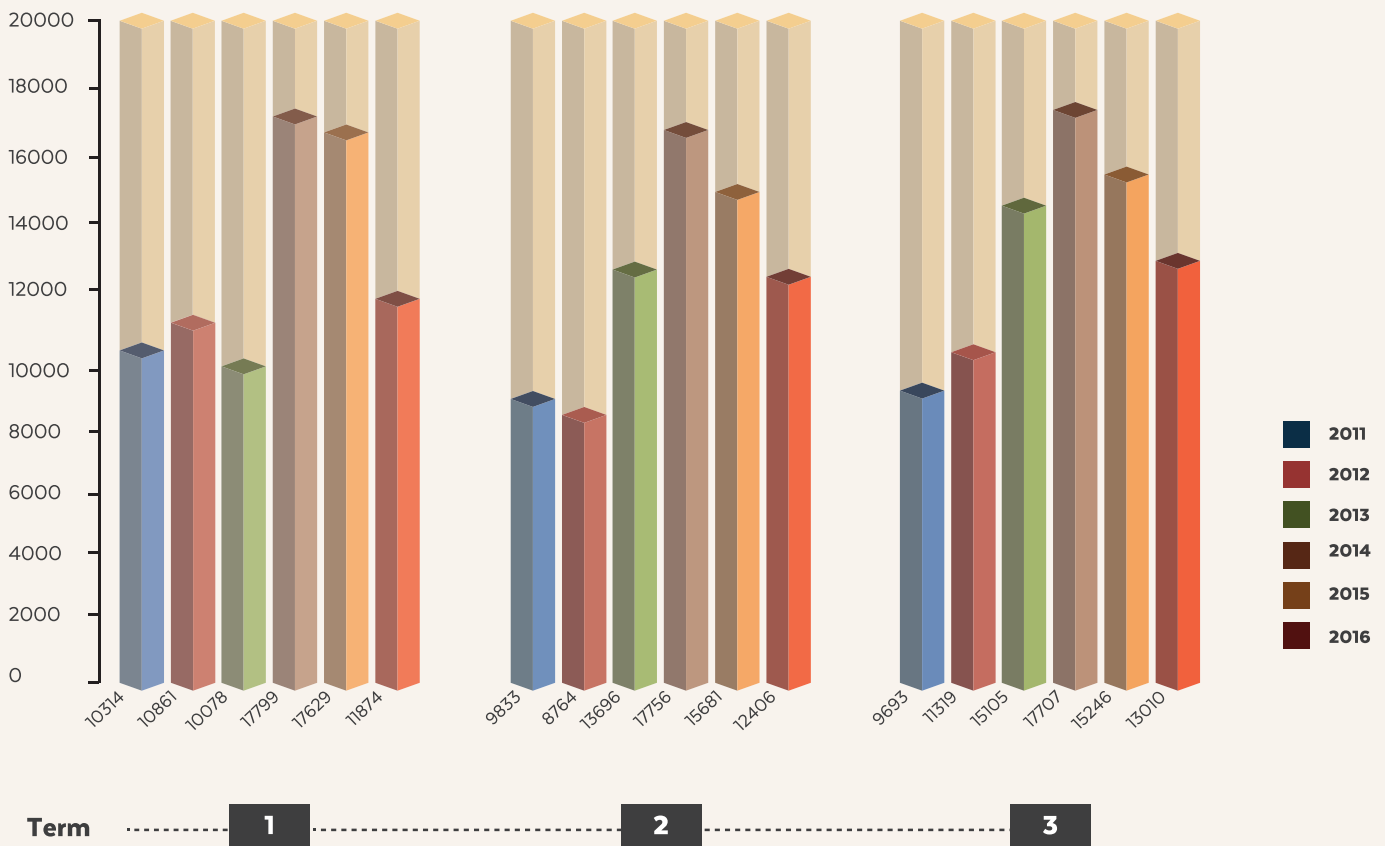


Term ..... **1** ..... **2** ..... **3**

### SCHOOL VISITS - MAIZE TRUST & AGRI-SETA



### LEARNERS ATTENDED - WINTER CEREAL TRUST



**Below is some feedback provided by the learners:**

**Bongiwe Sukula** - We learned many things about agriculture and we also learned that the food we eat at our homes, how they are made. We learned how oil, corn flakes, bread are made. We also learned about the clothes we wear that are made out of what. It was lovely to learn about agriculture. We learned about the food from the land and clothes. Found out about tuberous plants but we wish to learn more than that. Plants and animals are of use to us. Most of time we are using agricultural things like clothes from the animals, skin animals and the plants we eat are different kinds of food that are made out of plants. We all learn many things about agriculture. We thank

you very much for your time to come to us. We wish you to come again for other lessons.

**Lelethu Ngaphi** - At the GSA, I learned about food from plants like vegetables, fruit, nuts and beverages. I also learned about fibre, food from animals. You can get something to wear like jeans, shirt and a jersey. Everyday everybody eats food that comes from the plants and wears skins from animals.

**Pikoko Anathu** - I learned that agriculture is very interesting and that knowledge is power.

**Charne Buis** - I learned so much about agriculture and that farmers are very important to us.

**Courtney Exford** - I learned that with no farmers, we have no future and farming

is very important. Our subject choices are important too.

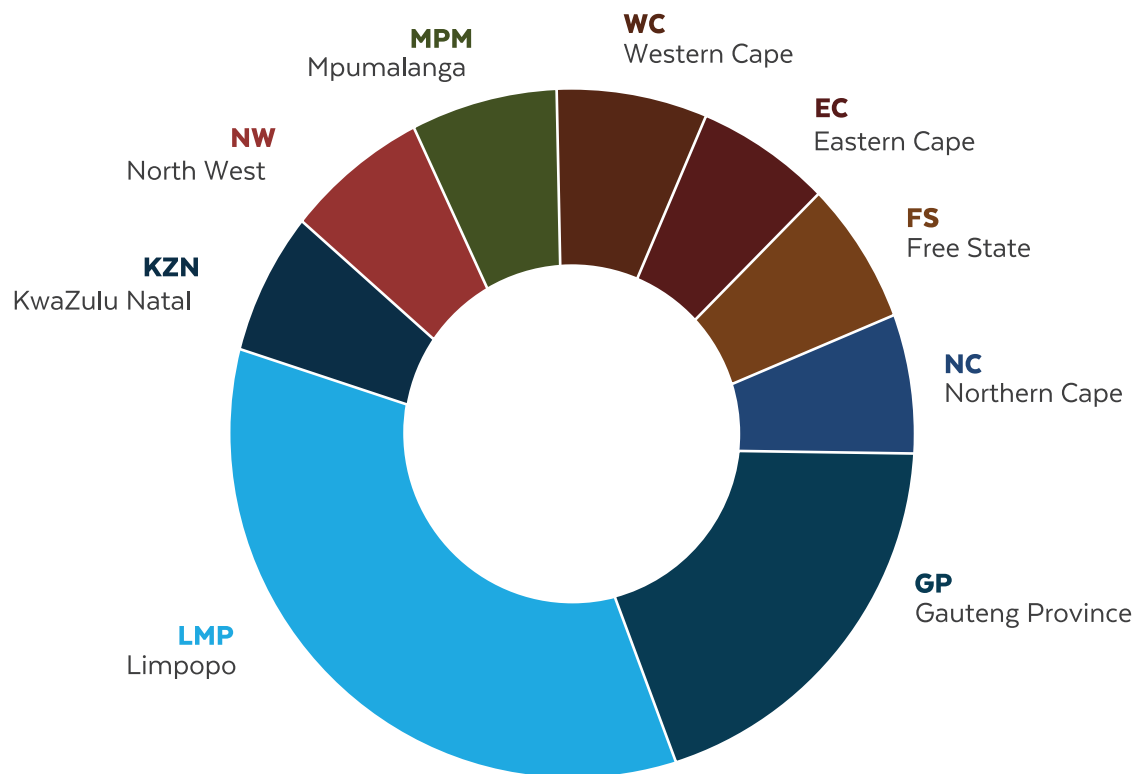
**Jerome Nett** - I learned about different careers in the world of agriculture. About fashion fabrics, milk and organic products. From the farm to the truck to the fabric to the shops and finally to the house.

**Sharon Senier** - Ja, ons het baie geleer oor wat ons kan word eendag en ons het gesien waarvandaan ons produkte kom. Dit het ons ook geleer dat die meeste van die produkte uit die grond kom.

**Asemahle Mayitshe** - It inspired me a lot, I've learned a lot of things and I think it's going to bring a change in my life. I really enjoyed watching the show. I didn't have a clue about agriculture, at least I know better now.

Career exhibitions were attended countrywide at Secondary Schools and at Technical Vocation and Educational Colleges.

During the year under review all provinces were visited; AgriSETA also reached out to the unemployed youth.



The SETA had the opportunity to participate in the Nelson Mandela Day event held at the Gert Sibande TVET College. There were various exhibitions for learners to attend, divided into sector-specific villages. AgriSETA was in the Science, Engineering and Technology village. Exhibitions were attended by Grade 9-10 learners who were informed of their subject choices and what the career choices are for each subject stream. Grade 11 learners were informed

of occupations and careers relevant to the agricultural sector. Scarce and critical skills and occupations that are high in demand were emphasised. The 'Not in Education, Employment or Training' (NEET) learners were also informed of the various learnerships, which are a start to lifelong learning to build a career. Learners were also informed about artisan development, which is needed in the sector.

They were further handed career guidance booklets, which cover the various qualifications of the SETA, the institutions offering specific qualifications, potential employers and the type of jobs offered.



**Fanny Phetla**

Senior Manager: Quality Assurance

## EDUCATION TRAINING AND QUALITY ASSURANCE (ETQA)

| Grants and Quality Assurance Committee |                                          |
|----------------------------------------|------------------------------------------|
| Mr Christopher Mason                   | South African Poultry Association (SAPA) |
| Mr Danny Schutte                       | Solidarity                               |
| Mr Moleko Phakedi                      | Food and Allied Workers Union (FAWU)     |
| Mr Augustinus Hendricks                | National African Farmers Union (NAFU)    |
| Ms Jacque Breda                        | Food and Allied Workers Union (FAWU)     |
| Ms Phelisa Nkomo                       | Ministerial Appointee                    |

| Quality Assurance Staff |                                                  |
|-------------------------|--------------------------------------------------|
| Mr Fanny Phetla         | Senior Manager: Quality Assurance                |
| Ms Minah Matloa         | Quality Control Coordinator: Monitoring          |
| Mr Mmbulaheni Matidza   | Quality Assurance Administration: Accreditation  |
| Mr Koos Sihlangu        | Quality Control Admin Assistant: Monitoring      |
| Mr Marcus Tlou          | Administrator: Assessor / Moderator Registration |



### 1.1 The Quality Assurance Landscape

It is generally understood that the extension of the SETAs' licenses to 2020 implies the automatic extension of the licences of current Quality Assurances. The extension implies that ETQAs will maintain their current mandate, while adopting the QCTO-related functions in phases. The functions include:

- **1.1.1** Development of new occupational qualifications;
- **1.1.2** Preparation of new assessment system;
- **1.1.3** Alignment of the workplaces to take up new qualifications;

- **1.1.4** Assisting industries to prepare assessment of new qualifications;
- **1.1.5** Support industries to develop learning tutorials to implement the new qualifications; and
- **1.1.6** Align policies to new QCTO prescriptions.

The QCTO has opened windows on accreditation to enable stakeholders to start applying accreditation according to the new system. The Council has, within the constraints of resources, endeavoured to find the right approach to accelerate changes in most systematic areas, notably in qualification development, structural development, which includes establishment of administration, and

monitoring units. These strides provide some assurance that the new system will go from strength to strength. In the midst of these steps, the stakeholders feel strongly that the Council requires certain foundations to accelerate the pace of qualification registration. Despite the slow pace of development of QCTO systems and structures, a breakthrough is being made in the process of handling qualifications: the Council is assisting the ETQAs to unlock the impasse in qualifications registration and it is hoped that the Council will allocate resources to focus on systems and structures development, culminating in a better tempo of implementation.

## 1. Recognition of Prior Learning (RPL)

The Quality Assurance reports that a RPL pilot has been commissioned through Chartall Business College. The service provider has already started with the six colleges of AgriSETA, which include:

- 1.1 Glen College of Agriculture
- 1.2 Owen Sithole College of Agriculture
- 1.3 Potchefstroom College of Agriculture
- 1.4 Tsolo College of Agriculture
- 1.5 Elsenburg College of Agriculture
- 1.6 Tompi Seleka College of Agriculture

### 1.2 PILOT (RECOGNITION OF PRIOR LEARNING)

The appointed service provider has already engaged with the first cohort of colleges to take the implementation process forward. The engagement with individual colleges has revealed the different empirical contexts in which the colleges are operating and identified the contextual characteristics of these colleges. The performance indicators and Programme of Action (POA) have been agreed upon between the AgriSETA-appointed service provider and colleges, to assist them to keep to the set time-frame and realise the specified outcomes of the RPL contract. The programme is composed in such a way that it allows

for activities such as the intake of learners for the RPL-ELLING process while developing capacity to take place concurrently.

The monitoring and gatekeeping mechanisms are instituted because the Grants and Quality Assurance Committee believes that RPL is an evolutionary process and must be premised on:

- Monitoring and evaluation in order to enhance public value;
- Continuous assessment of viability;
- The RPL policy must be aligned to the context of the whole AgriSETA RPL policy framework to ensure that the system does not submit to diminishing concepts of ‘pass one pass all’;
- Consultation workshops with stakeholders must be conducted to gauge an understanding of RPL to advance good practice in the sector; and
- Building of administrative capacity of RPL practitioners.

Despite colleges having reported some challenges, it is proudly reported that the colleges are now getting ready to start a mass roll-out of the RPL programme. The RPL assessors are ready to receive learners, and RPL assessment tools are nearing readiness to accept learners on a pilot basis for the first round.

## 2. AgriSETA’s involvement with colleges and universities

The support for these institutions has been a long-standing priority of AgriSETA’s Accounting Authority as there is a need to capacitate institutions to respond to the national call of equipping youth and communities at large with economic skills. The Board resolved that the key institutions that require more support are agricultural colleges. The reason for this is that they are better placed to address post-school and NSDS III objectives by focusing on rural youth, co-operatives and the implementation of new occupational qualifications. Annually, the SETA pledges an amount of R500 000 per college toward the achievement of this goal. The AgriSETA also supports the new agricultural university of Mpumalanga in its endeavour to articulate diploma students who formally belong to Lowveld colleges of agriculture. On completion of practical requirements, the students undergo RPL to advance to degree programmes.

This support includes TVET colleges such as Mthashana in KZN, Lovedale in Eastern Cape and Waterberg in Limpopo.







**Mr Gerard Mamabolo**  
Senior Manager: Skills Delivery

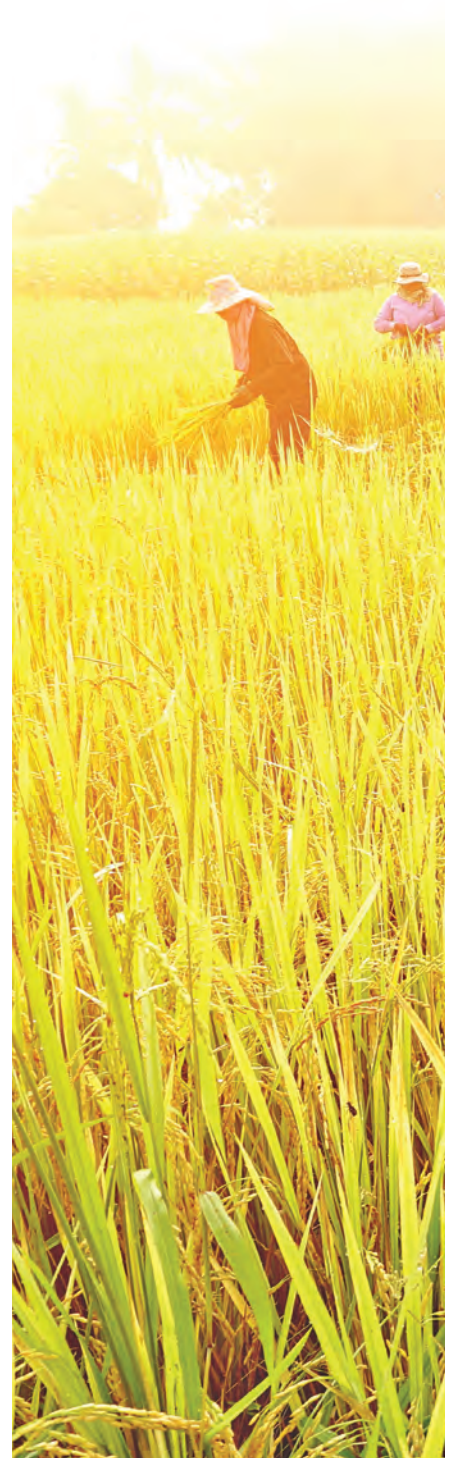
## SKILLS DELIVERY

| Grants and Quality Assurance Committee |                                          |
|----------------------------------------|------------------------------------------|
| Mr Christopher Mason                   | South African Poultry Association (SAPA) |
| Mr Danny Schutte                       | Solidarity                               |
| Mr Moleko Phakedi                      | Food and Allied Workers Union (FAWU)     |
| Mr Augustinus Hendricks                | National African Farmers Union (NAFU)    |
| Ms Jacque Breda                        | Food and Allied Workers Union (FAWU)     |
| Ms Phelisa Nkomo                       | Ministerial Appointee                    |

### SKILLS DELIVERY DEPARTMENTAL STAFF

**Table 1: Skills Delivery Departmental staff**

| Staff member           | Responsibility                                      |
|------------------------|-----------------------------------------------------|
| Gerard Mamabolo        | Senior Manager: Skills Delivery                     |
| VACANT                 | Manager: Artisan Development                        |
| VACANT                 | Manager: Rural Development                          |
| Granny Choeu           | Skills Delivery Admin. Coordinator                  |
| Bronwynn Oosthuizen    | Skills Delivery Coordinator                         |
| Rirhandzu Makhubele    | Skills Delivery Administrator - Rural Development   |
| Merriam Marobyane      | Skills Delivery Administrator - Learnerships 18.1   |
| Andani Sengani-Mphephu | Skills Delivery Administrator - Bursaries           |
| Ledile Kgomo           | Skills Delivery Administrator - Artisan Development |
| Marissa Kok            | Skills Delivery Administrator - AET                 |
| Shereen Wentzel        | Skills Delivery Administrator - Learnerships 18.2   |
| Gugu Msiza             | Skills Delivery Administrator - Graduate Placement  |
| Siphelo Maxayi         | Skills Delivery Administrator - Internships         |



**Table 1: Skills Delivery Departmental staff (Continues)**

| Staff member      | Responsibility                                                |
|-------------------|---------------------------------------------------------------|
| Nelisiwe Phala    | Skills Delivery Administrator - Skills Programmes 18.1 & 18.2 |
| Medupi Shabangu   | Rural Development Coordinator - Limpopo                       |
| VACANT            | Rural Development Coordinator - Mpumalanga                    |
| Xolisile Mthiyane | Rural Development Coordinator - KZN                           |
| Xolani Zituta     | Rural Development Coordinator - Eastern Cape                  |
| Dorcus Sehlapelo  | Intern                                                        |
| Mamiki Mabaso     | Intern                                                        |
| Walter Moerane    | Intern                                                        |

## OVERVIEW OF THE SKILLS DELIVERY DEPARTMENT

The Skills Delivery Department, as the custodian of AgriSETA learning programmes, hereby presents a report covering departmental activities for the 2016/17 reporting period.

In 2011, AgriSETA Governing Authority crafted three priority interventions areas in the agricultural and rural development sector. As a result of the extension of the SETA landscape, these priority areas were maintained. The areas are:

- Youth Development,
- TVET/Agricultural Colleges collaboration, and
- Co-operative development.

As a result of the programmes it delivered, the department played a significant role in youth and co-operative development through its rural development section. However, the department did meet challenges on the way to achieving this, including:

- Increasing access to training and skills development opportunities;
- Achieving fundamental transformation of inequalities; and
- Skills shortages and mismatches.

The Skills Delivery Department has been structured to address the skills needs of the sector and to receive statements of such needs in the form of discretionary grant applications. The same department plays an important role in liaising with AgriSETA stakeholders

to ensure that the payments of grants are meticulously managed.

The discretionary grant policy is reviewed annually to ensure it is relevant to the sector’s needs and in line with the grant regulation, that came into effect in December 2012. The departmental staff contingent currently stands at fifteen staff members and three interns.

The Skills Delivery Department continues to strive to develop people. This is achieved by exposing youth to work opportunities through internship programmes, bursaries and graduate placements, among other learning programmes.

## SKILLS DELIVERY: LEARNING PROGRAMMES

The Skills Delivery Department is responsible for the following learning programmes:

- **1.1.** AET (Adult Education and Training)
- **1.2.** Skills Programmes (18.1 & 18.2),
- **1.3.** Learnerships (18.1 & 18.2),
- **1.4.** Artisan Development (18.1 & 18.2) & Further Learning Programmes (FLP),
- **1.5.** Bursary (18.1 & 18.2),
- **1.6.** Graduate Placement,
- **1.7.** Internship,
- **1.8.** New Venture Creation (NVC),
- **1.9.** Mentorship and Farmer Development, e.g. Mentorship,

- **1.10.** Commodity Organisations.

Rural Development and Artisan Development are key units in the Skills Delivery Department. The employed section of the sector also benefits from skills development grants offered by AgriSETA.

AgriSETA has a physical presence in the four provinces of Limpopo, Mpumalanga, Eastern Cape and KwaZulu-Natal, although it services the whole country. There are four provincial co-ordinators deployed in the four provinces responsible for rural development, in line with the mandate given by the Department of Higher Education and Training.



GOVERNANCE

## MINISTERIAL APPOINTEES



Mr Thami Ka Plaatjie



Ms Phelisa Nkomo

## ACCOUNTING AUTHORITY MEMBERS



Ms Jacqueline Breda



Mr Katishi Masemola



Mr Atwell Nazo



Mr Moleko Phakedi



Mr Danny Schutte



Ms Jacquie Bhana



Mr Riaan Gerritzen



Mr Neil Hamman



Mr Augustinus Hendricks



Mr Christo van der Rheede



**Mr Mzuyanda Dlanga**  
Board Administrator

## 1. INTRODUCTION

Corporate Governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

## 2. PORTFOLIO COMMITTEES AND SELECT COMMITTEES

AgriSETA did not attend sessions with National Council of Provinces (NCOP) Select Committee on Education and Recreation.

The Chief Executive Officer attended an oversight visit of the Portfolio Committee on Higher Education and Training in Durban when the committee visited the Citrus Academy on Thursday, 2 February 2017.

## 3. EXECUTIVE AUTHORITY

The organisation is monitored quarterly by the SETA Performance Management team, which comprises the Sector Liaison Manager, Mr Trevor Tjale, Mr Ntjanyana Mokoma and Ms Namhla Mbhele.

The Quarterly Monitoring Reports of the SETA are submitted to the Department of Higher Education and Training on a quarterly basis.

- **First-quarter submission** - 15 July 2016
- **Second-quarter submission** - 17 October 2016
- **Third-quarter submission** - 16 January 2017
- **Fourth-quarter submission** - 13 April 2017

## 4. THE ACCOUNTING AUTHORITY/BOARD

### Introduction

- AgriSETA is guided by the Accounting Authority/Board as its highest decision-making body. The Accounting Authority is appointed by the Minister of Higher Education and Training for a period of five years and consists of the chairperson and 14 Board members.
- The Accounting Authority is responsible and accountable for the public entity's performance and strategic direction.

### The role of the Accounting Authority is as follows:

The roles and responsibilities of the Accounting Authority are to -

- Govern and manage SETA in accordance with the PFMA, the Skills Development Act, Skills Development Levies Act and any other applicable legislation.
- Ensure that the SETA achieves the objectives contemplated in item 5 of its Constitution and performs the functions contemplated in item 6 of the Constitution.
- Provide effective leadership and ensure that the SETA implements the goals of the NSDS III and the performance agreement with the Minister.
- Provides strategic direction for the SETA.
- Liaise with stakeholders.

- Ensure that the SETA complies with the relevant statutory requirements and its Constitution.
- Manage institutional risk.
- Monitor the performance of the SETA.
- Ensure that its members (including members of the committees established by it) comply with the code of conduct.

## Board Charter

AgriSETA has adopted a Board Charter and it operates in terms of its Constitution, which covers the following:

- Composition of the Board
- Roles and functions of the Board
- Powers of the Board
- Delegation of authority
- Terms of office of the Board
- Establishment of committees
- Meetings of the Board

The Board complies fully with all aspects and provisions of the AgriSETA Constitution.

## Composition of the Accounting Authority

| Name                    | Designation (in terms of the Public Entity Board structure) | Date appointed | Date resigned | Qualifications                                                            | Area of expertise                                                                    | Board directorships (list the entities)                                                            | Other committees or task teams (e.g.: Audit Committee/ Ministerial task team) |
|-------------------------|-------------------------------------------------------------|----------------|---------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Prof Gilingwe Mayende   | Chairperson                                                 | 1 March 2011   | 1 June 2016   | PhD                                                                       | Academic professor, researcher and writer; specialist in land reform-related matters | Mayecon Consulting (Pty) Ltd                                                                       | Executive Governance and Strategy<br>Finance and Remuneration                 |
| Ms Phelisa Nkomo        | Ministerial appointee                                       | March 2011     | n/a           | Honours in Economics<br>Completing Masters in Economics                   | Economist and a ministerial advisor                                                  | n/a                                                                                                | Grants and Quality Assurance<br><br>Finance and Remuneration                  |
| Mr Thami Ka Plaatjie    | Ministerial appointee                                       | March 2011     | n/a           | UED<br>BA: History and Education<br>BA (Hons) History<br>Masters: History | Researcher and Ministerial advisor                                                   | n/a                                                                                                | Governance and Strategy                                                       |
| Mr Jack van Dyk         | Employer representative                                     | March 2011     | December 2016 | Public Service Law Diploma - UNISA<br><br>LRDP - US                       | The full spectrum of the Human Resources Management field, and Labour Law            | n/a                                                                                                | n/a                                                                           |
| Mr Riaan Gerritzen      | Employer representative                                     | March 2011     | n/a           | NHD - Human Resource Management                                           | Specialist in Human Resource Management and salary negotiations                      | n/a                                                                                                | Governance and Strategy<br><br>Finance and Remuneration                       |
| Mr George Nefdt         | Employer representative                                     | March 2011     | n/a           | BA (Hons) H. Ee (Agric) CPP                                               | Specialist in Human Resource Management                                              | n/a                                                                                                | Executive Committee                                                           |
| Mr Augustinus Hendricks | Employer representative                                     | 2013           | n/a           | MBA                                                                       | Agricultural leadership                                                              | Wine Industry Development Association (WIDA)<br><br>National Agricultural Marketing Council (NAMC) | EXCO<br>Grants and Quality Assurance                                          |
| Ms Jacomien de Klerk    | Employer representative                                     | March 2011     | December 2016 | Grade 12 Education and Training<br>Agricultural Industry Affairs          | Education and Training<br>Agricultural Industry Affairs                              | n/a                                                                                                | Governance and Strategy<br><br>Grants and Quality Assurance                   |

## Composition of the Accounting Authority (Continues)

| Name                | Designation (in terms of the Public Entity Board structure) | Date appointed | Date resigned | Qualifications                                                                                           | Area of expertise                                                                         | Board directorships (list the entities)         | Other committees or task teams (e.g.: Audit Committee/ Ministerial task team)                                                         |
|---------------------|-------------------------------------------------------------|----------------|---------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Ms Jacqueline Bhana | Employer representative                                     | 2013           | n/a           | BA Soc.Sc.<br>B.Admin,<br>Honours -<br>Industrial<br>Relations;<br>MA - Industrial<br>Sociology          | Human<br>Resources<br>specialist<br><br>Executive<br>leadership                           | Tongaat Hulett<br>Sugar South<br>Africa Limited | Governance and<br>Strategy<br><br>Grants and<br>Quality<br>Assurance<br><br>Executive<br>Committee                                    |
| Mr Katishi Masemola | Employee representative                                     | March 2011     | n/a           | MA: Philosophy<br>Economic Policy<br>Postgrad<br>Certificate<br>Competition Law<br><br>Bachelor of Arts  | Labour<br>relations<br>specialist                                                         | Balondoloz<br>Babeteki<br>Financial<br>Services | Executive<br>Committee<br><br>Grants and<br>Quality<br>Assurance<br><br>Finance and<br>Remuneration<br><br>Governance and<br>Strategy |
| Mr Atwel Nazo       | Employee representative                                     | March 2011     | n/a           | Certificate<br>in Public<br>Management                                                                   | Labour<br>relations expert<br>and leader of<br>an employee<br>union in the<br>Agri sector | Basemenzi                                       | Executive<br>Committee<br><br>Governance and<br>Strategy                                                                              |
| Mr Ben Mtshali      | Employee representative                                     | March 2011     | n/a           | Post Grad<br>Diploma: Public<br>Management                                                               | Labour<br>relations<br>specialist                                                         | n/a                                             | Grants and<br>Quality<br>Assurance                                                                                                    |
| Mr Moleko Phakedi   | Employee representative                                     | 2013           | n/a           | Diploma Labour<br>Relations<br>Management                                                                | Labour<br>relations<br>specialist                                                         | Grain Bargaining<br>Committee                   | Grants and<br>Quality<br>Assurance                                                                                                    |
| Ms Jacqueline Breda | Employee representative                                     | March 2011     | n/a           | Grade 8                                                                                                  | Labour<br>relations<br>specialist                                                         | n/a                                             | Governance and<br>Strategy<br><br>Grants and<br>Quality<br>Assurance                                                                  |
| Mr Danny Schutte    | Employer representative                                     | 2015           | n/a           | Grade 12<br>B.Com Human<br>Resources<br>Management<br>B.Com (Hons)<br>Labour Relations<br>Postgrad TESOL | Labour<br>relations<br>specialist                                                         | n/a                                             | Grants and<br>Quality<br>Assurance                                                                                                    |

## Composition of the Accounting Authority (Continues)

| Name                      | Designation (in terms of the Public Entity Board structure) | Date appointed | Date resigned | Qualifications                                                                 | Area of expertise                                                 | Board directorships (list the entities)                        | Other committees or task teams (e.g.: Audit Committee/ Ministerial task team) |
|---------------------------|-------------------------------------------------------------|----------------|---------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------|
| Mr Christo van Der Rheede | Member                                                      | January 2017   | n/a           | MBA                                                                            | Financial Management<br>Risk Management<br>Agricultural Economics | BUSA<br>ATKV<br>Potchefstroom Business School Advisory Council | n/a                                                                           |
| Mr Neil Hamman            | Member                                                      | January 2017   | n/a           | Cost Management Accounting<br><br>Agriculture Leadership Development Programme | Financial Management Accounting<br>Agriculture Tax                | AGRI Western Cape<br><br>AgriSA                                | n/a                                                                           |

## BOARD MEETING ATTENDANCE

| Member Name             | Capacity    | May | June | July | Sept | Oct | Nov | Dec | Jan | Feb | March | Total per Member |
|-------------------------|-------------|-----|------|------|------|-----|-----|-----|-----|-----|-------|------------------|
| Prof Gilingwe P Mayende | Chairperson | ✓   |      | X    | X    | X   | X   |     |     | X   | X     | 1                |
| Ms Jacque Bhana         | Member      | ✓   |      | ✓    | ✓    | ✓   | ✓   |     |     | ✓   | ✓     | 7                |
| Ms Jacqueline Breda     | Member      | ✓   |      | ✓    | ✓    | ✓   | ✓   |     |     | ✓   | ✓     | 7                |
| Ms Jacomien De Klerk    | Member      | ✓   |      | ✓    | ✓    | ✓   | ✓   |     |     | X   | X     | 5                |
| Mr Riaan Gerritzen      | Member      | ✓   |      | ✓    | ✓    | ✓   | ✓   |     |     | ✓   | ✓     | 7                |
| Mr Augustinus Hendricks | Member      | ✓   |      | ✓    | ✓    | ✓   | ✓   |     |     | ✓   | ✓     | 7                |
| Mr Thami Ka Plaatjie    | Member      | ✓   |      | ✓    | ✓    | ✓   | ✓   |     |     | ✓   | X     | 6                |
| Mr Katishi Masemola     | Member      | ✓   |      | ✓    | ✓    | ✓   | ✓   |     |     | ✓   | ✓     | 7                |
| Mr Ben Mtshali          | Member      | ✓   |      | X    | X    | X   | X   |     |     | X   | X     | 1                |
| Mr Atwell Nazo          | Member      | ✓   |      | ✓    | ✓    | ✓   | ✓   |     |     | ✓   | ✓     | 7                |
| Mr George Nefdt         | Member      | ✓   |      |      | X    | X   | X   | X   |     | X   | X     | 1                |
| Ms Phelisa Nkomo        | Member      | X   |      | ✓    | X    | ✓   | ✓   |     |     | ✓   | ✓     | 5                |

## BOARD MEETING ATTENDANCE (Continues)

| Member Name          | Capacity | May       | June | July      | Sept      | Oct       | Nov       | Dec | Jan | Feb       | March     | Total per Member |
|----------------------|----------|-----------|------|-----------|-----------|-----------|-----------|-----|-----|-----------|-----------|------------------|
| Mr Moleko Phakedi    | Member   | ✓         |      | ✓         | X         | ✓         | ✓         |     |     | ✓         | ✓         | 6                |
| Mr Danny Schutte     | Member   | ✓         |      | ✓         | ✓         | ✓         | ✓         |     |     | ✓         | ✓         | 7                |
| Mr Jack Van Dyk      | Member   | ✓         |      | ✓         | ✓         | ✓         | ✓         |     |     | ✓         | ✓         | 7                |
| <b>Total Members</b> |          | <b>14</b> |      | <b>12</b> | <b>10</b> | <b>12</b> | <b>12</b> |     |     | <b>11</b> | <b>10</b> |                  |

## SPECIAL BOARD MEETINGS ATTENDANCE

| Member Name                               | Capacity | June      | Aug      | 4 Oct     | 25 Oct    | Nov       | Dec | Jan | Feb | Mar       | Total per Member |
|-------------------------------------------|----------|-----------|----------|-----------|-----------|-----------|-----|-----|-----|-----------|------------------|
| Mr Christo van der Rheede                 | Member   | X         | X        | X         | X         | X         |     |     |     | ✓         | 1                |
| Ms Jacquie Bhana                          | Member   | X         | ✓        | ✓         | ✓         | ✓         |     |     |     | ✓         | 5                |
| Ms Jacqueline Breda                       | Member   | ✓         | ✓        | ✓         | ✓         | ✓         |     |     |     | ✓         | 6                |
| Ms Jacomien De Klerk                      | Member   | ✓         | ✓        | ✓         | ✓         | ✓         |     |     |     | X         | 5                |
| Mr Riaan Gerritzen                        | Member   | ✓         | X        | ✓         | ✓         | ✓         |     |     |     | ✓         | 5                |
| Mr Augustinus Hendricks                   | Member   | ✓         | ✓        | ✓         | ✓         | ✓         |     |     |     | ✓         | 6                |
| Mr Neil Hamman                            | Member   | X         | X        | X         | X         | X         |     |     |     | ✓         | 1                |
| Mr Katishi Masemola                       | Member   | ✓         | ✓        | ✓         | ✓         | ✓         |     |     |     | ✓         | 6                |
| Mr Atwell Nazo                            | Member   | ✓         | ✓        | ✓         | ✓         | ✓         |     |     |     | ✓         | 6                |
| Mr Thami Ka Plaatjie (Acting Chairperson) | Member   | ✓         | ✓        | ✓         | ✓         | ✓         |     |     |     | ✓         | 6                |
| Ms Phelisa Nkomo                          | Member   | X         | X        | X         | ✓         | X         |     |     |     | ✓         | 2                |
| Mr Moleko Phakedi                         | Member   | ✓         | X        | ✓         | ✓         | ✓         |     |     |     | ✓         | 5                |
| Mr Danny Schutte                          | Member   | ✓         | ✓        | ✓         | ✓         | ✓         |     |     |     | ✓         | 6                |
| Mr Jack Van Dyk                           | Member   | ✓         | ✓        | ✓         | ✓         | ✓         |     |     |     | X         | 5                |
| <b>Total Members</b>                      |          | <b>10</b> | <b>9</b> | <b>11</b> | <b>12</b> | <b>11</b> |     |     |     | <b>12</b> |                  |



# COMMITTEE

## EXECUTIVE COMMITTEE MEETING ATTENDANCE

| Member Name             | Capacity | Apr | May      | Jun | July Special | Aug | Sep | Oct      | Nov      | Dec | Jan      | Feb      | Mar | Total per Member |
|-------------------------|----------|-----|----------|-----|--------------|-----|-----|----------|----------|-----|----------|----------|-----|------------------|
| Prof Gilingwe P Mayende | Member   |     | X        |     | X            |     |     | X        | X        |     | X        | X        |     | 0                |
| Thami Ka Plaatjie       | Member   |     | X        |     | X            |     |     | ✓        | ✓        |     | ✓        | ✓        |     | 4                |
| Mr Atwell Nazo          | Member   |     | ✓        |     | ✓            |     |     | ✓        | ✓        |     | ✓        | ✓        |     | 6                |
| Mr Katishi Masemola     | Member   |     | X        |     | ✓            |     |     | ✓        | X        |     | ✓        | ✓        |     | 4                |
| Ms Jacomien de Klerk    | Member   |     | ✓        |     | ✓            |     |     | ✓        | ✓        |     | X        | ✓        |     | 5                |
| Mr Riaan Gerritzen      | Member   |     | ✓        |     | ✓            |     |     | ✓        | X        |     | ✓        | ✓        |     | 5                |
| <b>Total</b>            |          |     | <b>3</b> |     | <b>4</b>     |     |     | <b>5</b> | <b>3</b> |     | <b>4</b> | <b>5</b> |     |                  |

## FINANCE AND REMUNERATION COMMITTEE ATTENDANCE

| Member Name          | Capacity | Apr | May | Jun | July Special | Aug      | Sep | Oct | Nov | Dec | Jan | Feb      | Mar | Total per Member |
|----------------------|----------|-----|-----|-----|--------------|----------|-----|-----|-----|-----|-----|----------|-----|------------------|
| Ms Phelisa Nkomo     | Member   |     |     |     |              | X        |     |     |     |     |     | ✓        |     | 1                |
| Mr Atwell Nazo       | Member   |     |     |     |              | ✓        |     |     |     |     |     | ✓        |     | 2                |
| Mr Riaan Gerritzen   | Member   |     |     |     |              | ✓        |     |     |     |     |     | ✓        |     | 2                |
| <b>Total Members</b> |          |     |     |     |              | <b>2</b> |     |     |     |     |     | <b>3</b> |     | <b>5</b>         |

### Remuneration of board members

- The remuneration of Board members is determined by the National Treasury Regulations
- All Board members are remunerated as per the National Treasury Regulations
- Refer to the table for Remuneration to Board members. Pages 69 to 70

### MEETINGS OF THE AUDIT AND RISK COMMITTEE 2016/2017

| Name                  | Apr | May      | June     | July     | Aug | Sep | Oct      | Nov | Dec | Jan | Feb      | Mar      | Total per Member |
|-----------------------|-----|----------|----------|----------|-----|-----|----------|-----|-----|-----|----------|----------|------------------|
| Dr Nomusa Qunta       |     | ✓        | ✓        | ✓        |     |     | ✓        |     |     |     | ✓        | X        | 5                |
| Dr George Buys        |     | X        | ✓        | ✓        |     |     | ✓        |     |     |     | ✓        | ✓        | 5                |
| Ms Makgolane Pholo    |     | ✓        | ✓        | ✓        |     |     | ✓        |     |     |     | ✓        | ✓        | 6                |
| Mr Mark Oliver        |     | ✓        | ✓        | ✓        |     |     | ✓        |     |     |     | ✓        | ✓        | 6                |
| Ms Antoinette Ngwenya |     | ✓        | ✓        | ✓        |     |     | ✓        |     |     |     | ✓        | ✓        | 6                |
| <b>Total Members</b>  |     | <b>4</b> | <b>5</b> | <b>5</b> |     |     | <b>5</b> |     |     |     | <b>5</b> | <b>4</b> |                  |

### MEETINGS OF THE GOVERNANCE AND STRATEGY COMMITTEE 2016/2017

| Name                    | Apr | May      | June | July | Aug | Sep | Oct      | Nov | Dec | Jan | Feb | Mar      | Total per Member |
|-------------------------|-----|----------|------|------|-----|-----|----------|-----|-----|-----|-----|----------|------------------|
| Prof Gilingwe P Mayende |     | ✓        |      |      |     |     | X        |     |     |     |     | X        | 1                |
| Ms Jacomien de Klerk    |     | X        |      |      |     |     | ✓        |     |     |     |     | X        | 1                |
| Mr Katishi Masemola     |     | ✓        |      |      |     |     | ✓        |     |     |     |     | ✓        | 3                |
| Mr Atwel Nazo           |     | ✓        |      |      |     |     | ✓        |     |     |     |     | ✓        | 3                |
| Mr Ben Mtshali          |     | ✓        |      |      |     |     | X        |     |     |     |     | X        | 1                |
| Mr Thami Ka Plaatjie    |     | ✓        |      |      |     |     | ✓        |     |     |     |     | ✓        | 3                |
| Mr Jacquie Bhana        |     | ✓        |      |      |     |     | X        |     |     |     |     | X        | 1                |
| Mr Riaan Gerritzen      |     | ✓        |      |      |     |     | ✓        |     |     |     |     | ✓        | 3                |
| <b>Total Members</b>    |     | <b>7</b> |      |      |     |     | <b>5</b> |     |     |     |     | <b>4</b> |                  |

**Treasury Regulations 28.1 – Daily Allowances paid:**

| Position                                   | Initials | Surname        | Title | Basic salary/meeting allowance | Bonuses/performance related payment | Expenses       | Total            |
|--------------------------------------------|----------|----------------|-------|--------------------------------|-------------------------------------|----------------|------------------|
| <b>Members of the Accounting Authority</b> |          |                |       |                                |                                     |                |                  |
| <b>Board members</b>                       |          |                |       |                                |                                     |                |                  |
| Former Chairperson                         | GP       | Mayende        | Prof  | 102 075                        |                                     | 240            | 102 315          |
| Chairperson                                | T        | Ka Plaatjie    | Mr    | 312 183                        |                                     | 45 443         | 357 626          |
| Member                                     | D        | Schutte        | Mr    | 142 176                        |                                     | 28 566         | 170 742          |
| Member                                     | G        | Nefdt          | Mr    | -                              |                                     | 4 000          | 4 000            |
| Member                                     | J        | Bhana          | Ms    | -                              |                                     | -              |                  |
| Member                                     | P        | Nkomo          | Ms    | 63 715                         |                                     | 7 355          | 71 070           |
| Member                                     | KD       | Masemola       | Mr    | 218 708                        |                                     | 4 556          | 223 264          |
| Member                                     | A        | Hendricks      | Mr    | 195 969                        |                                     | 20 642         | 216 611          |
| Member                                     | BM       | Mtshali        | Mr    | 70 425                         |                                     | 7 231          | 77 656           |
| Member                                     | SA       | Nazo           | Mr    | 239 459                        |                                     | 17 965         | 257 424          |
| Member                                     | MJ       | Phakedi        | Mr    | 172 324                        |                                     | 52 269         | 224 594          |
| Member                                     | J        | Breda          | Mrs   | 159 891                        |                                     | 4 332          | 164 223          |
| Member                                     | JG       | Van Dyk        | Mr    | 72 615                         |                                     | 10 217         | 82 832           |
| Member                                     | AGW      | Gerritzen      | Mr    | 3 822                          |                                     | 40 573         | 44 395           |
| Member                                     | DN       | Hamman         | Mr    | 31 342                         |                                     | 9 225          | 40 567           |
| Member                                     | CO       | Van Der Rheede | Mr    | 23 315                         |                                     | -              | 23 315           |
| <b>Total: Board Members</b>                |          | <b>16</b>      |       | <b>1 912 188</b>               |                                     | <b>248 613</b> | <b>2 160 801</b> |

| Audit Committee                                   |     |          |    | Basic salary/meeting allowance | Bonuses/ Performance related payments | Expenses      | Total          |
|---------------------------------------------------|-----|----------|----|--------------------------------|---------------------------------------|---------------|----------------|
| Former Chairperson                                | AR  | Ngwenya  | Mr | 65 759                         |                                       | 4 653         | 70 412         |
| Chairperson                                       | NZ  | Qunta    | Dr | 150 233                        |                                       | 3 502         | 153 735        |
| Member                                            | MH  | Oliver   | Mr | 53 698                         |                                       | 711           | 54 409         |
| Member                                            | MMN | Pholo    | Ms | 26 945                         |                                       | 8 141         | 35 086         |
| Member                                            | GF  | Buys     | Dr | 49 684                         |                                       | 266           | 49 950         |
| <b>Total: Members of the Accounting Authority</b> |     | <b>5</b> |    | <b>346 319</b>                 | <b>-</b>                              | <b>17 273</b> | <b>363 592</b> |

### Grants and Quality Assurance Committee

The Grants and Quality Assurance Committee discharges its function as per SAQA Act No. 58 of 1995, which includes the following:

1. Making recommendations to the Accounting Authority in matters concerning the function of ETQA;
2. Overseeing the implementation of:
  - Accreditation of providers;
  - Monitoring of learning provision;
  - Registration of practitioners in the sector;
  - Execution of ETQA budgets;
  - Maintenance of National Learners Record Database;
  - Resourcing and staffing of the ETQA department; and
  - Capacity-building projects.
3. Monitoring the implementation of policies.
4. Monitoring national programmes and implementation of government programmes.
5. Attending national programmes and conferences.
6. It is the task of the Grants and Quality Assurance Committee to oversee the disbursement of discretionary funds, to consider applications for funding and to approve submissions. It is the committee’s task to inform the Accounting Authority and gain its ratification for proposals on disbursing funds. It is also the task of the committee to ensure that any application considered is aligned to the NSDS and the SSP.



## MEETINGS OF THE GRANTS AND QUALITY ASSURANCE COMMITTEE 2016/2017

| Name                    | Apr | May | Jun      | Jul      | Aug | Sep | Oct | Nov      | Dec | Jan | Feb | Mar      |   |
|-------------------------|-----|-----|----------|----------|-----|-----|-----|----------|-----|-----|-----|----------|---|
| Ms Phelisa Nkomo        |     |     | X        | X        |     |     |     | ✓        |     |     |     | ✓        | 2 |
| Mr Danny Schutte        |     |     | ✓        | ✓        |     |     |     |          |     |     |     |          | 2 |
| Ms Jacqueline Breda     |     |     | ✓        | ✓        |     |     |     |          |     |     |     | ✓        | 3 |
| Mr Moleko Phakedi       |     |     | ✓        | ✓        |     |     |     | X        |     |     |     | ✓        | 3 |
| Ms Jacomien de Klerk    |     |     | ✓        | ✓        |     |     |     | ✓        |     |     |     | X        | 3 |
| Mr Augustinus Hendricks |     |     | ✓        | ✓        |     |     |     | ✓        |     |     |     | ✓        | 4 |
| Mr Christopher Mason    |     |     | X        | ✓        |     |     |     | X        |     |     |     | ✓        | 2 |
| <b>Total members</b>    |     |     | <b>5</b> | <b>6</b> |     |     |     | <b>3</b> |     |     |     | <b>5</b> |   |

### 5. RISK MANAGEMENT

AgriSETA has an approved risk policy and risk register in place.

Risks are addressed by departments on a continuous basis and an integrated register is revised annually during the SETA's annual strategic planning session.

In defining risks, the AgriSETA works in close cooperation with its appointed internal auditors. During the latter part of the previous financial year, the internal auditors reviewed and presented the risk register to the Audit and Risk Committee.

At each standing Audit and Risk Committee meeting, risks are submitted and considered by the committee. In the case of AgriSETA, the risk forms an integral part of the Audit Committee. Quarterly, the internal auditors will submit directly to the Audit and Risk Committee their objective view of risks inherent in the institution.

### 6. INTERNAL CONTROL UNIT

Internal controls were reviewed and monitored by management. Outsourced Risk and Compliance Assessment (Pty) Ltd. (ORCA) assists AgriSETA with internal audit matters.

### 7. INTERNAL AUDIT AND RISK COMMITTEE

It is the task of the Audit and Risk Committee to meet at least once quarterly (prior to the Accounting Authority) to consider:

- The finances of the SETA

- Internal auditors' quarterly reports
- Fraud and fraud hotline matters
- Any misappropriation of funds



The table below discloses relevant information on the Audit and Risk Committee members for 2016/17

|                                        |                                                                                                       |          |     |           |                  |
|----------------------------------------|-------------------------------------------------------------------------------------------------------|----------|-----|-----------|------------------|
| Dr Nomusa Zethu Qunta<br>(Chairperson) | PhD<br>Master of Commerce<br>B.Com, B.Admin                                                           | External | N/A | May 2016  | Newly appointed  |
| Mrs Makgolane Marry Pholo              | MDP, M.Com, CA<br>B.Com (Hons)<br>B.Com (Accounting)                                                  | External | N/A | May 2016  | Newly appointed  |
| Ms Antoinette Ngwenya                  | MBA<br>B.Com                                                                                          | External | N/A | May 2016  | Returning member |
| Mr Mark Oliver                         | Diploma: Operations<br>Damelin Management<br>Current: Advanced<br>Diploma in<br>Management ADM<br>UWC | External | N/A | May 2016  | Returning member |
| Dr George Buys                         | PhD<br>MBA<br>B.Min (Hons)<br>L.TH                                                                    | External | N/A | July 2016 | Newly appointed  |

## 8. COMPLIANCE WITH LAWS AND REGULATIONS

- The National Treasury Regulations
- The National Skills Development Strategy III
- The New SETA Grants Regulations
- National Development Plan Vision 2030
- Medium Term Strategic Framework 2014-2019
- Human Resources Development Strategy for South Africa, 2030
- The Skills Development Act, 1998 (Act No. 97 of 1998) as amended in 2008
- The Skills Development Levies Act, 199 (Act No. 9 of 1999)
- The Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended by Act No. 29 of 1999

## 9. FRAUD AND CORRUPTION

- AgriSETA has a fraud prevention policy in place and implements it actively.
- Apart from the policy, AgriSETA has a formal and well-communicated Fraud Hotline in place, which is managed by an autonomous external provider. Each year on the annual roadshow, stakeholders are made aware of the hotline and invited to use it if they suspect any wrongdoing.

This is also permanently displayed on the AgriSETA website and appears under the signature of staff members' e-mails.

- Cases are reported anonymously (if so preferred) via:
  - o Fraud hotline toll-free number
  - o E-mail
  - o Fax
  - o Post

The service provider will immediately record the complaint and forward it directly to the internal auditors and the CEO. Cases are then handed down to the relevant manager to investigate and conclude. All these cases are then reported on at the next Audit and Risk Committee meeting.

## 10. MINIMISING CONFLICT OF INTEREST

AgriSETA employees are required to sign a Declaration of Interest to inform the SETA of any potential conflicts of interest.

## 11. CODE OF CONDUCT

The Accounting Authority approved a 'Code of Conduct' policy for AgriSETA employees. The Code is designed to outline the ethical standards and norms adhered to and upheld by AgriSETA in the provision of services and doing business. The Code provides employees with a guideline for ethical behaviour concerning their individual conduct and their interaction with others. Compliance with the Code is expected to enhance

professionalism. The Code applies to all AgriSETA staff members.

## 12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

A Health and Safety Committee is established at the AgriSETA.

## 13. COMPANY/BOARD ADMINISTRATOR

The Board Administrator provides Accounting Authority Members with guidance and advice about matters of good governance and ethics as well as the nature and extent of their duties and responsibilities and how the duties should be discharged. The current position is under review.

## 14. SOCIAL RESPONSIBILITY

AgriSETA is still in partnership with AgriSA in distributing a DVD that highlights the Code of Best Practice for HIV and AIDS. The DVD is freely available for companies to distribute to their employees.



**Dr N.Z. Qunta**  
Chairperson of Audit and Risk Committee

# AUDIT & RISK COMMITTEE (A & RC) REPORT

## Audit Committee report for the period ending on 31 March 2017

I am pleased to present Audit Committee report for the period ending on 31 March 2017.

### 1. Audit Committee members and attendance

The Audit Committee consists of the members listed below. The Committee meets at least four times per annum – in line with its approved charter. Six meetings were held during the year.

| Name of the Member                                     | Number of meetings attended |
|--------------------------------------------------------|-----------------------------|
| <b>Dr N.Z. Qunta</b> – Independent Chairman            | 5                           |
| <b>Ms A.R. Ngwenya</b> – Independent Member            | 6                           |
| <b>Ms M.M.N. Pholo</b> – Independent Member            | 6                           |
| <b>Dr G. Buys</b> – Organised Employer Representative  | 5                           |
| <b>Mr M. Olivier</b> – Organised Labour Representative | 6                           |

### 2. Audit Committee Responsibility

The Audit Committee is pleased to report that it is properly constituted as required by the Public Financial Management

Act (PFMA), and has complied with its responsibilities arising from Section 77 of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Committee Charter, and has managed and regulated its affairs in compliance with this charter.

As mandated, the Audit Committee hereby reports on its functions for the year ended 31 March 2017.

For the financial year ended 31 March 2017, and in compliance with the PFMA, the Audit Committee reviewed:

- The Annual Financial Statements before submission to the Auditor-General on 31 May 2017 and the final Annual Financial Statements after audit. (Recommendations for improvement were made);
- The effectiveness of internal controls;
- The adequacy, reliability and integrity of management’s reports, including operational and financial information;
- The management letter of the Auditor-General related to the audit of the final 2016/17 Annual Financial Statements;
- The appropriateness of accounting policies, practices and potential changes;
- The effectiveness of the system of risk management, including emerging risks;
- Compliance with relevant laws and regulations;
- ICT controls, risks and governance;
- The reports on significant investigations and outcomes;
- The predetermined objectives prior to submission to the Auditor-General; and
- The plans, work and reports of Internal Auditors and the Auditor-General. The Audit Committee also conducted independent meetings with the assurance providers.

### 3. Review of the Annual Financial Statements: 2016/17

- The Draft Annual Financial Statements for the year ended 31 March 2017 were reviewed by this Committee on 26 May 2017 and recommendations for improvements were made before submission to the Board for approval and to the Auditor-General for auditing and on 28 July 2017 after being audited.

- The Audit Committee reviewed the 2016/17 draft annual performance report prior to submission to the Auditor-General and after being audited.

### 4. Risk Management

The Audit Committee was not satisfied with the process and level of maturity of the SETA in the area of risk management. The process, procedure and development of mitigation strategies and implementation of risk management methodology need improvement. Though the investigations were necessary and warranted, the audit committee regarded the increase in the number of investigations conducted during the year as high risk, with the potential to hinder the achievement of the organisational objectives, as management is likely to spend more time on the investigations as opposed to execution of their duties.

### 5. Review of effectiveness of internal controls

The Audit Committee review of the findings of the internal audit work, which was based on the risk assessments conducted, revealed certain weaknesses, which were raised with the management and the Board. A number of weaknesses were identified in the area of grant management, financial management and SCM and were reported to the Accounting Authority accordingly.

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

- Supply Chain Management: a number of control weaknesses were identified and management was advised to effect improvements.
- Information Technology: inadequacy of the policies identified and uncertainty on the future of the IT infrastructure were raised as concerns and areas needing urgent attention of the Board and management.
- Predetermined objectives: reliability, usefulness and quality of presentation of the performance targets showed weaknesses for which management was consistently advised to effect improvements.
- Risk management and human resources.

The Audit Committee remains concerned about a lack of progress and inadequate management in the Finance and SCM Department, leading to an increase in irregular expenditure. The Audit Committee is also concerned about the information technology environment of

the SETA and the lack of internal capacity to lead and manage in this area. The Audit Committee regards this as high risk for the SETA and advised the Board accordingly during the year under review.

## 6. In-Year Management and Monthly/Quarterly Report

Management presented quarterly reports to the Audit Committee during the year and such reports were reviewed and interrogated by the Audit Committee for accuracy and reliability. In some cases, the Audit Committee was not satisfied with the quality of the reports and improvements were recommended to management.

However, the SETA complied with all the reporting requirements and all the quarterly reports were recommended to the Board for approval and submission to the DHET.

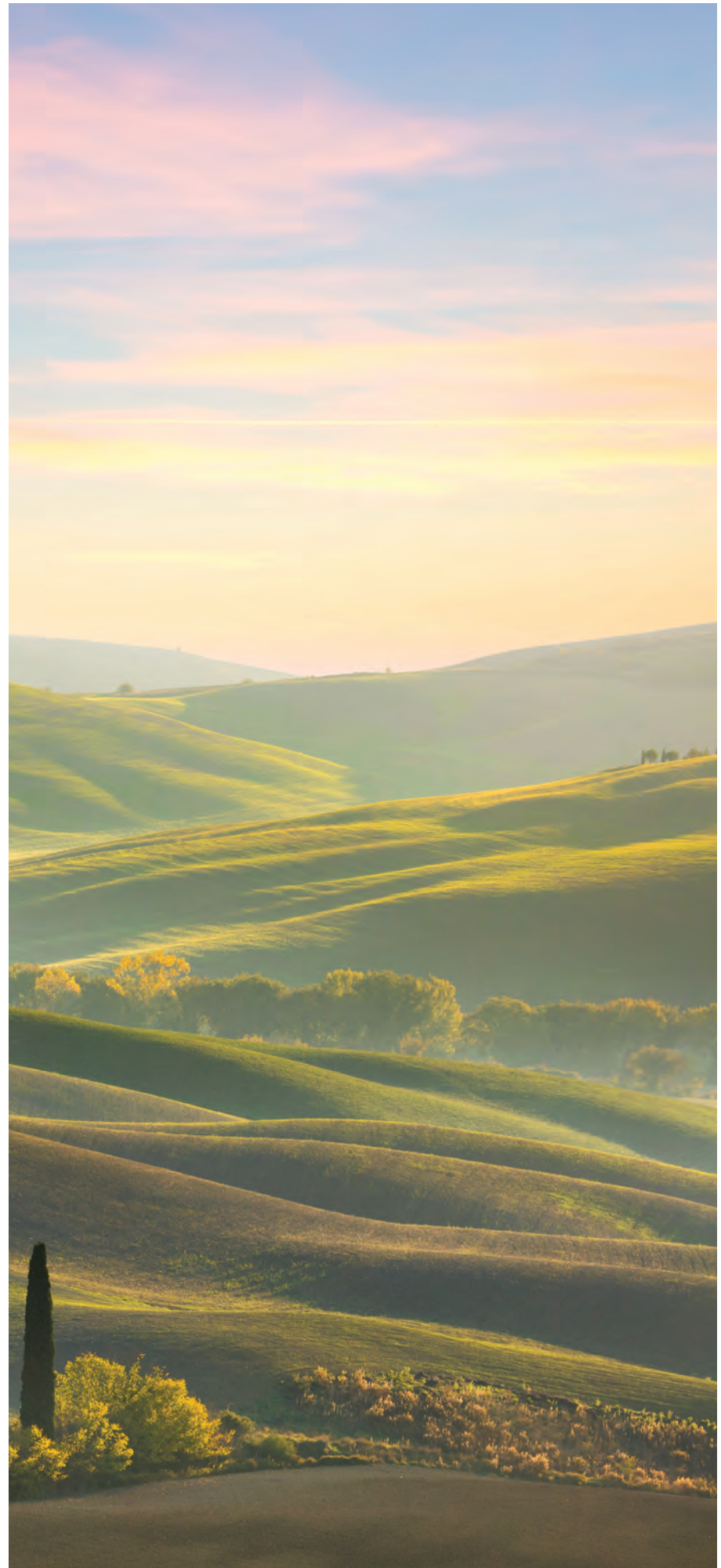
## 7. The Audit Committee Opinion

Though there were instances of disagreements between the Auditor-General and management during the year, the Audit Committee met with both parties to resolve all the issues. The Audit Committee concurs with and accepts the conclusion of the Auditor-General on the Annual Financial Statements and Performance Information.

The Committee remains concerned about the matters raised to management in the Auditor-General's reports and will continue to drive management to put plans in place to address these areas.



*Dr N Z Qunta*  
*CHAIRPERSON of Audit and Risk*  
*Committee*  
*July 2017*





# D HUMAN RESOURCES MANAGEMENT



**Ms Onicca Moloto**  
Senior Manager: Human Resources

## INTRODUCTION

### Overview of Human Resources matters at the public entity

As we continue the journey of skills development within the agricultural sector, the organisation is not immune to the changes that affect the SETAs in respect of the earlier landscape and extension to 2020. For this reason, the Human Resources function plays an important role in the achievement of the organisation's strategic goals and ensuring its stability. AgriSETA continues to enjoy a stable workforce with an attrition rate of less than 10%.

At the end of the financial year, the staff complement stood at 57. In accordance with the Department of Higher Education and Training mandate, AgriSETA still supports workplace experience for unemployed youth and annually recruits interns in various departments of the organisation. For the period under review, it employed ten interns. The AgriSETA team has remained stable and has grown proportionately over time. It also boasts several long-serving team members who have ensured that AgriSETA's institutional knowledge has been retained.

AgriSETA's senior management team has been strengthened with the promotion and appointment of a Senior Manager Skills Planning, Senior Manager Human Resources and Finance and Supply Chain Manager. The managers were appointed by the Accounting Authority.

### Human Resources priorities for the year under review and the impact thereof

During the years prior to the reporting period, the AgriSETA staff consistently performed well and achieved strategic goals. The staff continues to do so and AgriSETA believes that good performance should be recognised and rewarded.

AgriSETA views its employees as one of its most valuable assets and will continue to build and grow a skilled and capable workforce through the awarding of bursaries and ongoing training in soft skills. Key staff members, such as co-ordinators, are being developed as leaders by actively playing a role in management activities, such as presentations at high-level road shows. This goes a long way to build their confidence.

AgriSETA's drive to involve labour representatives in decision-making has resulted in stable labour relations and fewer labour disputes.

### Workforce planning framework and key strategies to attract a capable workforce

The current status of the lifespan of the SETAs and the extension to 2020 remains a challenge. It causes fear and anxiety in our SETA employees so that we continue to have difficulty with attracting staff. However, we await direction on the future of the SETAs from the Department of Higher Education and Training, hoping that it will bring about uniformity and strengthen the SETAs and their leadership.

Under the guidance of the Accounting Authority, the Human Resources department has endeavoured to develop internal staff as an interim response. One of the major ongoing efforts to this end is the development of current knowledge, skills and expertise to ensure that those who carry out the mandate remain relevant.

### Employee performance management framework

A bonus incentive scheme was approved by the Accounting Authority of the AgriSETA. A total of 5% of the salary bill has been allocated for distribution as performance-based bonuses to eligible employees. Employees are subjected to two phases of evaluation to qualify for performance bonuses. What is more, is key performance indicators have been aligned with organisational objectives during the finalisation of the performance contracts of employees. In the year following this review, the employees of the SETA will for the first time be recognised with performance bonuses, after years of performing excellently in fulfilling the mandate.

### Employee Wellness Programmes

A variety of financial literacy and insurance policy benefit programmes were run for the employees of the SETA.

The social committee of the AgriSETA, led by the marketing co-ordinator, continues to involve employees in social activities to improve morale and teamwork. The social committee's aim is to strengthen the employee engagement interventions, which are driven at staff level.

The social committee's plans to extend its activities to the area of Social Corporate Responsibility have been challenging to execute, due to limited financial resources. In partnership with its stakeholders, AgriSETA intends to adopt a school in a disadvantaged area and become involved in Mandela Day by supporting one of the disadvantaged organisations in its community.

Despite the challenge of operating with no budget, the social committee succeeded in organising events by raising funds through the recycling of paper and used cartridges, as well as staff contributions. The committee staged the following events:

- **May 2016** – Employee Fundraising Day  
Africa Day celebrations with participating employees cooking traditional meals
- **August 2016** – The women of the SETA celebrated a day out
- **September 2016** – Casual Day and Heritage Day with a fundraising initiative
- **October 2016** – Social outing after the annual general meeting and seminar
- **December 2016** – Commemoration of World AIDS Day
- **February 2017** – Valentine's Day and anti-stress treatments for employees

### Policy development

The policies of the AgriSETA are reviewed annually to ensure that shortcomings are addressed. The Accounting Authority has identified the need to update all Human Resources policies to reflect current best practice in Human Resources.

### Highlights of Achievements

- Performance management implementation
- Training and development for employees on advanced tertiary level

- Employee health and safety compliance
- Timeous submission of statutory reports

### Challenges

Over the years, AgriSETA has been one of the SETAs recognised by stakeholders and the Department of Higher Education and Training for realising the objectives, set out in its Annual Performance Plan. Budgetary constraints have led the AgriSETA to secure additional funding through partnerships with other stakeholders and organisations to realise the objectives which support its critical mandate to provide skills to the country.

AgriSETA has faced challenges relating to disciplinary cases concerning management processes. This has resulted in the decline of operations within the SETA. However, the Accounting Authority has endeavoured to conclude the disciplinary cases to fully restore the functioning of the SETA.

Another great challenge is the constant leak of confidential information on the organisation's management and fund administration to the media and the Office of the Minister. This has resulted in the negative outlook for the SETA and the leadership at large. The Accounting Authority has resolved to bring those responsible for diminishing the SETA's reputation to book and establish what drives their actions.

The proposed SETA landscape and the recent extension to 2020 has brought about the unintended challenge of higher staff turnover, resulting in the loss of key employees.

The AgriSETA organogram, which was developed some time ago, has not been reviewed to accommodate the changing legislative requirements and the growth of the organisation. This has resulted in the misalignment of resources in the various departments.

### Human Resources plans and goals

- The management of the SETA is still working on the introduction of an e-recruitment system to improve the efficiency of the recruitment and talent acquisition process.
- The Accounting Authority has approved the comprehensive review of Human Resources policies aimed at updating them and ensuring that they reflect best practice in Human Resources.

- The review of the organisational structure to be aligned with the strategic objectives of the SETA.
- Improve communication across departments to attain its strategic objectives.
- Continue with staff development to build expertise and specialisations.
- Manage the employment equity targets to comply with employment equity requirements.
- Restore employee morale through team-building interventions and group activities.
- To continue developing staff to retain staff and carry out succession planning.



## Human Resources Oversight Statistics March 2016 to April 2017

### Personnel Cost by Programme/Activity/Objective

| Programme            | Programme total expenditure for the entity (R'000) | Personnel expenditure (R'000) | Programme personnel expenditure as a % of total personnel expenditure (R'000) | Personnel expenditure as a % Programme total expenditure | Number of employees | Average personnel cost per employee (R'000) |
|----------------------|----------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------|---------------------|---------------------------------------------|
| Admin.               | 46 355                                             | 15 354                        | 67%                                                                           | 33%                                                      | 41                  | 374                                         |
| Skills Delivery      | 289 798                                            | 7 563                         | 33%                                                                           | 3%                                                       | 24                  | 315                                         |
| National Skills Fund | n/a                                                | n/a                           | n/a                                                                           | n/a                                                      | n/a                 | n/a                                         |
| <b>Total</b>         | <b>336 153</b>                                     | <b>22 917</b>                 | <b>100%</b>                                                                   |                                                          | <b>65</b>           | <b>353</b>                                  |

### Personnel Cost by Salary Band

| Level                    | Personnel expenditure (R'000) | % of personnel expenditure to total personnel cost (R'000) | Number of employees | Average personnel cost per employee (R'000) |
|--------------------------|-------------------------------|------------------------------------------------------------|---------------------|---------------------------------------------|
| Top management           | 1 833                         | 8%                                                         | 1                   | 1 833                                       |
| Senior management        | 4 583                         | 20%                                                        | 5                   | 917                                         |
| Professionally qualified | 1 146                         | 5%                                                         | 5                   | 229                                         |
| Skilled                  | 7 563                         | 33%                                                        | 17                  | 445                                         |
| Semi-skilled             | 5 042                         | 22%                                                        | 23                  | 219                                         |
| Unskilled                | 2 750                         | 12%                                                        | 14                  | 196                                         |
| <b>Total</b>             | <b>22 917</b>                 | <b>100%</b>                                                | <b>65</b>           | <b>353</b>                                  |

### Training Costs

| Directorate/<br>business unit | Personnel expenditure (R'000) | Training expenditure (R'000) | Training expenditure as % of personnel cost | Number of employees trained | Average training cost per employee (R'000) |
|-------------------------------|-------------------------------|------------------------------|---------------------------------------------|-----------------------------|--------------------------------------------|
| Skills Delivery Unit          | 7 563                         | 158                          | 2%                                          | 14                          | 11.29                                      |
| Administration                | 10 354                        | 146                          | 1%                                          | 20                          | 7.30                                       |
| ETQA Unit                     | 3 145                         | 18                           | 1%                                          | 8                           | 2.25                                       |
| Skills Planning               | 1 855                         | 61                           | 3%                                          | 8                           | 7.63                                       |
| <b>Total</b>                  | <b>22 917</b>                 | <b>383</b>                   | <b>0%</b>                                   | <b>50</b>                   | <b>8</b>                                   |

| Directorate/Business Unit | 2016/2017 Number of Posts Filled | 2016/2017 Approved posts | 2016/17 Vacancies | % of vacancies |
|---------------------------|----------------------------------|--------------------------|-------------------|----------------|
| Top management            | 1                                | 1                        | 0                 | 0%             |
| Senior management         | 5                                | 5                        | 0                 | 0%             |
| Professionally qualified  | 2                                | 5                        | 3                 | 60%            |
| Skilled                   | 13                               | 17                       | 4                 | 24%            |
| Semi-skilled              | 22                               | 23                       | 1                 | 4%             |
| Unskilled                 | 13                               | 14                       | 1                 | 7%             |
| <b>Total</b>              | <b>56</b>                        | <b>65</b>                | <b>9</b>          | <b>11%</b>     |

## Employment and vacancies

### Employment Changes

| Salary Band              | Employment at 31 Mar 2016 | Adjustment | Employment at 01 Apr 2016 | Created & filled posts | Grading of posts | Appointments | Terminations | Employment at 31 Mar 2017 |
|--------------------------|---------------------------|------------|---------------------------|------------------------|------------------|--------------|--------------|---------------------------|
| Top management           | 1                         | 0          | 1                         | 0                      | 0                | 0            | 0            | 1                         |
| Senior management        | 4                         | 1          | 5                         | 0                      | -1               | 2            | -1           | 5                         |
| Professionally qualified | 3                         | 0          | 3                         | 1                      | 0                | 1            | -3           | 2                         |
| Skilled                  | 16                        | 0          | 16                        | 0                      | 0                | 2            | -2           | 16                        |
| Semi-skilled             | 20                        | 0          | 20                        | 0                      | 0                | 1            | 0            | 21                        |
| Unskilled                | 14                        | -10        | 4                         | 0                      | 0                | 13           | -6           | 11                        |
| <b>Total</b>             | <b>58</b>                 | <b>-9</b>  | <b>49</b>                 | <b>1</b>               | <b>-1</b>        | <b>19</b>    | <b>-12</b>   | <b>56</b>                 |

 One Coordinator post created and vacant

### Reasons for staff leaving

| Reason             | Number   | % of total number of staff leaving |
|--------------------|----------|------------------------------------|
| Death              | 0        | 0%                                 |
| Resignation        | 5        | 83%                                |
| Dismissal          | 0        | 0%                                 |
| Retirement         | 0        | 0%                                 |
| Ill health         | 0        | 0%                                 |
| Expiry of contract | 1        | 17%                                |
| Other              | 0        | 0%                                 |
| <b>Total</b>       | <b>6</b> |                                    |

### Labour Relations: Misconduct and disciplinary action

| Nature of disciplinary action | Number   |
|-------------------------------|----------|
| Verbal warning                | 0        |
| Written warning               | 0        |
| Final written warning         | 3        |
| Dismissal                     | 0        |
| <b>Total</b>                  | <b>0</b> |

### Equity Target and Employment Equity Status

| Levels                   | Male      |          |          |          |          |          |          |          |
|--------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|
|                          | African   |          | Coloured |          | Indian   |          | White    |          |
|                          | Current   | Target   | Current  | Target   | Current  | Target   | Current  | Target   |
| Top management           | 1         | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Senior management        | 3         | 0        | 0        | 0        | 0        | 0        | 1        | 0        |
| Professionally qualified | 2         | 0        | 0        | 1        | 0        | 0        | 0        | 0        |
| Skilled                  | 3         | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Semi-Skilled             | 6         | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Unskilled                | 4         | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b>             | <b>19</b> | <b>0</b> | <b>0</b> | <b>1</b> | <b>0</b> | <b>0</b> | <b>1</b> | <b>0</b> |

| Levels                   | Female    |          |          |          |          |          |          |          |
|--------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|
|                          | African   |          | Coloured |          | Indian   |          | White    |          |
|                          | Current   | Target   | Current  | Target   | Current  | Target   | Current  | Target   |
| Top management           | 0         | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Senior management        | 1         | 2        | 0        | 0        | 0        | 0        | 1        | 0        |
| Professionally qualified | 0         | 1        | 0        | 0        | 0        | 0        | 0        | 0        |
| Skilled                  | 8         | 0        | 3        | 0        | 0        | 1        | 1        | 0        |
| Semi-Skilled             | 11        | 0        | 2        | 0        | 0        | 0        | 1        | 0        |
| Unskilled                | 9         | 0        | 1        | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b>             | <b>29</b> | <b>3</b> | <b>6</b> | <b>0</b> | <b>0</b> | <b>1</b> | <b>2</b> | <b>0</b> |

| Levels                   | Disabled Staff |          |          |          |          |          |          |          |
|--------------------------|----------------|----------|----------|----------|----------|----------|----------|----------|
|                          | African        |          | Coloured |          | Indian   |          | White    |          |
|                          | Current        | Target   | Current  | Target   | Current  | Target   | Current  | Target   |
| Top management           | 0              | 1        | 0        | 0        | 0        | 0        | 0        | 0        |
| Senior management        | 0              | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Professionally qualified | 0              | 1        | 0        | 0        | 0        | 0        | 0        | 0        |
| Skilled                  | 0              | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Semi-Skilled             | 0              | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Unskilled                | 0              | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b>             | <b>0</b>       | <b>2</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

# REPORT OF THE AUDITOR- GENERAL TO PARLIAMENT ON THE AGRICULTURAL SECTOR EDUCATION AND TRAINING AUTHORITY

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Agricultural Sector Education and Training Authority (AgriSETA) set out on pages 88 to 125, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash-flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of AgriSETA as at 31 March 2017 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of General Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act of South Africa, 1998 (Act No. 97 of 1998) (SDA).

### Basis for opinion

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

### Emphasis of matter

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

#### Irregular expenditure

7. As disclosed in note 31 to the financial statements, irregular expenditure to the amount of R9 283 000 was incurred, as proper tender and quotation processes had not been followed. In addition, irregular expenditure to the amount of R21 665 000 was incurred because discretionary grant projects were funded without the approval of the appropriate delegated level.

#### Restatement of corresponding figures

8. As disclosed in note 25.1 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2017.

### Responsibilities of the Accounting Authority for the financial statements

9. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA and SDA

and for such internal control as the Accounting Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, the Accounting Authority is responsible for assessing AgriSETA's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the public entity or cease operations, or there is no realistic alternative but to do so.

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

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

## Report on the audit of the annual performance report

### Introduction and scope

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic goals presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic objectives presented in the annual performance report of the public entity for the year ended 31 March 2017:

| Strategic objective                                                                                                                                                                                                                   | Pages in the annual performance report |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b>Strategic objective 2:</b> establish public private partnerships (PPPs) to encourage better use of workplace-based skills development                                                                                              | 46                                     |
| <b>Strategic objective 3:</b> support agricultural and rural development processes and strategies to promote food security and growth of the rural economy                                                                            | 47                                     |
| <b>Strategic objective 4:</b> enhancing agricultural and education training systems to be more responsive to the needs of the sector                                                                                                  | 47                                     |
| <b>Strategic objective 6:</b> to administer the mandatory grant system to ensure effective workplace skills planning (WSPs) and annual training reporting (ATR) of the companies and the disbursement of the mandatory grants funding | 48                                     |

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. The material findings in respect of the reliability of the selected programmes are as follows:

**Strategic objective 2:** establish PPPs to encourage better use of workplace skills development

18. The reported achievement for the following targets was misstated as some learners were not included in the annual performance report.

| No. | Target                        |
|-----|-------------------------------|
| 1   | Skills programme entered 18.1 |
| 2   | Artisans entered              |
| 3   | Internships completed         |
| 4   | Bursaries entered 18.2        |

19. The reported achievement for the targets was misstated as the evidence provided did not support the reported achievements.

| No. | Target                        |
|-----|-------------------------------|
| 1   | Bursaries completed 18.1      |
| 2   | Graduate placements completed |
| 3   | Bursaries completed 18.2      |

**Strategic objective 3:** support agricultural and rural development processes and strategies to promote food security and growth of the rural economy

**Skills programme 18.2**

20. The reported achievement for the target was misstated as some learners were not included in the annual performance report.
21. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objectives:
- **Strategic objective 4:** enhancing agricultural and education training systems to be more responsive to the needs of the sector
  - **Strategic objective 6:** to administer the mandatory grant system to ensure effective WSPs and ATR of the companies and the disbursement of the mandatory grants funding.

**Other matters**

22. I draw attention to the matters below:

**Achievement of planned targets**

23. Refer to the annual performance report on page(s) 36 to 39; 40 to 44, for information on the achievement of planned targets for the year and explanations provided for the overachievement of a number of targets.

**Adjustment of material misstatements**

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of strategic objective 3: support agricultural and rural development processes and strategies to promote food security and growth of the rural economy; and strategic objective 4: enhancing agricultural and education training systems to be more responsive to the needs of the sector. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information.



## Report on audit of compliance with legislation

### Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

### Procurement and contract management

26. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
27. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1.

### Expenditure management

28. Effective steps were not taken to prevent irregular expenditure amounting to R30 948 000 as disclosed in note 31 to the annual financial statements, in contravention of section 51(1)(b)(ii) of the PFMA.

### Annual financial statements

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 55(1) (a) and (b) of the PFMA. Material misstatements of the disclosure note on commitments, provisions and related parties identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records provided, resulting in the financial statements receiving an unqualified audit opinion.

### Other information

30. AgriSETA's Accounting Authority is responsible for the other information. The other information comprises the

information included in the annual report, which includes the foreword by the acting chairperson of the board, the chief executive officer's overview, the strategic overview and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.

31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
33. No inconsistencies were identified.

### Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

### Leadership

35. Deficiencies were noted in the control environment, mainly in the areas of the preparation of financial statements that are free from material misstatements and accurate and complete performance

reporting. These deficiencies were as a result of management's inadequate and ineffective oversight of monitoring controls.

36. There has been no improvement in the control environment as repeat findings were raised on supply-chain management and internal control deficiencies, which indicated that the action plan to address audit recommendations was not effectively implemented and adequately monitored.

### Financial and performance management

37. The annual financial statements and annual performance report contained material misstatements which were not prevented and detected by the entity's internal controls.
38. Although the entity has developed and approved policies and procedures for the preparation of the financial statements, performance reporting and compliance with procurement regulations, these policies were not strictly adhered to. As a result, reliance was placed on the audit effort to identify misstatements to ensure that the annual financial statements and the annual performance report are fairly presented.

### Other reports

39. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

### Investigations

40. At the public entity's request, an independent consultant investigated allegations of corruption and other supply-chain management contraventions which covered the period 2015 to 2017. The investigation was concluded on 31 March 2017 and resulted in disciplinary proceedings against two employees. These proceedings are currently in progress.
41. The office of the Public Protector also investigated allegations

of corruption which covered the period 2012 to 2016. The Accounting Authority is considering the recommendations made in the preliminary report issued in December 2016.

Pretoria

31 July 2017

*Auditor-General*

Signature



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## ANNEXURE- AUDITOR- GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

### Financial statements

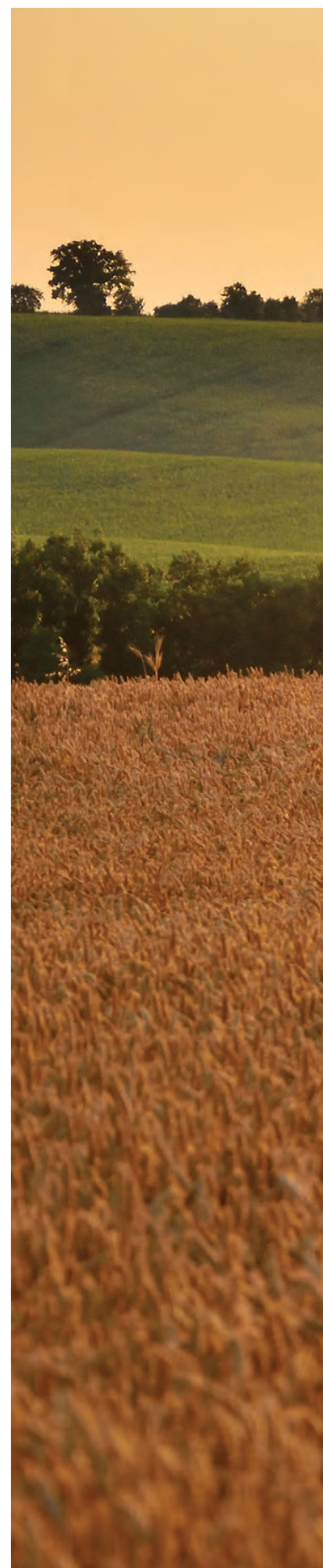
2. In addition to my responsibility for the audit of the financial statements, as described in the auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the Accounting Authority.
  - conclude on the appropriateness of the Accounting Authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions

that may cast significant doubt on AgriSETA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

### Communication with those charged with governance

3. I communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the Accounting Authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



# ANNUAL FINANCIAL STATEMENTS

## AgriSETA audited Annual Financial Statements

(Registration number 20/AgriSETA/1/07/11)

Financial Statements for the year ended 31 March 2015

### Index

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

### Index Page

Statement of Financial Position

Statement of Financial Performance

Statement of Changes in Net Assets

Cash Flow Statement

Statement of Comparison of Budget and Actual Amounts

Accounting Policies

Notes to the Financial Statements



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*Mr Jeremiah (Jerry) Madiba*  
*AgriSETA*  
*Chief Executive Officer*  
*July 2017*



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*Mr Riaan Gerritzen*  
*AgriSETA*  
*Nominated Chairperson*  
*July 2017*

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

## Index

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The reports and statements set out below comprise the annual financial statements:

| Index                                                | Page      |
|------------------------------------------------------|-----------|
| Statement of Financial Position                      | 88        |
| Statement of Financial Performance                   | 89        |
| Statement of Changes in Net Assets                   | 90        |
| Cash Flow Statement                                  | 91        |
| Statement of Comparison of Budget and Actual Amounts | 92        |
| Accounting Policies                                  | 93 - 103  |
| Notes to the Annual Financial Statements             | 104 - 125 |

### Abbreviations

|       |                                                  |
|-------|--------------------------------------------------|
| DHET  | Department of Higher Education                   |
| NSF   | National Skills Fund                             |
| SARS  | South African Revenue Services                   |
| SDL   | Skills Development Levy                          |
| UIF   | Unemployment Insurance Fund                      |
| GRAP  | Generally Recognised Accounting Practice         |
| SETA  | Sector Education Training Authority              |
| IPSAS | International Public Sector Accounting Standards |

CEO



Nominated Chairperson



AgriSETA

Monday, 31 July 2017

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Statement of Financial Position as at 31 March 2017

| Figures in Rand thousand                               | Note(s) | 2017           | 2016           |
|--------------------------------------------------------|---------|----------------|----------------|
| <b>Assets</b>                                          |         |                |                |
| <b>Current Assets</b>                                  |         |                |                |
| Inventories                                            | 6       | 435            | 492            |
| Receivables from exchange transactions                 | 7       | 348            | 274            |
| Receivables from non-exchange transactions             | 9       | 3 502          | 5 861          |
| NSF receivables                                        | 8       | 6 456          | 19 895         |
| Cash and cash equivalents                              | 10      | 380 354        | 307 513        |
|                                                        |         | <b>391 095</b> | <b>334 035</b> |
| <b>Non-Current Assets</b>                              |         |                |                |
| Property, plant and equipment                          | 3       | 6 021          | 4 897          |
| Intangible assets                                      | 4       | 24             | 25             |
|                                                        |         | <b>6 045</b>   | <b>4 922</b>   |
| <b>Total Assets</b>                                    |         | <b>397 140</b> | <b>338 957</b> |
| <b>Liabilities</b>                                     |         |                |                |
| <b>Current Liabilities</b>                             |         |                |                |
| Payables from exchange transactions                    | 13      | 56 865         | 33 596         |
| Payables from non-exchange transactions                | 14      | 29 527         | 36 032         |
| Provisions                                             | 11      | 6 742          | 5 666          |
| Government grant and Donor funding Received in Advance | 12      | 1 625          | 960            |
| <b>Total Liabilities</b>                               |         | <b>94 759</b>  | <b>76 254</b>  |
| <b>Net Assets</b>                                      |         | <b>302 381</b> | <b>262 703</b> |
| <b>Reserves</b>                                        |         |                |                |
| Capitalisation reserve                                 |         | 3 107          | 3 107          |
| Discretionary reserve                                  |         | 296 919        | 258 318        |
| Administration reserve                                 |         | 2 101          | 977            |
| Employer grant reserve                                 |         | 254            | 301            |
| <b>Total Net Assets</b>                                |         | <b>302 381</b> | <b>262 703</b> |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Statement of Financial Performance

| Figures in Rand thousand                             | Note(s) | 2017             | 2016             |
|------------------------------------------------------|---------|------------------|------------------|
| <b>Revenue</b>                                       |         |                  |                  |
| <b>Revenue from exchange transactions</b>            |         |                  |                  |
| Recoveries                                           |         | 13               | -                |
| Other income                                         |         | 1 697            | 1 117            |
| Interest received - investment                       | 23      | 22 287           | 18 440           |
| <b>Total revenue from exchange transactions</b>      |         | <b>23 997</b>    | <b>19 557</b>    |
| Revenue from non-exchange transactions               |         |                  |                  |
| Transfer revenue                                     |         |                  |                  |
| Government grants & Donor funding                    | 18      | 778              | 9 189            |
| Skills development Levy: Income                      | 17      | 341 731          | 330 518          |
| Reversal of NSF provision for uncommitted funds 2015 | 34      | -                | 4 433            |
| Skills Development Levy: Penalties and Interest      |         | 9 325            | 8 463            |
| National Skills Fund Income                          |         | -                | 1 266            |
| <b>Total revenue from non-exchange transactions</b>  |         | <b>351 834</b>   | <b>353 869</b>   |
| <b>Total revenue</b>                                 | 16      | <b>375 831</b>   | <b>373 426</b>   |
| Expenditure                                          |         |                  |                  |
| Employee-related costs                               | 21      | (15 354)         | (12 625)         |
| Depreciation and amortisation                        |         | (702)            | (462)            |
| National Skills Fund Expense                         |         | -                | (1 266)          |
| Repairs and maintenance                              | 22      | (335)            | (735)            |
| Government Grants and Donor Expense                  |         | (778)            | (9 189)          |
| Lease expense                                        |         | (355)            | (257)            |
| Employer grants and project expenditure              | 19      | (289 798)        | (234 521)        |
| General Expenses                                     | 20      | (28 831)         | (25 376)         |
| <b>Total expenditure</b>                             |         | <b>(336 153)</b> | <b>(284 431)</b> |
| <b>Surplus for the year</b>                          |         | <b>39 678</b>    | <b>88 995</b>    |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

### Statement of Changes in Net Assets

| Figures in Rand thousand                             | Capitalisation reserve | Administration reserve | Employer grant reserve | Discretionary grant reserve | Total reserves | Accumulated surplus | Total net assets |
|------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------|----------------|---------------------|------------------|
| <b>Balance at 01 April 2015</b>                      | <b>3 107</b>           | <b>1 039</b>           | <b>186</b>             | <b>169 377</b>              | <b>173 709</b> | -                   | <b>173 709</b>   |
| Changes in net assets                                | -                      | -                      | -                      | -                           | -              | 88 995              | 88 995           |
| Surplus for the year                                 | -                      | 5 978                  | 28 343                 | 54 674                      | 88 995         | (88 995)            | -                |
| Allocation of accumulated surplus                    | -                      | (6 039)                | (28 228)               | 34 267                      | -              | -                   | -                |
| Excess reserves transferred to discretionary reserve | -                      | (61)                   | 115                    | 88 941                      | 88 995         | -                   | 88 995           |
| <b>Total changes</b>                                 | -                      | <b>977</b>             | <b>301</b>             | <b>258 318</b>              | <b>262 703</b> | -                   | <b>262 703</b>   |
| <b>Balance at 01 April 2016</b>                      | <b>3 107</b>           | <b>977</b>             | <b>301</b>             | <b>258 318</b>              | <b>262 703</b> | -                   | <b>262 703</b>   |
| Changes in net assets                                | -                      | -                      | -                      | -                           | -              | 39 678              | 39 678           |
| Surplus for the year                                 | -                      | 1 348                  | 28 564                 | 9 766                       | 39 678         | (39 678)            | -                |
| Allocation of accumulated surplus                    | -                      | (224)                  | (28 611)               | 28 835                      | -              | -                   | -                |
| Excess reserves transferred to discretionary reserve | -                      | 1 124                  | (47)                   | 38 601                      | 39 678         | -                   | 39 678           |
| <b>Total change:</b>                                 | -                      | <b>2 101</b>           | <b>254</b>             | <b>296 919</b>              | <b>302 381</b> | -                   | <b>302 381</b>   |
| <b>Balance at 31 March 2017</b>                      | <b>3 107</b>           | <b>2 101</b>           | <b>254</b>             | <b>296 919</b>              | <b>302 381</b> | -                   | <b>302 381</b>   |

Note(s)

32



## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Cash Flow Statement

| Figures in Rand thousand                                    | Note(s)   | 2017           | 2016           |
|-------------------------------------------------------------|-----------|----------------|----------------|
| <b>Receipts</b>                                             |           |                |                |
| Cash receipts from stakeholders and customers               |           | 366 795        | 343 871        |
| Interest income                                             |           | 22 287         | 18 440         |
| Special Project funds received/paid                         |           | 1 444          | -              |
|                                                             |           | <b>390 526</b> | <b>362 311</b> |
| <b>Payments</b>                                             |           |                |                |
| Cash paid to stakeholders, suppliers and employees          |           | (317 548)      | (352 212)      |
| <b>Net cash flows from operating activities</b>             | <b>24</b> | <b>72 978</b>  | <b>10 099</b>  |
| <b>Cash flows from investing activities</b>                 |           |                |                |
| Purchase of property, plant and equipment                   | 3         | (130)          | (480)          |
| Proceeds from sale of property, plant and equipment         |           | 13             | -              |
| Purchase of other intangible assets                         | 4         | (20)           | (8)            |
| <b>Net cash flows from investing activities</b>             |           | <b>(137)</b>   | <b>(488)</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |           | <b>72 841</b>  | <b>9 611</b>   |
| Cash and cash equivalents at the beginning of the year      |           | 307 513        | 297 889        |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>10</b> | <b>380 354</b> | <b>307 513</b> |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Statement of Comparison of Budget and Actual Amounts

| Budget on Accrual Basis                                                                              |                  |             |                  |                                    |                                            |           |
|------------------------------------------------------------------------------------------------------|------------------|-------------|------------------|------------------------------------|--------------------------------------------|-----------|
|                                                                                                      | Approved budget  | Adjustments | Final budget     | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
| Figures in Rand thousand                                                                             |                  |             |                  |                                    |                                            |           |
| <b>Statement of Financial Performance</b>                                                            |                  |             |                  |                                    |                                            |           |
| <b>Revenue</b>                                                                                       |                  |             |                  |                                    |                                            |           |
| <b>Revenue from exchange transactions</b>                                                            |                  |             |                  |                                    |                                            |           |
| Recoveries                                                                                           | -                | -           | -                | 13                                 | 13                                         |           |
| Other income                                                                                         | -                | -           | -                | 1 697                              | 1 697                                      |           |
| Interest received - investment                                                                       | 13 466           | -           | 13 466           | 22 287                             | 8 821                                      | 33        |
| <b>Total revenue from exchange transactions</b>                                                      | <b>13 466</b>    | <b>-</b>    | <b>13 466</b>    | <b>23 997</b>                      | <b>10 531</b>                              |           |
| <b>Revenue from non-exchange transactions</b>                                                        |                  |             |                  |                                    |                                            |           |
| <b>Transfer revenue</b>                                                                              |                  |             |                  |                                    |                                            |           |
| Donor funding                                                                                        | -                | -           | -                | 778                                | 778                                        |           |
| Levies                                                                                               | 329 860          | -           | 329 860          | 341 731                            | 11 871                                     | 33        |
| Penalties and interest                                                                               | 6 575            | -           | 6 575            | 9 325                              | 2 750                                      |           |
| <b>Total revenue from non-exchange transactions</b>                                                  | <b>336 435</b>   | <b>-</b>    | <b>336 435</b>   | <b>351 834</b>                     | <b>15 399</b>                              |           |
| <b>Total revenue</b>                                                                                 | <b>349 901</b>   | <b>-</b>    | <b>349 901</b>   | <b>375 831</b>                     | <b>25 930</b>                              |           |
| <b>Expenditure</b>                                                                                   |                  |             |                  |                                    |                                            |           |
| Personnel                                                                                            | (17 129)         | -           | (17 129)         | (15 354)                           | 1 775                                      | 33        |
| Depreciation and amortisation                                                                        | -                | -           | -                | (702)                              | (702)                                      |           |
| Repairs and maintenance                                                                              | (416)            | -           | (416)            | (335)                              | 81                                         |           |
| Donor funding expense                                                                                | -                | -           | -                | (778)                              | (778)                                      |           |
| Lease expense                                                                                        | (165)            | -           | (165)            | (355)                              | (190)                                      |           |
| Employer grants and project expenditure                                                              | (299 131)        | -           | (299 131)        | (289 798)                          | 9 333                                      | 33        |
| General Expenses                                                                                     | (33 060)         | -           | (33 060)         | (28 831)                           | 4 229                                      | 33        |
| <b>Total expenditure</b>                                                                             | <b>(349 901)</b> | <b>-</b>    | <b>(349 901)</b> | <b>(336 153)</b>                   | <b>13 748</b>                              |           |
| <b>Surplus before taxation</b>                                                                       | <b>-</b>         | <b>-</b>    | <b>-</b>         | <b>39 678</b>                      | <b>39 678</b>                              |           |
| <b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b> | <b>-</b>         | <b>-</b>    | <b>-</b>         | <b>39 678</b>                      | <b>39 678</b>                              |           |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

### Accounting Policies

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#### 1. Presentation of Annual Financial Statements

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 year, except as otherwise indicated.

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

##### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

##### 1.2 Going concern assumption

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

##### 1.3 Significant judgements and sources of estimation uncertainty

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Property, plant and equipment

The SETA reviews the estimated useful lives of property, plant and equipment and intangible assets at each reporting date.

Refer to note 1.4 and 1.5.

Going concern

The SETA's licence was extended by the Minister of Higher Education and Training until 31 March 2020:

#### 1.4 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged to write off the cost of assets over their estimated useful lives, using the straight-line method. Land is not depreciated as it is deemed to have indefinite useful life. The building is not depreciated because the market value exceeds the depreciable amount.

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

| Item                   | Average useful life |
|------------------------|---------------------|
| Furniture and fixtures | 10 years            |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

### Accounting Policies

---

#### 1.4 Property, plant and equipment (continued)

|                  |         |
|------------------|---------|
| Motor vehicles   | 2 years |
| Office equipment | 5 years |
| IT equipment     | 3 years |

The residual value, the useful life and depreciation method of each asset is reviewed at least at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss on disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount, and are considered in determining operating surplus. Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable service amount, it is written down immediately to recoverable amount (i.e. impairment losses are recognised)

#### 1.5 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are stated at cost less any subsequent accumulated amortisation and adjusted for any impairments. Amortisation is charged to write-off the cost of assets over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and amortisation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised). The gain or loss on disposal of intangible assets is determined as the difference between the sale proceeds and the carrying amount, and are considered in determining operating surplus.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

| Item              | Useful life |
|-------------------|-------------|
| Computer software | 2 years     |

#### 1.6 Financial instruments

##### Classification

The entity classifies financial assets and financial liabilities into the following categories:

##### Financial Assets

Investments are recognised and derecognised on using trade accounting data where the purchase or sale of an investment is under a contract, whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets can be classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets of AgriSETA were categorised as loans and receivables.

- **Loans and receivables**

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

---

### 1.6 Financial instruments (continued)

Trade receivables, loans, and other receivables that are fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairments. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

- Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. All financial liabilities of AgriSETA were classified as other financial liabilities.

- Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.6 Financial instruments (continued)

#### Effective interest method

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

#### Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

#### Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

#### Receivables from exchange transactions

Receivables from exchange are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the assets' carrying amounts and the present value of estimated future cash flows discounted at the effective interest rate computed at the initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

#### Payables from non-exchange

Payables from non-exchange are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

---

### 1.7 Leases

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

When a lease includes both land and building elements, the entity assesses the classification of each element separately.

#### Finance leases – lessee

Finance leases consistent with the definition set out in the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and is recorded as a purchase of assets by means of long-term borrowing. All other leases are classified as operating leases.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. When an operating lease is terminated before the lease term has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

### 1.8 Consumables

Consumables are recognised as an asset on the date of acquisition and it is measured at the lower of cost or net realisable value. It is subsequently recognised in surplus or deficit as it is consumed.

#### Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher, its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period over which an asset is expected to be used by the entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

#### 1.10 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

### Accounting Policies

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#### 1.11 Employee benefits

The cost of employee benefits is recognised during the year in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave (based on the current salary rates) and termination benefits. Termination benefits are recognised and expensed only when the payment is made.

No provision has been made for retirement benefits as AgriSETA does not provide for retirement benefits for its employees.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

#### 1.12 Provisions and contingencies

Provisions are recognised when AgriSETA 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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

#### 1.13 Revenue

##### 1.13.1 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by AgriSETA, usually in accordance with a binding arrangement. When AgriSETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the year that the arrangement becomes binding and when it is probable that AgriSETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to the AgriSETA are subject to the fulfilment of specific conditions, an asset and a corresponding liability are recognised. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education and Training, income from the National Skills Fund, and grants from the national government.

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 AgriSETA as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue recognised.

Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial statements of AgriSETA, as AgriSETA controls such assets for the duration of the project. Such assets could however only be disposed of in terms of agreement and specific written instructions by the NSF.

#### Measurement

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



## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Accounting Policies

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#### 1.13 Revenue (continued)

Rates, including collection charges and penalties interest

Interest and penalties received on the skills development levy are recognised when they become receivable.

#### Levies

Levies are recognised as revenue when:

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

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers; and
- historical information on declarations previously submitted by defaulting levy payers;

The accounting policy for the recognition and measurement of skills development levy income has been amended on the basis of a revised interpretation of the Skills Development Act, Act No. 97 of 1998 and the Skills Development Levies Act, Act No. 9 of 1999 as amended.

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999 as amended), registered member companies of AgriSETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training (DHET). Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4 (b) of the Skills Development Levies Act, No. 9 of 1999 as amended, effective 1 August 2005.

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

#### Levy income is recognised on the accrual basis.

Revenue is adjusted for transfers between AgriSETA and other SETAs due to employers changing SETAs. Such adjustments are separately disclosed as inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the most recent Standard Operating Procedure issued by the Department. Skills Development Levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to AGRISSETA and these benefits can be measured reliably. This occurs when the Department makes an allocation to the AGRISSETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended according to the Standard Operating Procedure reissued by the Department of Higher Education and Training.

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

#### Other grants and donations

Conditional government grants and other conditional donor funding received are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the year, necessary to match the grants with the related costs which that are intended to compensate. Unconditional grants received are recognised when the amounts have been received.

#### 1.13.2 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to AgriSETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The only exchange revenue received by AgriSETA is the interest earned on the investment. Unconditional grants received are recognised when the amounts have been received.

## **AgriSETA**

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### **Accounting Policies**

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#### **1.14 Investment income**

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

#### **1.15 Comparative figures**

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

##### **1.15.1 Prior period error**

Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from a failure to use, or, misuse the reliable information that was available and could reasonably be expected to have been obtained and taken into account in preparing those statements.

#### **1.16 Fruitless and wasteful expenditure**

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

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

#### **1.17 Irregular expenditure**

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

- The PFMA, as amended.
- The Skills Development Act (the Act), 1998 (Act No. 97 of 1998) as amended.

Irregular expenditure is recognised against the respective class of expense in the year in which it is incurred.

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

National Treasury Practice Note no. 4 of 2008/2009 which was issued in terms of sections

76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Where irregular expenditure was incurred in the previous financial year and is only condoned

in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

#### **1.18 Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party or another entity are subject to common control. Where such a situation exists the nature and type of transactions and relationships between the parties are disclosed in the notes to the Annual Financial Statements.

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

---

### 1.19 Grants and Project Expenditure

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory grant (excluding interest and penalties) by complying with the criteria in accordance with the Skills Development Act, 1998 SETA Grant regulations regarding monies received and related matters (the SETA Grant Regulations).

#### **Mandatory Grants**

Grants equivalent to 20% of the total levies received by AgriSETA during the corresponding financial year are paid to employers who meet the criteria in the SETA Grant Regulations.

#### **Discretionary Grants and Project Expenditure**

AgriSETA may allocate discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off year. The grant payable and the related expenditure are recognised when the application has been approved.

AgriSETA may out of any surplus monies determine and allocate funds to employers, education and training providers and workers of the employers who have submitted an application for the funds in the prescribed form within the agreed upon cut-off year.

Project expenditure comprises:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project; 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 year in which they are incurred.

#### **Retrospective adjustments by SARS**

AgriSETA 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 under/over paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable/payable relating to the over/underpayment to the employer in earlier years is raised at the amount of such grant over/underpayment, net of bad debts and provision for irrecoverable amounts.

#### **Administrative expenditure**

Administrative expenditure is recognised on an accrual basis of accounting. Unless permitted by another standard of GRAP, administration expenditure has not been offset against revenue.

### 1.20 Segment reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by AgriSETA. The major classifications of activities identified in budget documentation would usually reflect the segments for which AgriSETA reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of AgriSETA that provides specific outputs or achieves particular operating objectives that are in line with AgriSETA's overall mission. AgriSETA's service segments are mandatory, discretionary and administration activities. These segments are based on the Skills Development Levies Act, 1999 and the SETA Grant Regulations.

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1.21 Budget information

The approved budget covers the fiscal period from 01 April 2016 to 31 March 2017. The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual Amounts. There are no entity or timing differences on the budget to actual information.

### 1.22 Events after reporting date

Subsequent events are all events that occur between the reporting date and the date on which the financial statements are authorised.

Adjusting events are all the events that confirm the financial performance and position of the AgriSETA at year-end and if material the financial statements are adjusted accordingly.

Non-adjusting events that take place after the reporting date are not recognised in the financial statements.

### 1.23 Commitments

Commitments are recorded at cost in the notes to the Financial Statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the AgriSETA will discharge its responsibilities thereby, incurring future expenditure that will result in the outflow of cash.

### 1.24 Grants and provisions

#### Mandatory grant provision

A liability is recognised for mandatory grant payments once the specific criteria set out in the SETA Grant regulation have been complied with by member companies and it is probable that AgriSETA will approve the grant application for payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

#### Discretionary provision

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

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Accounting Policies

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#### 1.25 Reserves

Equity is classified based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) statement of changes in equity as follows:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Unappropriated surplus

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

|                                          | <b>2016/17</b> | <b>2015/16</b> |
|------------------------------------------|----------------|----------------|
|                                          | %              | %              |
| Administration & QCTO costs of AgriSETA  | 10.5           | 10.5           |
| Employer Grant Fund Levy                 | 20             | 20             |
| Discretionary grants and projects        | 49.5           | 49.5           |
|                                          | <b>80</b>      | <b>80</b>      |
| Received by AgriSETA                     | 80             | 80             |
| Contribution to the National Skills Fund | 20             | 20             |
|                                          | <b>100</b>     | <b>100</b>     |

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund AgriSETA's administration costs. One third of the amounts received from national and provincial spheres is allocated to administration costs.

Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects.

Surplus funds in the administration and unallocated funds in the employer grant reserve are moved to the discretionary fund reserve. Provision is made in the mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

The capitalisation reserves included in net assets related to building is transferred directly to accumulated surplus or deficit when the building is derecognised.

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

Figures in Rand thousand

2017

2016

### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

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

|                                                                                                              |                      |                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• GRAP 17 (as amended 2015): Property, Plant and Equipment</li> </ul> | <p>01 April 2016</p> | <p>This prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of property, plant and equipment. The adoption of this standard has resulted in additional disclosure than was previously provided in the annual financial statements.</p> |
| <ul style="list-style-type: none"> <li>• GRAP 16 (as amended 2015): Investment Property</li> </ul>           | <p>01 April 2016</p> | <p>This statement prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of investment property. The adoption of this standard does not impact on the results of AgriSETA.</p>                                                            |

#### 2.2 Standards issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2017 or later periods:

| <b>Standard/ Interpretation:</b>                                             | <b>Effective date:<br/>Years beginning on or after</b> | <b>Expected impact:</b>                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• GRAP 20: Related parties</li> </ul> | <p>01 April 2017</p>                                   | <p>The standard prescribes the disclosure of information relevant to draw attention to the possibility that the entity's financial statements may have been affected by the existence of related parties. The adoption of this standard is not expected to impact on the results of AgriSETA but may result in more disclosure than is currently provided in the annual financial statements.</p> |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

#### 2. New standards and interpretations (continued)

|                                                                                                   |               |                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>● GRAP 109: Accounting by Principals and Agents</li> </ul> | 01 April 2017 | This standard outlines the principles to be used by an entity to assess whether it is a party to a principal or an agent in undertaking transactions in terms of such an arrangement. It is not expected that this standard will significantly impact future disclosures. |
| <ul style="list-style-type: none"> <li>● GRAP 108: Statutory Receivables</li> </ul>               | 01 April 2017 | This standard prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. It is not expected that this standard will significantly impact future disclosures.                                          |

#### 2.3 Standards not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2017 or later periods but are not relevant to its operations:

| Standard/ Interpretation:                                                                                                                                          | Effective date:<br>Years beginning on or after | Expected impact:                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------|
| <ul style="list-style-type: none"> <li>☒ GRAP 32: Service Concession Arrangements: Grantor</li> </ul>                                                              | 01 April 2016                                  | Unlikely there will be a material impact |
| <ul style="list-style-type: none"> <li>☒ IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset</li> </ul> | 01 April 2016                                  | Unlikely there will be a material impact |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

Figures in Rand thousand

2017

2016

#### 3. Property, plant and equipment

|                        | 2017             |                                                     |                | 2016             |                                                     |                |
|------------------------|------------------|-----------------------------------------------------|----------------|------------------|-----------------------------------------------------|----------------|
|                        | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land                   | 1 288            | -                                                   | 1 288          | 1 288            | -                                                   | 1 288          |
| Buildings              | 2 655            | -                                                   | 2 655          | 2 655            | -                                                   | 2 655          |
| Furniture and fixtures | 1 297            | (486)                                               | 811            | 1 849            | (1 414)                                             | 435            |
| Motor vehicles         | 252              | (252)                                               | -              | 252              | (252)                                               | -              |
| Office equipment       | 1 245            | (327)                                               | 918            | 1 286            | (982)                                               | 304            |
| Computer hardware      | 556              | (243)                                               | 313            | 1 804            | (1 612)                                             | 192            |
| Project assets         | 58               | (22)                                                | 36             | 38               | (15)                                                | 23             |
| <b>Total</b>           | <b>7 351</b>     | <b>(1 330)</b>                                      | <b>6 021</b>   | <b>9 172</b>     | <b>(4 275)</b>                                      | <b>4 897</b>   |

Repairs and maintenance of R335 313.11 were incurred in the current year.

#### Reconciliation of property, plant and equipment – 2017

|                        | Opening balance | Additions  | Other changes, movements | Depreciation | Total        |
|------------------------|-----------------|------------|--------------------------|--------------|--------------|
| Land                   | 1 288           | -          | -                        | -            | 1 288        |
| Buildings              | 2 655           | -          | -                        | -            | 2 655        |
| Furniture and fixtures | 435             | -          | 595                      | (219)        | 811          |
| Office equipment       | 304             | 27         | 862                      | (275)        | 918          |
| Computer hardware      | 192             | 64         | 230                      | (173)        | 313          |
| Project assets         | 23              | 39         | (11)                     | (15)         | 36           |
|                        | <b>4 897</b>    | <b>130</b> | <b>1 676</b>             | <b>(682)</b> | <b>6 021</b> |

The value in other changes, movements column is in relation to the reassessment of assets with zero values, assets on the floor but not on the register that was done at the market-related value of a similar asset depreciated on the SETA lifespan being 31 March 2020.

#### Reconciliation of property, plant and equipment – 2016

|                        | Opening balance | Additions  | Depreciation | Total        |
|------------------------|-----------------|------------|--------------|--------------|
| Land                   | 1 288           | -          | -            | 1 288        |
| Buildings              | 2 595           | 60         | -            | 2 655        |
| Furniture and fixtures | 432             | 117        | (114)        | 435          |
| Office equipment       | 255             | 160        | (111)        | 304          |
| Computer hardware      | 276             | 130        | (214)        | 192          |
| Project assets         | 23              | 13         | (13)         | 23           |
|                        | <b>4 869</b>    | <b>480</b> | <b>(452)</b> | <b>4 897</b> |



## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

Figures in Rand thousand 2017 2016

#### 4. Intangible assets

|                   | 2017             |                                                     |                | 2016             |                                                     |                |
|-------------------|------------------|-----------------------------------------------------|----------------|------------------|-----------------------------------------------------|----------------|
|                   | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software | 224              | (200)                                               | 24             | 204              | (179)                                               | 25             |

#### Reconciliation of intangible assets – 2017

|                   | Opening balance | Additions | Other changes, movements | Amortisation | Total |
|-------------------|-----------------|-----------|--------------------------|--------------|-------|
| Computer software | 25              | 20        | (1)                      | (20)         | 24    |

The value in other changes, movements column is in relation to the reassessment of assets with zero values, assets on the floor but not on the register that, was done at the market-related value of a similar asset depreciated on the SETA lifespan being 31 March 2020.

#### Reconciliation of intangible assets - 2016

|                   | Opening balance | Additions | Amortisation | Total |
|-------------------|-----------------|-----------|--------------|-------|
| Computer software | 39              | 8         | (22)         | 25    |

#### 5. Operating lease expense

##### Minimum lease payments due

|                                  |            |            |
|----------------------------------|------------|------------|
| - within one year                | 325        | 68         |
| - due between two and five years | 74         | 91         |
|                                  | <b>399</b> | <b>159</b> |

Operating lease payments of R354 858 consists of payments made to AVIS, N&G Rentals and First Technology for the rental of vehicles and printer machines.

The lease terms for both vehicle and equipment do not have an escalation clause. As a result the lease payments equals the GRAP 13 straight-lining. A disclosure of duration and average monthly payments has been made.

#### 6. Consumables

|                  |            |            |
|------------------|------------|------------|
| Consumables      |            |            |
| Cleaning costs   | 4          | -          |
| Cartridges       | 342        | 492        |
| Stationery costs | 89         | -          |
|                  | <b>435</b> | <b>492</b> |

#### 7. Receivables from exchange transactions

|                   |            |            |
|-------------------|------------|------------|
| Sundry receivable | 348        | 269        |
| Prepayments       | -          | 5          |
|                   | <b>348</b> | <b>274</b> |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

Figures in Rand thousand 2017 2016

#### 8. NSF receivables

|                                                   |              |               |
|---------------------------------------------------|--------------|---------------|
| Opening balance                                   | 19 896       | 18 628        |
| Utilised and recognised as revenue-conditions met | (13 440)     | 1 267         |
|                                                   | <b>6 456</b> | <b>19 895</b> |

#### 9. Receivables from non-exchange transactions

|                              |              |              |
|------------------------------|--------------|--------------|
| Departmental levy receivable | 1 483        | 4 683        |
| Grant overpayment            | 56           | -            |
| Provision for doubtful debts | (61)         | (72)         |
| Tax receivable               | 61           | -            |
| Employer receivable          | 1 963        | 1 250        |
|                              | <b>3 502</b> | <b>5 861</b> |

#### 10. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in fixed deposits. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

|                     |                |                |
|---------------------|----------------|----------------|
| Cash on hand        | 7              | 2              |
| Bank balances       | 82 483         | 43 209         |
| Short-term deposits | 297 864        | 264 302        |
|                     | <b>380 354</b> | <b>307 513</b> |

As required by National Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short-term bank deposits was 7.35% (2016: 3.00%).

The Skills Development Act Regulations state that a SETA may, if not otherwise specified by the Public Finance Management Act, invest the monies in accordance with the investment policy approved by the relevant SETA.

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, the SETA as a public entity that is listed in Schedule 3A of the Act must invest surplus funds with the Corporation for Public Deposits. As at 31 March 2017 all, surplus funds were deposited at the Corporation for Public Deposits.

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

Figures in Rand thousand 2017 2016

#### 11. Provisions

##### Reconciliation of provisions – 2017

|                             | Opening<br>balance | Additions | Total |
|-----------------------------|--------------------|-----------|-------|
| Levies incorrectly received | 5 666              | 1 076     | 6 742 |

##### Reconciliation of provisions – 2016

|                                 | Opening<br>balance | Additions    | Utilised during<br>the year | Reversed<br>during the year | Total        |
|---------------------------------|--------------------|--------------|-----------------------------|-----------------------------|--------------|
| Levies incorrectly received     | 6 582              | (916)        | -                           | -                           | 5 666        |
| Provision for grants payable    | 13 116             | -            | (13 116)                    | -                           | -            |
| Provision for uncommitted funds | 59 229             | -            | (54 796)                    | (4 433)                     | -            |
|                                 | <b>78 927</b>      | <b>(916)</b> | <b>(67 912)</b>             | <b>(4 433)</b>              | <b>5 666</b> |

An amount of R6 741 574.23 (2016 R5 666 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DHET, after being exempted from contributing skills development levies due to legislation which came into effect 1 August 2005.

In terms of the Skills Development Circular No.09 / 2013 issued by the DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years stipulated in terms of Section 190(4) of the Tax Administration Act.

#### 12. Government Grant and Donor Funding Received in Advance

|                                                |              |            |
|------------------------------------------------|--------------|------------|
| Opening balance                                | 960          | -          |
| Amount received                                | 1 444        | 960        |
| Amount utilised                                | (1 089)      | -          |
| Expense incorrectly recognised in 2016/17 year | 310          | -          |
| <b>Balance year end</b>                        | <b>1 625</b> | <b>960</b> |

#### 13. Payables from exchange transactions

|                         |               |               |
|-------------------------|---------------|---------------|
| Trade payables          | 33 131        | 26 517        |
| Provision for bonuses   | 2 542         | 315           |
| Accruals                | 20 485        | 6 032         |
| Provision for leave pay | 707           | 732           |
|                         | <b>56 865</b> | <b>33 596</b> |

The carrying amount of trade and other payables approximate their fair value due to relatively short-term maturity of these financial liabilities.

#### 14. Payables from non-exchange transactions

|                                               |               |               |
|-----------------------------------------------|---------------|---------------|
| Skills Development Grants payable - Mandatory | 29 266        | 34 577        |
| Inter-SETA payables                           | 5             | 139           |
| Levy Creditors                                | 256           | 1 316         |
|                                               | <b>29 527</b> | <b>36 032</b> |

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

Figures in Rand thousand 2017      2016

### 15. Financial instruments disclosure

#### Categories of financial instruments

#### 2017

##### Financial assets

|                                            | At amortised<br>cost |
|--------------------------------------------|----------------------|
| Receivables from exchange transactions     | 348                  |
| Receivables from non-exchange transactions | 3 502                |
| Cash and cash equivalents                  | 380 354              |
|                                            | <b>384 204</b>       |

##### Financial liabilities

|                                         | At amortised<br>cost |
|-----------------------------------------|----------------------|
| Payables from exchange transactions     | 56 865               |
| Payables from non-exchange transactions | 29 527               |
|                                         | <b>86 392</b>        |

#### 2016

##### Financial assets

|                                        | At amortised<br>cost |
|----------------------------------------|----------------------|
| Cash and cash equivalents              | 307 513              |
| Receivables from exchange transactions | 274                  |
| Receivable from non-exchange           | 5 861                |
|                                        | <b>313 648</b>       |

##### Financial liabilities

|                                         | At amortised<br>cost |
|-----------------------------------------|----------------------|
| Payables from exchange transactions     | 33 596               |
| Payables from non-exchange transactions | 36 032               |
|                                         | <b>69 628</b>        |

### 16. Revenue

|                                                      |                |                |
|------------------------------------------------------|----------------|----------------|
| Recoveries                                           | 13             | -              |
| Other income                                         | 1 697          | 1 117          |
| Interest received—investment                         | 22 287         | 18 440         |
| Government grants and subsidies                      | 778            | 9 189          |
| Levies                                               | 341 731        | 330 518        |
| Reversal of NSF provision for uncommitted funds 2015 | -              | 4 433          |
| Levies: penalties and interest                       | 9 325          | 8 463          |
| National Skills Fund income                          | -              | 1 266          |
|                                                      | <b>375 831</b> | <b>373 426</b> |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

| Figures in Rand thousand                                                                    | 2017           | 2016           |
|---------------------------------------------------------------------------------------------|----------------|----------------|
| <b>16. Revenue (continued)</b>                                                              |                |                |
| The amount included in revenue arising from exchanges of goods or services are as follows:  |                |                |
| Recoveries                                                                                  | 13             | -              |
| Other income                                                                                | 1 697          | 1 117          |
| Interest received – investment                                                              | 22 287         | 18 440         |
|                                                                                             | <b>23 997</b>  | <b>19 557</b>  |
| <b>The amount included in revenue arising from non-exchange transactions is as follows:</b> |                |                |
| <b>Non-exchange revenue</b>                                                                 |                |                |
| Government grants and subsidies                                                             | 778            | 9 189          |
| Levies                                                                                      | 341 731        | 330 518        |
| Reversal of NSF provision for uncommitted funds 2015                                        | -              | 4 433          |
| Levies: Penalties and Interest                                                              | 9 325          | 8 463          |
| National Skills Fund income                                                                 | -              | 1 266          |
|                                                                                             | <b>351 834</b> | <b>353 869</b> |
| <b>17. Levies</b>                                                                           |                |                |
| Levy transfer – Administration                                                              | 43 641         | 42 098         |
| Levy transfer – Discretionary Grants                                                        | 206 363        | 196 657        |
| Levy transfer – Mandatory Grants                                                            | 81 960         | 82 237         |
| Levy transfer – Dept of Agriculture discretionary                                           | 6 511          | 6 351          |
| Levy transfer – Dept of Agriculture admin                                                   | 3 256          | 3 175          |
|                                                                                             | <b>341 731</b> | <b>330 518</b> |
| <b>18. Government grants and subsidies</b>                                                  |                |                |
| Government grant and donor funding income                                                   | 778            | 9 189          |
| <b>19. Employer grants and project expenditure</b>                                          |                |                |
| <b>Mandatory expenditure</b>                                                                |                |                |
| Mandatory grants paid in the current year                                                   | 53 364         | 53 734         |
| <b>Discretionary expense</b>                                                                |                |                |
| Discretionary Project expenditure                                                           | 224 926        | 168 810        |
| Project Administrative expenditure                                                          | 3 945          | 2 825          |
| Project related employee costs                                                              | 7 563          | 9 152          |
|                                                                                             | <b>236 434</b> | <b>180 787</b> |
| Total Expenditure                                                                           |                |                |
| Employer grant and project expenditure                                                      | <b>289 798</b> | <b>234 521</b> |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

| Figures in Rand thousand                         | 2017          | 2016          |
|--------------------------------------------------|---------------|---------------|
| <b>20. General expenses</b>                      |               |               |
| Accounting & Information Technology fees         | 8 560         | 8 116         |
| Advertising                                      | 697           | 863           |
| Auditor's remuneration                           | 2 195         | 2 295         |
| Bank charges                                     | 84            | 69            |
| Cleaning                                         | 56            | 102           |
| Consulting and professional fees                 | 4 573         | 947           |
| Bad debts                                        | (10)          | 6             |
| Internal audit fees                              | 715           | 264           |
| Entertainment                                    | 264           | 163           |
| Quality Council for Trade and Occupations (QCTO) | 1 640         | 1 065         |
| Insurance                                        | 153           | 161           |
| Impairment and losses                            | -             | 5             |
| Postage and courier                              | 80            | 122           |
| Printing and stationery                          | 230           | 456           |
| Fuel expense                                     | 23            | 74            |
| Research and development costs                   | 854           | 845           |
| Security (guarding of property)                  | 202           | 181           |
| Staff welfare                                    | 13            | 51            |
| Subscriptions and membership fees                | 52            | 18            |
| Telephone and fax                                | 454           | 545           |
| Training                                         | 383           | 814           |
| Travel – local                                   | 3 326         | 3 482         |
| Small assets expensed                            | 284           | 25            |
| Electricity                                      | 525           | 497           |
| Audit Committee fees                             | 366           | 225           |
| Recruitment costs                                | 282           | 400           |
| Board members' remuneration & travel costs       | 2 196         | 2 620         |
| Library charges                                  | 2             | -             |
| Workshop costs                                   | 632           | 965           |
|                                                  | <b>28 831</b> | <b>25 376</b> |
| <b>21. Employee-related costs</b>                |               |               |
| Basic                                            | 11 663        | 9 741         |
| Bonus                                            | 2 107         | 876           |
| Medical aid – company contributions              | 321           | 285           |
| UIF                                              | 56            | 49            |
| SDL                                              | -             | 158           |
| Leave pay provision charge                       | 42            | 397           |
| Defined contribution plans                       | 1 157         | 1 063         |
| Overtime payments                                | 8             | 56            |
|                                                  | <b>15 354</b> | <b>12 625</b> |
| <b>22. Repairs and maintenance</b>               |               |               |
| Repairs and maintenance                          | 335           | 735           |

Repairs and maintenance are separately disclosed to comply with the requirements of GRAP 17, as well as to ensure the better presentation of the financial statements.

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

| Figures in Rand thousand                                                                               | 2017          | 2016          |
|--------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>23. Investment revenue</b>                                                                          |               |               |
| Interest revenue                                                                                       |               |               |
| Interest received – investment                                                                         | 20 124        | 16 749        |
| Interest received – bank                                                                               | 2 163         | 1 691         |
|                                                                                                        | <b>22 287</b> | <b>18 440</b> |
| <b>24. Cash flows from operating activities</b>                                                        |               |               |
| Surplus                                                                                                | 39 678        | 88 995        |
| Adjustments for:                                                                                       |               |               |
| Depreciation and amortisation                                                                          | 702           | 462           |
| Depreciation project assets                                                                            | -             | 14            |
| Recoveries                                                                                             | (13)          | -             |
| Donor funding income                                                                                   | 1 444         | -             |
| Inventory adjustment                                                                                   | 263           | -             |
| Impairment and losses                                                                                  | -             | 5             |
| Income adjustment                                                                                      | (1 697)       | -             |
| Interest income                                                                                        | (22 287)      | (18 440)      |
| Allowance for doubtful debt prior year                                                                 | 10            | -             |
| Other assets                                                                                           | 201           | -             |
| Increase in consumables prior year                                                                     |               |               |
| (Increase)/Decrease in exchange, non - exchange and NSF receivables current year                       | 15 776        | (660)         |
| Increase/(Decrease) in payables from exchange, non - exchange, consumables and provisions current year | 16 614        | (78 717)      |
| Interest income                                                                                        | 22 287        | 18 440        |
|                                                                                                        | <b>72 978</b> | <b>10 099</b> |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

| Figures in Rand thousand                  | 2017           | 2016           |
|-------------------------------------------|----------------|----------------|
| <b>25. Commitments and contingencies</b>  |                |                |
| <b>25.1 Discretionary projects</b>        |                |                |
| 2008-2017 projects                        |                |                |
| Mentorship                                | 5 765          | 19 293         |
| Artisan development                       | 66 625         | 85 354         |
| AET                                       | 4 591          | 4 365          |
| Bursaries 18.1                            | 8 607          | 6 743          |
| Bursaries 18.2                            | 13 485         | 15 383         |
| Commodity organisations                   | 2 463          | 2 750          |
| Learnership 18.1                          | 19 707         | 15 705         |
| Learnership 18.2                          | 14 936         | 23 365         |
| New venture creation (NVC)                | 3 228          | 1 249          |
| Skills programmes 18.1                    | 2 911          | 2 846          |
| Skills programmes 18.2                    | 8 468          | 1 473          |
| Internships                               | 25 178         | 20 285         |
| Graduate placements                       | 9 878          | 9 563          |
| Recognition of prior learning (RPL)       | 6 157          | 6 730          |
| UIF (AgriSETA portion)                    | 5 931          | 15 849         |
| NSF (AgriSETA portion)                    | 612            | 1 207          |
| Agric College                             | 5 262          | 3 048          |
| Occupational qualification                | 3 506          | 1 618          |
| AQP                                       | 1 286          | 86             |
| SD admin                                  | -              | 3              |
| Bursaries continuation                    | 13 892         | 8 905          |
| CEO projects (continuation)               | 548            | 1 294          |
| CEO projects (2015/16)                    | -              | 2 370          |
| Ministerial projects                      | -              | 4 838          |
| Leadership development                    | -              | 1 767          |
| Extension officers                        | 1 270          | 2 000          |
| Career guidance (youth)                   | 6              | -              |
| Sub-Sector Skills Committee (SSC)         | 3              | -              |
| Board and standing committees capacity    | 468            | -              |
| MG roadshow                               | 277            | -              |
|                                           | <b>225 060</b> | <b>258 089</b> |
| Approved not yet contracted commitments   |                |                |
| Approval letters without signed contracts | 3 559          | -              |
| <b>Total</b>                              | <b>228 619</b> | <b>258 089</b> |



## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

| Figures in Rand thousand | 2017 | 2016 |
|--------------------------|------|------|
|--------------------------|------|------|

#### 25. Commitments and contingencies (continued)

The remaining commitment for the 2016/17 year for discretionary amounts to R228 619, which will be covered by the discretionary reserve of R296 919.

#### Prior period error

In the 2015/16 year, commitments relating to discretionary projects were overstated by accruals of R4 573 956, which resulted in the incorrect opening balance of the commitments in the current year. The cumulative effect of the error has been corrected in the current year financial statements.

The prior year error is adjusted as follows:

|                 |                 |
|-----------------|-----------------|
| Balance 2015/16 | R258 089        |
| Adjustment      | (R4 574)        |
| Closing balance | <u>R253 515</u> |

#### 25.3 Contingencies

##### 25.3.1 Retention of surplus funds

In terms of section 53 (3) of PFMA, public entities listed in schedule 3A and 3C to PFMA may not retain cash surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. During May 2017, National Treasury Issued Instruction No. 6 of 2017/18 which, gave more details to the surplus definition. According to this instruction, a surplus is based on the net assets.

A submission has been made to the National Treasury on 31st May 2017 to retain the following surplus

|                           |        |        |
|---------------------------|--------|--------|
| Cash surplus for the year | 67 282 | 10 099 |
|---------------------------|--------|--------|

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

| Figures in Rand thousand                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2017                                        | 2016     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------|
| <b>25. Commitments and contingencies (continued)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                             |          |
| <b>25.3.2 First-time employer registrations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                             |          |
| <p>The Skills Development legislation allows an employer, registering for the first time, six months to submit an application for a mandatory grant. At the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R254 000 (2016 R301 000) will be payable. The amount is contingent on the number of submissions received and approved.</p>                                                                                                                                          |                                             |          |
| <b>25.3.3 Contingent assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                             |          |
| Hogan Lovells                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 683                                         | -        |
| Molefe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 45                                          | -        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>728</b>                                  | <b>-</b> |
| <p>During the financial year the Board of AgriSETA instituted an investigation into financial misconduct in the SETA, as a result of the investigation it was concluded that amounts that were paid to two services providers (Hogan Lovells and Molefe) were not expenses that related to AgriSETA and should have been paid by the relevant employees. The AgriSETA Board has not upheld the conclusion from the investigation report. A contingent asset amounting to R728 153 arose pending the Board's resolution.</p> |                                             |          |
| <b>26. Related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |          |
| Relationships                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                             |          |
| Controlling entity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Department of Higher Education and Training |          |
| Related party balances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             |          |
| <b>Amounts included in payables from exchange/non-exchange transactions regarding related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             |          |
| SA-Uniglobe agricultural Skills Dynamic                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 800                                         | -        |
| Tsakane Agriculture Co-Operative Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 300                                         | -        |
| Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -                                           | 139      |
| Related party transactions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |          |
| <b>Transfers from related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             |          |
| QCTO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (1 630)                                     | (1 065)  |
| NSF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 13 439                                      | -        |
| <b>Levies from related parties</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |          |
| W&R SETA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 18                                          | -        |
| FASSET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 51                                          | -        |
| SERVICES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 23                                          | -        |
| Coalvest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 6                                           | -        |

#### Remuneration of key management

The key management personnel (as defined by IPSAS 20, Related Party Disclosures) of the SETA are: the members of the accounting authority and the members of the senior management group.

The Accounting Authority consists of members appointed in terms of its constitution; the Chief Executive Officer and the Chief Financial Officer attend meetings of the accounting authority but are not members of the accounting authority. The aggregate remuneration of members of the accounting authority and the number of members receiving remuneration within this category, are:

# AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

| Figures in Rand thousand                                                | 2017  | 2016  |
|-------------------------------------------------------------------------|-------|-------|
| <b>26. Related parties (continued)</b>                                  |       |       |
| <b>Accounting Authority</b>                                             |       |       |
| <b>Board Members</b>                                                    |       |       |
| Prof GP Mayende (Former Chairperson)                                    | 102   | 428   |
| Mr T Ka Plaatjie (Chairperson)                                          | 358   | 102   |
| Ms P Nkomo (Member)                                                     | 71    | 67    |
| Mr D Schutte (Member)                                                   | 171   | 113   |
| Mr Jack van Dyk (Member)                                                | 83    | 104   |
| Mr Riaan Gerritzen (Member)                                             | 44    | 20    |
| Mr G Nefdt                                                              | 4     | -     |
| Mr A Hendricks (Member)                                                 | 217   | 179   |
| Mr K Masemola (Member)                                                  | 223   | 139   |
| Mr A Nazo (Member)                                                      | 257   | 230   |
| Mr M Phakedi (Member)                                                   | 225   | 178   |
| Ms J Bhana (Member)                                                     | -     | 9     |
| Mr C van der Rhee (Member)                                              | 23    | -     |
| Mr D Hamman (Member)                                                    | 41    | -     |
| Mr B Mtshali                                                            | 78    | 205   |
| Mrs J Breda                                                             | 164   | 93    |
| <b>Audit Committee</b>                                                  |       |       |
| Ms A Ngwenya                                                            | 70    | 95    |
| Dr Z Qunta                                                              | 154   | -     |
| Prof A Louw                                                             | -     | 35    |
| Mr MH Oliver                                                            | 54    | 35    |
| Mr L Hansen                                                             | 1     | -     |
| Mr F Docrat                                                             | -     | 38    |
| Ms M Pholo                                                              | 35    | -     |
| Dr G Buys                                                               | 50    | -     |
| <b>Key Management</b>                                                   |       |       |
| Mr J Madiba (CEO)                                                       | 1 500 | 1 545 |
| Mr T Mangena (Operations Manager)                                       | 864   | 140   |
| Mr M Dlanga (Board Administrator)                                       | 435   | -     |
| Mr F Phetla (Senior Manager ETQA)                                       | 837   | 924   |
| Mr F Fouche (Senior Manager: Skills Planning)                           | 799   | 672   |
| Ms O Moloto (Senior Manager: HR)                                        | 784   | 655   |
| Mr G Mamabolo (Senior Manager: Skills Delivery)                         | 822   | 852   |
| Mr JT Engelbrecht (General Manager)                                     | -     | 878   |
| Ms TJ Motebang (Senior Manager: Human Resources)                        | -     | 592   |
| Mr S Khoza (Senior Manager: Skills Delivery)                            | -     | 642   |
| Mr C Mpofo (SCM)                                                        | -     | 578   |
| Ms P Matsane (Company Secretary)                                        | -     | 395   |
| Mr C Mangwato (Manager Finance)                                         | -     | 466   |
| Mr P Xaba (Senior Manager: Skills Planning and Reporting)               | -     | 754   |
| Deloitte & Touche (Finance & IT)                                        | 8 446 | 8 116 |
| <b>Stake holder payables: companies related to Accounting Authority</b> |       |       |
| Tongaat Hulett Sugar Limited: Bhana Jacquie                             | 38    | 1 275 |
| Vrystaat Co-op BPK: Riaan Gerritzen                                     | 164   | 106   |
| Rainbow Chickens Farms: Jacqueline Ambrose/Winston Molokomme            | -     | 477   |
| National African Farmers Union: Augustinus Hendricks/Joe Gondo          | -     | 178   |
| Pannar Seed: George Nefdt                                               | -     | 8     |
| Citrus Academy: Jacomien de Klerk                                       | 211   | 1 761 |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 27. Risk management

##### Liquidity risk

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

| 2016/17                             | Carrying amount | Contractual cash flows | 6 months or less | 6-12 months | 1-2 years |
|-------------------------------------|-----------------|------------------------|------------------|-------------|-----------|
| Payables from exchange transactions | (56 865)        | (56 865)               | (56 865)         | -           | -         |
| Subtotal                            | (56 865)        | (56 865)               | (56 865)         | -           | -         |
|                                     | (56 865)        | (56 865)               | (56 865)         | -           | -         |

| 2015/16                             | Carrying amount | Contractual cash flows | 6 months or less | 6-12 months | 1-2 years |
|-------------------------------------|-----------------|------------------------|------------------|-------------|-----------|
| Payables from exchange transactions | (33 596)        | (33 596)               | (33 596)         | -           | -         |
| Subtotal                            | (33 596)        | (33 596)               | (33 596)         | -           | -         |
|                                     | (33 596)        | (33 596)               | (33 596)         | -           | -         |

##### Credit risk

The SETA limits its counterparty 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 SARS is limited as it is a government entity of sound reputation.

Credit risk with respect to levy-paying employers is limited due to the nature of the income received. The SETA's concentration of credit risk is limited to the agriculture sectors in which the SETA operates. No events have occurred in the agriculture industry during the financial year that may have an impact on the accounts receivable, that has not been adequately provided for. The SETA is exposed to a concentration of credit risk, as significant amounts is owed by the South African Revenue Services (SARS). This concentration of risk is limited as DHET is a government entity with a sound reputation.

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

| 2016/17                                | Gross   | Impairment | Total 2016 |
|----------------------------------------|---------|------------|------------|
| Receivables from exchange transactions | 348     | -          | 348        |
| Cash and cash equivalent               | 380 354 | -          | 380 354    |
|                                        | 380 702 | -          | 380 702    |

| 2015/16                                | Gross   | Impairment | Total 2015 |
|----------------------------------------|---------|------------|------------|
| Receivables from exchange transactions | 274     | -          | 274        |
| Cash and cash equivalent               | 307 513 | -          | 307 513    |
|                                        | 307 787 | -          | 307 787    |

The SETA has a material exposure to NSF of which the amount has been disclosed as a receivable as it is still recoverable. Except for the NSF the SETA does not have any material exposure to any individual or counterparty. The SETA's concentration of credit risk is limited to the industry in which the SETA operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivable that have not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt.

##### Market risk

##### Interest-rate risk

## Notes to the Annual Financial Statements

Figures in Rand thousand

2017

2016

### 27. Receivables from exchange transactions (continued)

AgriSETA manages interest-rate risk by effectively investing surplus cash in term deposits with the Corporation for Public Deposits according to AgriSETA investment policy.

| 2016/17                                | Floating rate | Non-Interest bearing | Total   |
|----------------------------------------|---------------|----------------------|---------|
| Cash                                   | 380 352       | 2                    | 380 354 |
| Receivables from exchange transactions | -             | 348                  | 348     |
| Payables from exchange transactions    | -             | 56 865               | 56 865  |
|                                        | 380 352       | 57 215               | 437 567 |

| 2015/16                                | Floating rate | Non-Interest bearing | Total    |
|----------------------------------------|---------------|----------------------|----------|
| Cash                                   | 307 511       | 2                    | 307 513  |
| Receivables from exchange transactions | 133           | 141                  | 274      |
| Payables from exchange transactions    | -             | (33 596)             | (33 596) |
|                                        | 307 644       | (33 453)             | 274 191  |

### 28. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Minister has extended the SETA licence until 31 March 2020. There are no known instances that cast doubt on AgriSETA's ability to continue as a going concern except the uncertainty caused by the new SETA landscape post-2020.

### 29. Events after the reporting date

There were no significant events since the end of the financial year to the date of signature of these financial statements.

### 30. Fruitless and wasteful expenditure

|                                                 |   |       |
|-------------------------------------------------|---|-------|
| Opening balance                                 | 2 | -     |
| Fruitless and wasteful expenditure for the year | - | 136   |
| Amounts condoned                                | - | (134) |
|                                                 | 2 | 2     |

The fruitless and wasteful expenditure for prior year related to cancellation fees, an overseas trip and interest incurred on late payment of invoices in the 2014/15 financial year.

During the 2015/16 year, AgriSETA received condonation of R134 000 relating to cancellation fees, overseas trip and interest incurred on late payment of invoices and had a remaining balance of R2 000 which was from penalties and interest.

In the current year, AgriSETA incurred fruitless and wasteful expenditure from penalties and interest incurred on late payment of invoices of R102.20

### 31. Irregular expenditure

|                                                   |        |         |
|---------------------------------------------------|--------|---------|
| Opening balance                                   | -      | 1 206   |
| Add: SCM irregular expenditure – current year     | 9 283  | -       |
| Add: Project irregular expenditure – current year | 21 665 | -       |
| Less: Amounts condoned                            | -      | (1 145) |
| Less: Amounts recoverable (not condoned)          | -      | (61)    |
|                                                   | 30 948 | -       |

## Notes to the Annual Financial Statements

Figures in Rand thousand

2017

2016

### 31. Irregular expenditure (continued)

#### Details of irregular expenditure

During the 2015/16 year AgriSETA received condonation of R1 145 000 relating to the irregular expenditure from prior years. The amount of R61 000 incorrectly classified as irregular is as a result of a typo error in the financials of the year 2012/13.

The current year SCM irregular expenditure is mainly made up of Deloitte invoices to the sum of R6 255 438.54 and ORCA invoice totalling R1 302 274.52. The Deloitte irregular expenditure was as a result of the extension of the contract that was more than R15 million without the prior approval of National Treasury. The ORCA irregular expenditure was due to the supplier being appointed without a tender having been advertised as required by National Treasury Regulations. The balance of the SCM irregular expenditure of R1 724 832.72 is due to SCM processes not being fully adhered to as required by the National Treasury regulations

The current year Project expenditure irregular expenditure of R21 665 167 was due to approval letters and contracts being awarded to suppliers without the prior approval of the board as required by the Discretionary Grant policy.

The irregular expenditure for the current year will be presented to the AgriSETA board for possible condonation.

### 32. Accumulated surplus

| 2016/17                                  | Administration reserve | Mandatory reserve | Discretionary Grant Reserve | Special Projects | Project       | Total         |
|------------------------------------------|------------------------|-------------------|-----------------------------|------------------|---------------|---------------|
| Levies                                   | 46 897                 | 81 960            | 212 874                     | -                | -             | 341 731       |
| Interest received                        | -                      | -                 | -                           | -                | 22 287        | 22 287        |
| Recoveries                               | -                      | -                 | -                           | -                | 13            | 13            |
| Other income                             | -                      | -                 | -                           | -                | 1 697         | 1 697         |
| Penalties and interest                   | -                      | -                 | -                           | -                | 9 325         | 9 325         |
| Donations for special projects           | -                      | -                 | -                           | 778              | -             | 778           |
| Employer and discretionary grant expense | -                      | (53 364)          | (236 434)                   | -                | -             | (289 798)     |
| Donation for special projects            | -                      | -                 | -                           | (778)            | -             | (778)         |
| Administration expense                   | (45 577)               | -                 | -                           | -                | -             | (45 577)      |
| Subtotal                                 | (45 577)               | (53 368)          | (236 430)                   | (778)            | -             | (336 153)     |
|                                          | <b>1 320</b>           | <b>28 596</b>     | <b>(23 560)</b>             | <b>-</b>         | <b>33 322</b> | <b>39 678</b> |

| 2015/16                        | Administration reserve | Mandatory reserve | Discretionary Grant Reserve | Special projects | Project       | Total         |
|--------------------------------|------------------------|-------------------|-----------------------------|------------------|---------------|---------------|
| Levies                         | 45 433                 | 82 077            | 203 008                     | -                | -             | 330 518       |
| Interest received              | -                      | -                 | -                           | -                | 18 440        | 18 440        |
| Other income                   | -                      | -                 | -                           | -                | 1 117         | 1 117         |
| Penalties and interest         | -                      | -                 | -                           | -                | 8 463         | 8 463         |
| NSF reversed                   | -                      | -                 | -                           | -                | 4 433         | 4 433         |
| National Skills Fund income    | -                      | -                 | -                           | 1 266            | -             | 1 266         |
| Donations for special projects | -                      | -                 | -                           | 9 189            | -             | 9 189         |
| Administration expense         | (39 455)               | -                 | -                           | -                | -             | (39 455)      |
| Employer grants expense        | -                      | (53 734)          | (180 787)                   | -                | -             | (234 521)     |
| Donations for special projects | -                      | -                 | -                           | (9 189)          | -             | (9 189)       |
| National Skills Fund expenses  | -                      | -                 | -                           | (1 266)          | -             | (1 266)       |
| Subtotal                       | 5 978                  | 28 343            | 22 221                      | -                | 32 453        | 88 995        |
|                                | <b>5 978</b>           | <b>28 343</b>     | <b>22 221</b>               | <b>-</b>         | <b>32 453</b> | <b>88 995</b> |

### 33. Comparison of budget and actual amounts

#### Notes to comparison of actual and budget amounts

The legislation requires that the SETA annually, in September submit a budget to the Minister for approval. Any subsequent changes required to the initial budget are approved by AgriSETA's Board.

## Notes to the Annual Financial Statements

Figures in Rand thousand 2017 2016

### 33. Comparison of budget and actual amounts (continued)

Explanations have been provided below for significant variances.

#### Levies

AgriSETA had an 3.5% increase in levy-related income. This is due to the inflationary increase and an increase in penalties and interest from defaulting employers.

#### Penalties and interest

The 100% increase in penalties and interest is due to budgets not being set for penalties and interest in the current year.

#### Personnel

Personnel underpayment is due to the budget, including the performance bonuses, as well as salaries of employees that resigned or employment contracts that were ended.

#### General expenses

The overpayment of general expenses relates to unexpected legal fees incurred by AgriSETA of approximately R2 million.

The variance is as a result of cost savings on various expense items. The AgriSETA's administration expenditure is within the legislative requirement limit of 10.5%.

#### Government grants and subsidies

The over-collection of Departmental levies was due to the SCM/Finance department carrying out constant follow-ups with Departments for levies due.

#### Interest received

The over-collection of interest was due to an increase in funds invested during the financial year which, resulted in increased cash holdings as well as the increase in interest rates.

#### Employer grants and project expenditure

The actual figures are below budget. This is due to over budgeting for employer and projects expenses.

### 34. NSF reversed

|              |   |       |
|--------------|---|-------|
| NSF reversed | - | 4 433 |
|--------------|---|-------|

### 35. Other revenue

|              |       |       |
|--------------|-------|-------|
| Other income | 1 697 | 1 117 |
|--------------|-------|-------|

### 36. Segment information

AgriSETA reports to management on the basis of three functional segments namely: administration, mandatory and discretionary. Management uses these segments in determining strategic objectives and allocating resources. The reporting of these segments is also appropriate for external reporting purposes. Refer to Annexure A for the applicable disclosure of the segment reporting.

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 36. Segment information (continued)

##### Segment surplus or deficit, assets and liabilities

2017

| Revenue                                         | Administration | Mandatory     | Discretionary  | Unallocated | Total          |
|-------------------------------------------------|----------------|---------------|----------------|-------------|----------------|
| Skills development levy: income                 | 46 897         | 81 960        | 2 12 874       | -           | 341 731        |
| Skills development levy: penalties and interest | -              | -             | 9 325          | -           | 9 325          |
| Government Grants and Donor Income              | -              | -             | -              | 778         | 778            |
| Recoveries                                      | -              | -             | 13             | -           | 13             |
| Investment income                               | -              | -             | 22 287         | -           | 22 287         |
| Other income                                    | -              | -             | 1 697          | -           | 1 697          |
| <b>Total segment revenue</b>                    | <b>46 897</b>  | <b>81 960</b> | <b>246 196</b> | <b>778</b>  | <b>375 831</b> |
| <b>Entity's revenue</b>                         |                |               |                |             | <b>375 831</b> |
| Expenditure                                     |                |               |                |             |                |
| Employee costs                                  | 15 354         | -             | -              | -           | 15 354         |
| Depreciation and amortisation                   | 702            | -             | -              | -           | 702            |
| Government Grants and Donor Expense             | -              | -             | -              | 778         | 778            |
| Other administration expenses                   | 29 521         | -             | -              | -           | 29 521         |
| Employer grant and project expenditure          | -              | 53 364        | 236 434        | -           | 289 798        |
| <b>Total segment expenditure</b>                | <b>45 577</b>  | <b>53 368</b> | <b>236 434</b> | <b>778</b>  | <b>336 153</b> |
| <b>Total segmental surplus/(deficit)</b>        | <b>1 320</b>   | <b>28 596</b> | <b>9 762</b>   | <b>-</b>    | <b>39 678</b>  |



# AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

Figures in Rand thousand

### 36. Segment information (continued)

| <b>Assets</b>                                                   | Administration | Mandatory     | Discretionary | Unallocated    | Total          |
|-----------------------------------------------------------------|----------------|---------------|---------------|----------------|----------------|
| Non-current assets                                              | 6 045          | -             | -             | -              | 6 045          |
| Consumables                                                     | 435            | -             | -             | -              | 435            |
| Accounts receivables from exchange transactions                 | -              | -             | 340           | -              | 340            |
| Accounts receivables from non-exchange transactions             | -              | 3 502         | -             | -              | 3 502          |
| NSF receivable                                                  | -              | -             | -             | 6 456          | 6 456          |
| Cash and Cash Equivalents (Unallocated asset)                   | -              | -             | -             | 380 354        | 380 354        |
| <b>Total segment assets</b>                                     | <b>6 480</b>   | <b>3 502</b>  | <b>340</b>    | <b>386 810</b> | <b>397 132</b> |
| <b>Total assets as per Statement of Financial Position</b>      |                |               |               |                | <b>397 132</b> |
| <b>Liabilities</b>                                              |                |               |               |                |                |
| Trade and other payables from non-exchange                      | -              | 29 522        | 5             | -              | 29 527         |
| Trade and other payables from exchange transactions             | 56 263         | -             | 622           | -              | 56 885         |
| Provisions                                                      | -              | 6 742         | -             | -              | 6 742          |
| Government Grant and Donor funding received in advance          | -              | -             | 1 624         | -              | 1 624          |
| <b>Total segment liabilities</b>                                | <b>56 263</b>  | <b>36 264</b> | <b>2 251</b>  | <b>-</b>       | <b>94 778</b>  |
| <b>Total liabilities as per Statement of Financial Position</b> |                |               |               |                | <b>94 778</b>  |

## AgriSETA

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 36. Segment information (continued)

2016

| Revenue                                              | Administration  | Mandatory       | Discretionary    | Unallocated     | Total            |
|------------------------------------------------------|-----------------|-----------------|------------------|-----------------|------------------|
| <b>Revenue from non-exchange transactions</b>        |                 |                 |                  |                 |                  |
| Skills development levy: income                      | 45 433          | 82 077          | 203 008          | -               | 330 518          |
| Skills development levy: penalties and interest      | -               | -               | 8 463            | -               | 8 463            |
| Reversal of NSF provision for uncommitted funds 2015 | -               | -               | 4 433            | -               | 4 433            |
| NSF income                                           | -               | -               | -                | 1 266           | 1 266            |
| Government Grants And Donor Income                   | -               | -               | -                | 9 189           | 9 189            |
| <b>Revenue from exchange transactions</b>            |                 |                 |                  |                 |                  |
| Recoveries                                           | -               | -               | 1 117            | -               | 1 117            |
| Investment income                                    | -               | -               | 18 440           | -               | 18 440           |
| <b>Total segment revenue</b>                         | <b>45 433</b>   | <b>82 077</b>   | <b>235 461</b>   | <b>10 455</b>   | <b>373 426</b>   |
| <b>Entity's revenue</b>                              |                 |                 |                  |                 | <b>373 426</b>   |
| <b>Expenditure</b>                                   |                 |                 |                  |                 |                  |
| Employee cost                                        | (12 625)        | -               | -                | -               | (12 625)         |
| Depreciation and amortisation                        | (462)           | -               | -                | -               | (462)            |
| National Skills Fund expense                         | -               | -               | -                | (1 266)         | (1 266)          |
| Government Grants and Donor Expense                  | -               | -               | -                | (9 189)         | (9 189)          |
| Other administration expenses                        | (26 368)        | -               | -                | -               | (26 368)         |
| Employer grant and project expenditure               | -               | (53 734)        | (180 787)        | -               | (234 521)        |
| <b>Total segment expenditure</b>                     | <b>(39 455)</b> | <b>(53 734)</b> | <b>(180 787)</b> | <b>(10 455)</b> | <b>(284 431)</b> |
| <b>Total segmental surplus/(deficit)</b>             |                 |                 |                  |                 | <b>88 995</b>    |

**AgriSETA**

(Registration number 20/AgriSETA/1/07/11)  
Annual Financial Statements for the year ended 31 March 2017

**Notes to the Annual Financial Statements**

Figures in Rand thousand

**36. Segment information (continued)**

| <b>Assets</b>                                                   | Administration | Mandatory     | Discretionary | Unallocated    | Total          |
|-----------------------------------------------------------------|----------------|---------------|---------------|----------------|----------------|
| Non-current assets                                              | 4 922          | -             | -             | -              | 4 922          |
| Consumables                                                     | 492            | -             | -             | -              | 492            |
| Account receivables from exchange transactions                  | 5              | -             | 269           | -              | 274            |
| Account receivables from non-exchange transactions              | -              | 5 861         | -             | -              | 5 861          |
| NSF Receivables                                                 | -              | -             | -             | 19 895         | 19 895         |
| Cash and cash equivalents (unallocated asset)                   | -              | -             | -             | 307 513        | 307 513        |
| <b>Total segment assets</b>                                     | <b>5 419</b>   | <b>5 861</b>  | <b>269</b>    | <b>327 408</b> | <b>338 957</b> |
| <b>Total assets as per Statement of Financial Position</b>      |                |               |               |                | <b>338 957</b> |
| <b>Liabilities</b>                                              |                |               |               |                |                |
| Trade and other payables from non-exchange                      | -              | 35 893        | 139           | -              | 36 032         |
| Trade and other payables from exchange transactions             | 32 280         | -             | 1 316         | -              | 33 596         |
| Provisions                                                      | -              | 5 666         | -             | -              | 5 666          |
| Government Grant and Donor funding received in advance          | -              | -             | -             | 960            | 960            |
| <b>Total segment liabilities</b>                                | <b>32 280</b>  | <b>41 559</b> | <b>1 455</b>  | <b>960</b>     | <b>76 254</b>  |
| <b>Total liabilities as per Statement of Financial Position</b> |                |               |               |                | <b>76 254</b>  |

