



ANNUAL REPORT

2023 | 2024

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PART A GENERAL INFORMATION

1.1 MICT SETA GENERAL INFORMATION



REGISTERED NAME Media, Information and Communication Technologies Sector Education and Training Authority

REGISTRATION NUMBER: SETA Number 12

PHYSICAL ADDRESS: Block 2, Level 3, West Wing, Gallagher Convention Centre, 19 Richards Drive, Midrand, 1685

POSTAL ADDRESS: PO Box 5585, Halfway House, 1685

TELEPHONE NUMBER/S: +27 11 207 2600/3

FAX NUMBER: +27 11 805 6833

EMAIL ADDRESS: info@mict.org.za

WEBSITE ADDRESS: www.mict.org.za

EXTERNAL AUDITORS: The Auditor-General of South Africa
300 Middel Street, New Muckleneuk, Pretoria, South Africa

BANKER'S INFORMATION: **South African Reserve Bank of SA (CPD):**
PO Box 427, Pretoria, 0001

First National Bank:
Carlswald, Postnet Suite 94
Private Bag X121, Halfway House, 1685

First National Bank:
Enterprise Road, FNB Building, 2nd Floor, Fairland 2170

BOARD SECRETARY: Ms Nokwanda Qezu

BOARD SECRETARY E-MAIL: Kwanda.Qezu@mict.org.za

TELEPHONE NUMBER +27 10 055 7949

1.2 LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution
AA	Accounting Authority
AET	Adult Education and Training
AFS	Annual Financial Statement
AI	Artificial Intelligence
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
BUSA	Business Unity South Africa
CEO	Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
CIO	Chief Information Officer
CPD	Continuous Professional Development
CSIR	Council for Scientific and Industrial Research
DCDT	Department of Communications and Digital Technologies
DG	Discretionary Grants
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
DST	Department of Science and Technology
DTPS	Department of Communications and Digital Technologies
EE	Employment Equity
ERRP	Economic Restructuring and Recovery Plan
ETDP	Education, Training and Development Practices
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee
FASSET	Finance and Accounting Services Sector Education and Training Authority
FET	Further Education and Training
FINREMCO	Finance and Remuneration Committee
GOVCO	Governance and Strategy Committee
GRAP	Generally Recognised Account Practice
HET	Higher Education and Training
HR	Human Resources
HRDS	Human Resources Development Strategy
ICT	Information and Communication Technologies
ICTCOM	Information and Communication Technologies Steering Committee
IDSS	Integrated Digital Skills Strategy
IESBA	International Ethics Standards Board for Accountants
IIASA	Institute of Internal Auditors South Africa
IMS	Information Management System
IoT	Internet of Things
IPAP	Industrial Policy Action Plan
IPR Act of 2008	Intellectual Property Rights
IRBA	Independent Regulatory Board for Auditors
ISA	International Standards of Auditing
ISOE	Institute of Sectoral or Occupational Excellence



IT	Information Technology
OHSA	Occupational Health and Safety Act
SIC	Standard Industrial Classification
LPD	Learning Programmes Division
MICT	Media, Information and Communication Technologies
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGO	Non-Governmental Organisation
NGP	New Growth Path
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSI	National System of Innovation
OQSF	Occupational Qualification Sub-Framework Policy
NSDS	National Skills Development Strategy
NSF	National Skills Fund
AGSA	Auditor-General of South Africa
NQF	National Qualifications Framework
OFO	Organising Framework for Occupations
PAA	Public Audit Act
PICC	Presidential Infrastructure Coordinating Commission
PIVOTAL	Professional, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trades and Occupations
QMS	Quality Management Systems
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SD	Skills Development
SAECO	Social and Ethics Committee
SDA	Skills Development Act
SDL	Skills Development Levy
SDLA	Skills Development Levies Act
SETA	Sector Education and Training Authority
SIPs	Strategic Integrated Projects
SKA	Square Kilometre Array
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
TIA	Technology Innovation Agency
TVET	Technical Vocational Education and Training (previously known as FET colleges)
SLA	Service Level Agreement
UIF	Unemployment Insurance Fund
USASSA	Universal Service and Access Agency of South Africa
SETA	Sector Education and Training Authority
PFMA	Public Finance Management Act
WSP	Workplace Skills Plan



1.3 FOREWORD BY THE CHAIRPERSON

MR SIMPHIWE THOBELA

I am honoured to present the Media Information and Communications Technologies SETA Annual Report for the 2023/24 financial year. This year, the MICT SETA has made significant strides in accelerating skills development within the Media and ICT sectors, focussing on innovation and endeavouring to stay ahead of the curve in digital transformation. These efforts have greatly contributed to the socio-economic development of South Africa, fostering a skilled and resilient workforce equipped to navigate the demands of a rapidly evolving digital landscape.

The MICT SETA's initiatives align closely with South Africa's Economic Reconstruction and Recovery Plan (ERRP), which builds on our comprehensive response to restore economic activity and rebuild the economy sustainably, resiliently, and inclusively. This plan places jobs at its centre and highlights skills development as a key enabler to restore economic growth. Our focus on enabling and facilitating digital skills is particularly relevant here, as we empower individuals to contribute meaningfully to the economy through advanced technological competencies.

We acknowledge the crucial role of the Department of Higher Education and Training (DHET) under the leadership of Honourable Minister Dr Nobuhle Nkabane and the Deputy Ministers, Honourable Deputy Ministers Buti Manamela and Dr Mimmy Martha Gondwe and the Director-General, Dr Nkosinathi Sishi. Their support has been instrumental in our efforts to enhance digital and vocational skills across South Africa.

The Board approved the Integrated Digital Skills Strategy, which is now in full swing. Through rigorous research, we have ensured that our understanding of sector occupational shortages and skills gaps is a true reflection of demand and supply in the labour market. This year, we conducted a comprehensive analysis of the Fourth Industrial Revolution (4IR) technologies and their impact on the MICT sector to gain deeper insights into the real skills shortages and support the industry in closing these gaps.

We are now implementing the Sector Skills Plan (SSP) developed over the period of the National Skills Development Plan (NSDP) to map out and plan for occupational skills needs in the Advertising, Film and Electronic Media, Electronics, Information Technology, and Telecommunications industries. The SSP is updated annually to analyse changes in the sector's labour market against the backdrop of economic performance and the country's developmental agenda. It sizes up the gap between the demand for and supply of skills and outlines strategies for addressing the identified challenges.

As part of our mandate, the MICT SETA ensures that mandatory grants are effectively distributed to facilitate skills development initiatives across our sectors. Additionally, our discretionary grants are designed to benefit not only large and medium employers but also SMMEs and other eligible constituent stakeholders committed to driving programme interventions that respond to our key indicators across sub-sectors. This inclusive approach ensures that all participants in the industry have access to the resources needed to foster growth and innovation.



“The MICT SETA is proud to announce that it achieved an unqualified audit opinion with no material findings in the year under review, indicating our commitment to sound financial management and adherence to regulatory requirements.”

Recognising that technology is transversal and plays a critical role in other sectors of the economy, the MICT SETA has fostered sustainable partnerships to support its skills development mandate. These partnerships address the challenges posed by 4IR by equipping the workforce with specialised skills to set up and maintain new and future technologies, as outlined in our digital skills strategy.

The expiration of historical qualifications on the Occupational Qualifications Sub-Framework (OQSF) on 30 June 2024 marks a crucial milestone in the MICT sector. This shift highlights our commitment to aligning qualifications with current industry needs and standards. It presents an opportunity for learners, skills development providers, and industry stakeholders to transition to updated and relevant qualifications.

This proactive step is essential to ensure our workforce remains competitive and equipped for the evolving digital landscape while ensuring industry alignment. To date, the MICT SETA has developed 52 qualifications across all our sub-sectors, spanning creative industries and 4IR. Consequently, we spent just under half a billion Rand (R437,6 million) on Discretionary Grants and R176 million on Mandatory Grants.

STRATEGIC PARTNERSHIPS

Our strategic partnerships continue to leverage resources, expertise, and innovative solutions to equip the workforce with the skills needed to thrive in the digital age. We prioritise transformational imperatives, including race, gender, geography, and people with disabilities. Our Rural Strategy focuses on inclusivity, ensuring that even the most remote parts of our population benefit from our programmes.

Our relentless drive for innovation has culminated in the adoption of the Triple-Helix Model of innovation, harmonising the forces of Academia, Government, and Industry. This dynamic framework fuels our digital transformation initiatives with unparalleled expertise and synergy. A notable initiative is our new Learner Management System (LMS) platform, which will set a new standard in sourcing business applications for government and the private sector, benefiting the local economy and the national system of innovation.

Our approved 2020-2025 Strategy serves as our compass, prioritising the skills needed to meet the ever-evolving demands of our dynamic industry. Notably, our Digital Skills Strategy paves the way for ground-breaking advancements in skills, technology, media, and systems development, enabling us to lead the digital skills revolution.

Strategic partnerships are the lifeblood of our success. I am proud to announce the addition of esteemed industry leaders and academic institutions to our growing network of collaborators, empowering us to create innovative courses and foster a culture of research and innovation.

Reflecting on the past year, we measure success not by the size of our partners but by our collective impact. Each contribution has been integral to our journey towards a thriving skills ecosystem. Together, we will continue to push boundaries, leveraging cutting-edge technology and embracing emerging trends to solidify MICT SETA's position as a trailblazer in skills development and a driving force behind national growth and prosperity.

By leveraging strategic partnerships, we co-create innovative courses and certifications that meet industry demands, equipping our learners with the necessary expertise for success. This year has demonstrated our determination to accelerate the adoption of Fourth Industrial Revolution qualifications, positioning the MICT SETA as a key driver in shaping the workforce of the future.

We remain resolute in our commitment to staying ahead of the curve and anticipating the evolving needs of industries impacted by the Fourth Industrial Revolution. Our initiative-taking approach includes ongoing collaboration with industry stakeholders to identify emerging skill requirements and develop relevant qualifications. Our focus on agile and adaptable learning pathways ensures our learners are equipped to navigate the ever-changing digital landscape.

Through targeted initiatives like upskilling and reskilling programmes, we provide opportunities for individuals to acquire in-demand skills, empowering them to thrive in the digital economy. We also recognise the importance of continuous research in our sector, staying attuned to emerging technologies and industry trends.

To further strengthen collaborations, we have actively signed Memorandums of Understanding with key industry stakeholders. These MOUs serve as valuable frameworks for cooperation, combining efforts, resources, and expertise toward shared goals.

A comprehensive impact study we conducted recently provided valuable insights into our programme's outcomes and effectiveness, highlighting our positive contributions to developing skilled individuals, promoting employment, and driving industry growth. These findings help us refine our strategies and make informed decisions to maximise our impact and achieve even greater success.

GOVERNANCE

MICT SETA adheres to reporting frameworks and guidelines set forth by regulatory bodies and principals, such as the Department of Higher Education and Training. Our comprehensive reports detail governance structures, strategic objectives, financial management, and stakeholder engagement initiatives, offering a transparent window into our operations. We implement robust internal controls, risk management frameworks, and performance monitoring systems to ensure our activities align with legal and regulatory requirements. Regular audits and compliance reviews, aligned with King IV principles, further strengthen our accountability mechanisms and enhance our governance practices.

As part of our commitment to good governance, the MICT SETA actively engages with external stakeholders, including industry partners, government entities, and communities.

We seek input, feedback, and constructive criticism to improve our governance practices and decision-making processes. This engagement creates a dialogue and fosters a sense of shared responsibility, enhancing our ability to effectively serve the needs of our stakeholders.



Our commitment to transparent and accountable practices not only builds stakeholder confidence but also ensures the effective utilisation of resources and the successful achievement of our strategic objectives.

NEW INITIATIVES

EMPOWERING YOUNG ENTREPRENEURS

Continuing from the previous financial year, the MICT SETA remains committed to supporting young entrepreneurs through the New Venture Creation Level 2 skills programme. In today's rapidly evolving business landscape, the role of the Board of Directors has become increasingly critical. This involves setting clear accountability structures, defining roles and responsibilities, and ensuring ethical conduct throughout the organisation.

By providing oversight, monitoring performance, and enforcing compliance, the Board of Directors plays a pivotal role in fostering a culture of transparency and integrity. This initiative equips aspiring young entrepreneurs with essential skills, knowledge, and resources to establish and manage their businesses effectively. Covering areas such as business planning, financial management, marketing, and sales strategies, the programme provides a solid foundation in entrepreneurship. By continuing this initiative, MICT SETA is furthering its contribution to a vibrant entrepreneurial ecosystem, fostering innovation, job creation, and economic development.

SHARED SERVICES MODEL FOR SETA TRANSFORMATION

Building on our efforts from last year, we are advancing the implementation of the Integrated Learner Management System (ILMS), which will be the backbone of the Shared Services Model to transform the SETA landscape. This innovative approach aims to revolutionise how we identify, design, acquire, develop, and deploy advanced technologies. Through collaborative resource pooling, expertise sharing, and best practice implementation, we aim to optimise technology adoption and operational efficiency. The ILMS reflects our commitment to staying at the forefront of technological advancements and delivering superior services to our stakeholders.

E-RECRUITMENT AND CAREER HUB

In line with our efforts to digitise HR processes, the MICT SETA is implementing a e-recruitment solution. This project aims to revolutionise recruitment by providing a centralised platform for job listings, candidate screening, and virtual interviews. By streamlining the recruitment process, the Career Hub ensures that we connect qualified candidates with employers efficiently, enhancing our overall operational efficiency and service delivery.

DIGITAL CAREER PORTAL

Additionally, the MICT SETA is launching a Digital Career Portal targeted at learners and youth. This interactive platform displays comprehensive career opportunities within the MICT sector, enabling users to make informed choices about their career paths. By providing detailed information on various sectoral occupations and offering access to skill development resources, the portal empowers users to navigate their career journeys effectively.

These initiatives underscore our ongoing dedication to collaboration and innovation, ensuring that the MICT SETA continues to make a significant impact on skills development, economic growth, and the advancement of the media and ICT sectors.

OVERVIEW OF THE STRATEGY AND PERFORMANCE OF THE MICT SECTOR

In the year under review, the MICT SETA achieved a clean audit, reinforcing our commitment to sound governance, financial transparency, and operational efficiency. Endorsed by the Auditor-General of South Africa, this notable recognition solidifies our reputation as a committed custodian of public funds. For the past three years, our performance has continuously surpassed the 80% threshold set as per the MICT SETA-endorsed Risk Appetite and Tolerance Framework, achieving 94% of our predetermined output indicators in the current year under assessment. This is compared to 90% in the 2021/22 period and 95% in 2022/23.

The pivotal role of strategic partnerships in this success cannot be overstated. By fostering collaborations with leading employers, professional bodies, SMMEs, academic institutions, and other government entities, we have created an ecosystem of innovation and excellence. Our commitment to operational efficiency has been enhanced through our digital transformation programme, improving service delivery, and reinforcing our pledge to service excellence and customer centricity.

MICT SETA's Strategic Plan and Annual Performance Plan outline our goals, objectives, and strategies for promoting skills development and training in the media, information, and communications technologies sector. Prepared in accordance with the Revised Framework for Strategic Plans and Annual Performance Plans issued by the Department of Planning, Monitoring and Evaluation, these documents guide our efforts to address the skills needs of various sub-sectors within the industry.

CHALLENGES FACED BY THE BOARD

Building a strong leadership team and ensuring effective succession planning is crucial for the sustainable growth of the organisation. The Board and the organisation face the challenge of continuity as the term of the Board and the Chief Executive Officer is set to expire at the end of the 2024/25 financial year. The Board must understand and leverage

emerging technologies to drive innovation and enhance operational efficiency to avoid technological disruption. The Board needs to stay abreast of the developments in laws and regulations related to corporate governance, data privacy and environmental sustainability to ensure compliance and adapt organisational policies accordingly. Embracing innovation, fostering stakeholder engagement, and upholding strong corporate governance practices are key for future growth and sustainability of the organisation.

THE YEAR AHEAD

In the year ahead, we will continue to drive forward our mission to strategically lead the MICT sector skills development system, supporting meaningful economic participation of our beneficiaries and improving socio-economic conditions. Our focus will remain on staying at the forefront of the Fourth Industrial Revolution, anticipating industry needs, and aligning our programmes accordingly. By forging strategic partnerships, we will ensure that our learners have access to cutting-edge knowledge and practical experiences, empowering them to thrive in the digital economy.

We will maintain a commitment to effective stakeholder collaboration, service delivery, innovative administration processes, process improvement, adherence to governance, and results orientation, ensuring quality at all levels of the organisation. Guided by the Batho Pele principles, we will strive to deliver excellence in all our endeavours.

ACKNOWLEDGEMENTS AND CONCLUSION

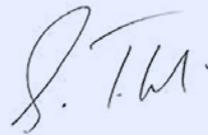
I would like to extend my heartfelt thanks to the Executive Authority, DHET, under the leadership of the Honourable Minister Dr Nobuhle Nkabane and Deputy Ministers Honourable Buti Manamela and Dr Mimmy Martha Gondwe for their unwavering support in our mission to enhance digital and vocational skills. My gratitude also goes to the Director-General, Dr Nkosinathi Sishi, and Deputy Director General Mr Zukile Mvalo, whose collective efforts have been pivotal in driving the SETA's mission forward. I also would like to extend my word of gratitude to the former Minister of Higher Education and Training, Dr Bonginkosi Nzimade for his unwavering support and guidance for the past four years.

Special thanks to our Chief Executive Officer, who has adeptly steered the organisation, supported by his Management team and the dedicated MICT SETA employees, whom we proudly refer to as *GameChangers*. Your commitment to implementing our programmes has been invaluable.

The accomplishments of this financial year and the positive impact we have made on individuals, communities, and industries are a testament to our collective efforts. We have touched, changed and given an opportunity to people's lives. We did not only chase numbers. As we move forward, we remain united in our pursuit of excellence, collaborative in our efforts, and unwavering in our commitment to empowering individuals through skills development.

Together, we stride confidently into a brighter and more innovative future, driving transformative change and bringing benefits to all in South Africa.

Thank you,



MR SIMPHIWE THOBELA CD(SA)

CHAIRPERSON OF THE BOARD

Date: 31 July 2024





“Furthermore, we are pleased to report that the MICT SETA has made significant progress in successfully achieving its strategic-oriented goals as outlined in our strategic plan and annual performance plan. Through diligent execution and collaboration with our stakeholders, we have made substantial strides in equipping individuals with the critical skills required in the rapidly evolving MICT sector.”



1.4 OVERVIEW OF THE CHIEF EXECUTIVE OFFICER

MR MATOME MADIBANA

In an ever-evolving economic landscape, the MICT SETA remains at the forefront of building a capable, developmental workforce. This is by advancing its vision of cutting-edge future skills to support economic growth within the media and Information and Communication Technology (ICT) sectors. Our commitment to enhancing digital skills and driving transformation is unwavering, as we deliberately create access to and massify digital skills in South Africa to keep pace with global trends. Our strategic focus on vocational skills tailored to the digital era ensures our youth are equipped and employable for meaningful economic participation.

Our primary objective remains identifying and addressing skills gaps within the sector, as reflected in our strategic pillars. Central to our mandate is the Sector Skills Plan (SSP), a blueprint guiding our actions and ensuring our responsiveness to sectoral needs and trends. The depth of our strategic implementation lies in our robust engagement with employers, skills development providers, and stakeholders. This engagement allows us to diligently gauge the demands of each sub-sector, providing invaluable insights that inform our efforts to align skill supply with the swiftly evolving demands of the industry.

By eliciting and analysing data on existing skill sets and forecasting future needs, we ensure our interventions are precisely tailored to meet industry requirements while staying attuned to National Policy priorities. This synergy ensures our efforts contribute cohesively to broader developmental objectives, fostering economic participation and growth through a skilled and employable workforce.

ACHIEVEMENTS AND INITIATIVES

During the 2023/24 financial year, the MICT SETA has achieved remarkable success through a diverse range of programmes, initiatives, and partnerships. Recognising that SMMEs are the bedrock of employment creation, we have strengthened our partnerships with SMMEs in our skills development programmes. Our continuous establishment of 4IR incubation programmes has supported and guided the growth of exceptional initiatives poised to disrupt the industry in various 4IR skills domains.

The significance of the Triple-Helix Model in our approach cannot be overstated. This innovative framework emphasises the collaborative relationships among three key actors in the innovation process: universities and academia, industry (including SMMEs), and government. Universities provide essential knowledge, research and innovation expertise, industries drive the commercialisation of innovations, and government regulatory support ensures an enabling climate and infrastructure. This model extends beyond SETA's mandate, aiming to set a benchmark for government systems that can be sourced and commercialised, aligning with the inspirations of the Intellectual Property Rights (IPR) Act of 2008. By strengthening the National System of Innovation (NSI) and centering SMMEs in the commercialisation of these products, MICT SETA believes that it can play a significant role in achieving the aspirations of the Science, Technology, and Innovation (STI), White Paper, and the (IPR) Act of 2008.

The MICT SETA Digital Skills Strategy harnesses the opportunities presented by the 4IR. The SETA's vision is to create a sector that benefits from enhanced digital skills, a realigned workforce, a redesigned ecosystem, and focused research culminating in



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mind-blowing innovation. By aligning the labour force with 4IR skill demands, supporting a redesigned education ecosystem, and promoting digital skills interventions and innovation, we aim to create a future-ready workforce.

Operational efficacy and customer centricity remain key drivers for the MICT SETA. We are committed to becoming a customer-centric organisation, providing a seamless, unified, and responsive approach to stakeholder needs. Our digital transformation programme, which includes investments in ICT infrastructure and Enterprise Resource Planning (ERP) systems, aims to streamline our processes and improve service delivery across multiple divisions. Furthermore, the establishment of a response centre is underway to enhance the stakeholder experience throughout the MICT SETA value chain.

The Discretionary Grant window for the 2023/24 financial year saw the issuance of new Service Level Agreements (SLAs) across various MICT sub-sectors. These agreements have been pivotal in the successful implementation of programmes this financial year. Additionally, we hosted successful stakeholder roadshows across regions where MICT SETA has physical offices. These roadshows provided updates on performance and organisational changes, fostering robust discussions and positive feedback.

In terms of social responsibility, MICT SETA partnered with the Department of Social Development (DSD), the MTN Foundation, and industry partners to invest in vulnerable communities. We believe in creating opportunities that bridge divides, empower individuals, and pave the way for a brighter, more inclusive growth and prosperous future.

Our achievements this year highlight the effectiveness of our diverse programmes, strategic initiatives, and robust partnerships in driving our mission forward and ensuring impactful economic participation through skills development.

We have implemented a governance framework that prioritises transparency, integrity, and ethical conduct in all our operations. Governance structures consistently provide oversight to ensure ongoing improvements.

Strategic partnerships across our sub-sectors have been instrumental in the implementation of our programmes. We have been able to implement impactful skills development initiatives by leveraging collective expertise and resources by collaborating with a variety of stakeholders, including industry leaders, educational institutions, SMMEs, labour, community-based organisations, and government entities. These partnerships ensure that our programmes are aligned with industry needs, enhance our capacity to address skills gaps, and enable us to adapt swiftly to changing market dynamics. This collaboration's robustness serves as a testament to our dedication to cultivating a workforce that is both dynamic and resilient, thereby promoting economic growth and innovation.

During the year under review, the MICT SETA made the following significant strides:

- An impact study was conducted to evaluate the effectiveness of our programmes and initiatives. The findings highlighted significant positive outcomes in terms of employment rates, skills acquisition, and overall economic contribution. The study provides concrete evidence of the tangible benefits our interventions have brought to individuals and the industry, reinforcing the value of our strategic direction and implementation.
- MICT SETA made significant strides in key ICT projects aimed at enhancing efficiency and service delivery. The development of the integrated LMS progressed robustly, further solidifying its status as one of the SETA's Integrated High Impact Projects, a project endorsed by the Minister. The LMS promises to revolutionise our approach to skills development while digitising more than 70% of our business processes across SETAs.
- Additionally, the E-learning and Career Hub initiative, a critical HR project, was advanced to provide comprehensive digital HR solutions, thereby supporting continuous professional development and employability. The Data Lake/Warehouse project, another cornerstone, was expanded to facilitate extensive data collection, storage, and analysis, enabling data-driven decision-making and strategic planning across the organisation.

- The e-recruitment platform is being designed to optimise the recruitment process, providing a seamless, user-friendly interface for both job seekers and employers, thereby improving talent acquisition and placement efficiency. These projects collectively represent MICT SETA's commitment to leveraging ICT to drive innovation and improve service delivery.

We have successfully developed a range of 4IR occupational qualifications in pivotal fields, including Automotive Ethernet, Data Engineering, Electronic Engineering, Embedded Systems Development, Printed Circuit Board Design, Digital Literacy, Digital Product Design, Digital Terrestrial TV Decoder Installation, Domain Name Systems (DNS), Agile Practice, Apache Groovy Development, React Native Development, Ruby Development, Scrum Mastery, and Information and Communication Technology Training. In line with our strategic focus on 4IR, we have forged key partnerships with leading organisations such as Greycode Internet of Things (IoT), Youth ICT Council (Research & ICT SD), IN2IT Technologies (Cloud Computing), Mirae Robotics (Robotics), JP 4IR (Robotics and Coding), the State Information Technology Agency (SITA), Southern African Institute of Government Auditors (SAIGA), and Geekulcha. These collaborations are instrumental in driving innovation, enhancing our training capabilities, and ensuring that our qualifications meet the current and future demands of the ICT sector.

ORGANISATIONAL PERFORMANCE

From a strategic perspective, the MICT SETA continued to implement core focus areas as a SD partner that enhances, amongst others, the growth and sustainability of SMMEs through its learning interventions. In the period under review, the SETA aimed to meet 48 output indicators, successfully achieving 45, resulting in an overall accomplishment rate of 94%. This follows the impressive previous years' performance of 90% and 95% for the financial years 2021-22 and 2022-23, respectively. The SETA's robust internal controls, which ensure effective and efficient governance, are responsible for this consistent performance.

STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

The entity received R1.2 billion in skills development levies (SDL) income, a marginal increase from the previous year's R1.1 billion. The 5.49% growth can be attributed to the improved economy within the sector. Furthermore, the entity received R8.2 and R18.0 million from the National Skills Fund (NSF) and the Financial & Accounting Sector Education (FASSET), respectively.

The collaboration with FASSET and the partnership with the NSF aim to tackle the skills shortage by offering learnerships. They

seek to address digital skills gaps within the sector; the funding will be used to train 360 unemployed learners through short programmes. Also, R2.9 million has been released to the Statement of Financial Performance for both these special projects.

EXPENDITURE

Mandatory Grants disbursed amounted to R206.7 million, reflecting a 9.71% increase from the R188.4 million spent in the prior year. The payout ratio for the current year stands at 72%.

The discretionary grant expenditure for the current year is R731.5 million, marking a slight decrease of 7.14% compared to the previous year. The decline can be attributed to the restructuring of the discretionary grant funding agreement with employers, which was necessitated by the defaulting stakeholders and mitigating against financial losses.

The comparative figures on the discretionary grant project expenditure in the Statement of Financial Performance were updated to show the project administration costs that are directly linked to learning programmes in line with the utilisation of the 7.5% project administration cost as set out in the SETA Grant Regulations.

Expenditure on administration was R136.8 million, an increase of 11.04% compared to the previous financial year. The entity's administration expenditure is 9.54% of the SDL income, which is below the threshold of 10.5% as required by the regulation. This is a marked achievement. The comparative figures on the administrative expenditure note and Statement of Financial Performance were updated to exclude the project administration costs that are directly linked to learning programmes in line with the utilisation of the 7.5% project administration cost as set out in the SETA Grant Regulations.

The purpose of this disclosure is to improve the usefulness and fair presentation of the Annual Financial Statements (AFS).

IRREGULAR EXPENDITURE

There was no irregular expenditure identified in the current financial year.

COMMITMENT REGISTER

The entity has a committed balance of R602 million at the end of the 2023/24 financial year, reflecting an increase of 32.59% compared to the previous year's balance of R454 million. The decrease can be attributed to the writebacks of R38.54 million that were incurred against contracts with dropouts and non-implementation. The reduction in the current year's discretionary grant expenditure is due to writebacks of R62.8 million from the prior year.



AUDIT REPORTING MATTERS

I am also proud to report that the MICT SETA has once again achieved a clean audit for the 2023/24 financial year. This accomplishment reflects our commitment to the highest standards of governance, transparency, and financial management.

It underscores our dedication to accountability and reinforces the trust placed in us by our stakeholders. The clean audit not only highlights our efficient use of resources but also strengthens our resolve to continue delivering impactful SD initiatives that drive economic growth and transformation within the sectors we serve.

REQUEST FOR ROLLOVER OF FUNDS

MICT SETA had a cash surplus of R627.04 million at the end of the 2023/24 financial year. The entity has requested a rollover into the 2024/25 financial year for discretionary projects to which we have already committed and are legally obliged to fulfil these commitments.

POST BALANCE SHEET EVENTS

The MICT SETA appointed Mr Absalom Mahlangu as the Senior Manager: Corporate Services in May 2024.

ECONOMIC VIABILITY

The MICT SETA remains economically viable despite room for improvement in broadening the levy income base. Since financial viability is not at risk, no policy reforms are necessary.

CONCLUDED UNSOLICITED BID PROPOSALS

We are aware that there were no conclusive unsolicited bid proposals.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

There were no discontinued activities or activities to be discontinued.

NEW OR PROPOSED KEY ACTIVITIES

The implementation of the LMS will remain a game changer within the PSET system as it will be rolled out as part of Shared Services.

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) system consists of six core processes: demand, acquisition, logistics, disposal, and Risk Management as well as practical contract performance evaluation and monitoring. The MICT SETA SCM systems and processes are in place. All procurements are done in accordance with Section 217(1) of the Constitution which envisages SCM process that is fair, equitable, transparent, competitive and cost-effective in order to achieve optimal value for public money spent and ensure equitable opportunities for suppliers to participate in government business. MICT SETA incurred no irregular expenditure in the current financial year.

APPRECIATION

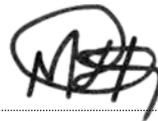
Reflecting on the achievements of the 2023/24 financial year, I extend my heartfelt gratitude to the Executive Authority, MICT SETA Accounting Authority (AA), and its Committees for its strategic direction, Audit and Risk Committee (ARC), Auditor-General of South Africa (AGSA) for their oversight role, National Skills Authority (NSA), the relevant Portfolio Committee of

Higher Education, and all governance committees of the entity. Our successes have been made possible by our implementing partners and stakeholders in the media and ICT sectors.

Their collaboration and dedication have been crucial in capacitating the sector, responding to critical and scarce skills needs, providing training to the unemployed, and creating access to employment opportunities, thereby addressing the high rate of unemployment in our country.

Special acknowledgement goes to the Ministry of Higher Education and Training (HET) for their continued support and guidance. I would also like to convey my deep gratitude to the entire MICT SETA team, whom we proudly call *GameChangers*. Your dedication, commitment, resilience, and hard work have been instrumental in our accomplishments. Together, we have made significant strides towards realising our vision of cutting-edge future skills, and I look forward to our continued success in the years to come.

Our achievements this year highlight the effectiveness and inclusivity of our diverse programmes, strategic initiatives, and robust partnerships in driving our mission forward and ensuring impactful economic participation through skills development.



MR MATOME MADIBANA

CHIEF EXECUTIVE OFFICER

Date: 31 July 2024

1.5 STATEMENT OF RESPONSIBILITY



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements to be audited by the Auditor-General of South Africa.
- The Annual Report is complete, accurate, and free of any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the SA GRAP standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In our opinion, the Annual Report fairly reflects the operations, performance information, governance, the human resources information, and the financial affairs of the organisation for the financial year ended 31 March 2024.

MR MATOME MADIBANA
CHIEF EXECUTIVE OFFICER
Date: 31 July 2024

MR SIMPHIWE THOBELA CD(SA)
CHAIRPERSON OF THE BOARD
Date: 31 July 2024

1.6 STRATEGIC OVERVIEW



MISSION

To strategically lead the MICT sector skills development system in support of meaningful economic participation of our beneficiaries for improved socio-economic conditions.



VISION

Cutting-edge future skills.



VALUES

Customer Centricity
Ethical
Innovative
Committed
Meritocracy
Collaborative



1.7 LEGISLATIVE AND OTHER MANDATES



The Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA) was established under the Skills Development Act No. 97 of 1998 and is recognised as a Schedule 3A public entity in accordance with the Public Finance Management Act No. 29 of 1999 (PFMA). Furthermore, it functions under the following legislative mandates:

1.7.1 CONSTITUTIONAL MANDATES

The current MICT SETA Strategic Plan is aligned with the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), which guides the MICT SETA in all its operations. The MICT SETA is committed to upholding the constitutional principles of:

- Promoting and maintaining high standards of ethics;
- Providing service impartially, fairly, equitably, and without bias;
- Utilising resources efficiently and effectively;
- Responding to people's needs; the citizens are encouraged to participate in policy making; and
- Rendering an accountable, transparent, and development-oriented administration.

1.7.2 LEGISLATIVE AND POLICY MANDATES

- Skills Development Act 1998 (Act No. 97 of 1998) as amended;
- MICT SETA Constitution;
- Skills Development Levies Act, 1999 (Act No. 09 of 1999);
- Regulations published in the Government Gazette, No. 35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters;
- The National Qualifications Framework Act (Act No. 67 of 2008);
- Public Finance Management Act (Act No. 29 of 1999);
- Employment Equity Act, 1998 (Act No. 55, 1998);
- Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017; and
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

The legislative mandate of the MICT SETA is drawn from the following sections within the:

NAME OF LEGISLATION	MANDATE
Skills Development Act (SDA) 1998 (Act No. 97 of 1998) as amended	To support skills development within the MICT SETA sector by: <ul style="list-style-type: none"> • Implementing its Sector Skills Plan; • Promoting Learnerships in each of its sub-sectors; • Performing the functions of an Education and Training Quality Assurance Body; • Liaising with the National Skills Authority on skills development matters; • Concluding a Service Level Agreement with the Director-General of the Department of Higher Education and Training in terms of Section 10A of the Act; • Promoting the national standard established in terms of section 30B of the Act; and • Submitting budgets, reports, and financial information that are required in terms of the Public Finance Management Act, 1999 to the Director-General of the Department of Higher Education and Training.
MICT SETA Constitution	To facilitate the involvement of line function government departments in SETA activities and promote SMME training to enable them to qualify for public contracts. Furthermore, perform any duties imposed by the Act and to actively pursue concrete measures to achieve the objectives of all applicable Acts.
Skills Development Levies Act (SDLA), 1999 (Act No. 09 of 1999)	The Skills Development Levies Act requires the MICT SETA to use all monies received in terms of the Skills Development Levies Act to administer the activities of the SETA.
Regulations published in the Government Gazette, No. 35940, 3 December 2012 regarding Monies Received by a SETA and Related Matters	Comply with Government Gazette, No. 35940 Regulations, when administering all levies received from employers falling within its sector in the following manner: <ul style="list-style-type: none"> • Total levies received by a SETA: 80% • Mandatory grants: 20% • Discretionary Grants: 49.5% • Administration: 10.5%



NAME OF LEGISLATION	MANDATE
The National Qualifications Framework Act (NQF), (Act No. 67 of 2008)	The objectives of the NQF are to create a single integrated national framework for learning achievements; facilitate access, mobility, and progression within education, training, and career paths; enhance the quality of education and training; accelerate the redress of past unfair discrimination in education, training, and employment opportunities.
Public Finance Management Act (PFMA) (Act No. 29 of 1999)	Requires all public entities to ensure financial prudence and good governance. Furthermore, that all revenue, expenditure, budget preparations, assets, and liabilities entrusted to the SETA are managed efficiently and effectively. Furthermore, to ensure compliance with the PFMA by establishing banking accounts, use all monies received in terms of the Skills Development Levies Act to: <ul style="list-style-type: none"> • Administer the activities of the SETA; • Pay employers their mandatory grants; • Implement its SSP and APP as contemplated in the Treasury Regulations issued in terms of the Public Finance Management Act, through the allocation of the discretionary grants; and • Transfer any unclaimed mandatory funds and any interest earned thereon each financial year into the discretionary fund.
Employment Equity Act (EE), 1998 (Act No. 55, 1998)	The main purpose of the Employment Equity Act is to achieve equality in the workplace by promoting equal opportunity and fair treatment through the elimination of unfair discrimination, implementing positive measures (affirmative action) to ensure the equitable representation of black people, women, and people with disabilities at all levels in the workplace.
Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017	Section 217 of the Constitution of the Republic of South Africa states that when an organ of state in the National, Provincial, or Local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective. Furthermore, it stipulates the need to implement a Procurement Policy that will provide for categories of preference in the allocation of contracts; and the protection or advancement of persons, or categories of persons disadvantaged by unfair discrimination. The purpose of the Preferential Procurement Policy Framework Act is to promote an inclusive economy and to ensure that Small Medium, and Micro enterprises are afforded more opportunities in government procurement.
Broad Based Black Economic Empowerment.	The Broad-Based Black Economic Empowerment (B-BBEE) protocol has an important influence on the MICT sector. The Broad-Based Codes of Good Practice were launched in 2007 and provided a framework for measurement of B-BBEE in terms of the BEE Act 53 of 2003. Although the 2007 codes encouraged voluntary compliance with B-BBEE, the current codes are punitive in nature. The codes, which came into effect in 2015, provide some guidance in dealing with various elements. Skills Development has been classified as a priority element, and thus the measurement principles cannot be deviated from, and yet the sector (e.g., through a revised ICT charter) can adjust targets and weightings.

1.8 OTHER LEGISLATIVE FRAMEWORKS



The MICT SETA plays a crucial role in contributing to the goals outlined in the National Development Plan (NDP) by tackling social and economic dilemmas in the nation and executes its initiatives within these legislative parameters and principal governmental strategies:

1.8.1 NATIONAL DEVELOPMENT PLAN (NDP)

The NDP Vision 2030 (November 2011) identifies as one of the core priorities, reducing unemployment to 6% by 2030. The intention is to increase the number of people in employment from the current 13-14 million to around 24 million in that period. Other objectives include eradicating poverty and reducing inequality. In meeting the objectives of this plan, the MICT SETA has identified the following areas of action to support through its learning interventions:

- A larger, more effective innovation system closely aligned with firms that operate in sectors consistent with the growth strategy;
- Support for small businesses through better coordination of relevant agencies, development of finance institutions, and public and private incubators;
- An expanded skills base through better education and vocational training; and
- Business incubation for SMEs generally and the expansion of business services as priority actions for growth and development.

The MICT sector is at the centre of the National System of Innovation (NSI) and plays a leading role in supporting effectiveness and efficiency so that the economy could grow at the requisite levels to achieve NDP objectives. Through continued funding of bursaries at the research level, the MICT SETA endeavours to propel the sector's innovation system. Similarly, equal focus will be channelled towards continued support for SMEs through more focused internship and incubation programmes. TVETs also continue to receive particular attention to ensure expanded technical skills through vocational training.

1.8.2 NATIONAL DEVELOPMENT PLAN FIVE YEAR IMPLEMENTATION PLAN: MTSF

The NDP five-year implementation plan promotes the Medium-Term Strategic Framework (MTSF), which is a prioritisation framework to focus the government's efforts on a set of

manageable programmes and provides guidance regarding the allocation of resources across all spheres of government. In contributing to the MTSF, the MICT SETA will continue to prioritise specific NDP targets when allocating resources at its disposal.

1.8.3 MONITORING FRAMEWORK FOR NDP FIVE YEAR IMPLEMENTATION PLAN

The development of an effective monitoring and evaluation framework is crucial for the successful implementation of any programme, particularly for the NDP in this instance. The MICT SETA values the importance of monitoring and evaluation and will continue to use it to assess progress made towards the achievement of targets and to measure impact in the long term.

1.8.4 INDUSTRIAL POLICY ACTION PLAN (IPAP)

IPAP has identified several priority sectors that it aims to support for development in the country. Those that have a direct link with the MICT sector include:

- Green industries;
- Commercialisation of technologies; and
- Skills development for the business process outsourcing sector.

As stakeholders in the sector start to engage in these programmes, the MICT SETA will continue to be a skills development partner, ensuring that, along the way, the requisite skills are being developed. Like the NDP objectives, the MICT SETA will leverage its partnerships with industry to drive innovative research in areas such as green skills that also offer opportunities to small businesses to play a significant role in the country's manufacturing and technology ecosystem.

1.8.5 STRATEGIC INTEGRATED PROJECTS (SIPS)

One of the Strategic Integrated Projects outlined by the Presidential Infrastructure Coordinating Commission (PICC) is SIP-15: 'Expanding Access to Communication Technology'.

The DHET published a report that assesses the skills needs 'for and through SIPs' Economic Development Department, 2014 #18, and points specifically to the demand for database and network professionals. The need for specialist data scientists able to deal with large volumes of data was identified by the Square Kilometre Array (SKA) and various subdisciplines within

industrial and electrical engineering.” MICT SETA is and will continue to be the skills development partner to support SIP 15 dealing with universal access to broadband. In this regard, the SETA already collaborates with several partners within the sector, including the CSIR, DST, DTPS, and USASSA. This initiative is aimed at ensuring sound delivery and provision of requisite services and products by skilled professionals and specialists.

1.8.6 PROVINCIAL AND LOCAL GOVERNMENT PLANS

Municipal integrated development plans as well as provincial growth and development strategies are imperative to guiding planning and development across the nine provinces and 278 municipalities. Where MICT SETA-related industries have been identified as key areas for development, the SETA will prioritise those and ensure that support offered and partnerships are effective.

1.8.7 WHITE PAPER ON POST SCHOOLING EDUCATION AND TRAINING

The White Paper envisages an expanded, effective, and integrated post-school system in South Africa. It is premised on achieving:

- Expanded access to TVET and university education;
- Establishment of community colleges and skills centres to mainstream vocational education and training;
- Establishment of a national skills planning mechanism within DHET;
- A strengthened NSA to perform a monitoring and evaluation role in the skills system; and
- The opening up of workplaces to give more youth access to work integrated learning opportunities.



The White Paper further notes that, in the future, SETAs will be given a clearer, and to some extent, a narrower and more focused role. In supporting the White Paper's calls for an efficient skills development system, the MICT SETA engages in a rigorous strategic planning process that ensures the delivery of technical and vocational skills demanded by its sector and the broader economy. The SETA will continue to strengthen its partnerships with TVETs and industry to deliver mid-level technical skills through expanded access to internship programmes and work-integrated learning.

1.8.8 NATIONAL INTEGRATED ICT POLICY REVIEW REPORT

The National Integrated ICT Policy Review Report (final) was published in March 2015. It made several recommendations on skills development in anticipation of infrastructure rollout:

- Widespread basic technology skills to take advantage of universal access to broadband and increased demand for ICT products and services;
- Public service skills to ensure public servants, in all three tiers of government, are adequately skilled to drive more efficient delivery of services using Government-to-Business, Government-to-Government, Government to-Citizen and Citizen-to-Government modes;
- A diverse skills base across professions, from both user and ICT developer perspectives, which catalyses the growth of ICT-enabled industries;
- A sufficient supply of skilled professionals, researchers, and innovators to build the ICT products and services industry so that we are not dependent on the import market; and skills development to ensure the anticipated infrastructure expansion is built, serviced, and maintained by a majority of the South African workforce.

All the above are emphasised in SA Connect, which provides for interventions within the basic education and post-school sectors, in government and adult e-literacy, as well as youth development and sectoral programmes. The MICT SETA, in developing learning programmes, will align to the goals of this plan, with emphasis on advocating the creation of an inclusive, dynamic, and connected

information society and a vibrant knowledge economy. Through continued championing of skills development interventions, the SETA will contribute to expanding the national system of ICT research, development, and innovation.

1.8.9 POLICY MANDATES

The policy mandate of the MICT SETA is addressed in the MICT SETA Constitution, Government Gazette No. 35336 of 11 May 2012, and related policies to:

- Implement the Sector Skills Plan;
- Promote learnerships in each of the sub-sectors of the SETA;
- Perform the functions of an Education and Training Quality Assurance Body;
- Liaise with the National Skills Authority on skills development matters;
- Conclude a Service Level Agreement with the Director-General of the Department of Higher Education and Training in terms of Section 10A of the Skills Development Act, No. 97 of 1998;
- Promote the national standard established in terms of section 30B of the Skills Development Act, No. 97 of 1998;
- Submit budgets, reports, and financial information that are required in terms of the Public Finance Management Act, No. 1 of 1999, to the Director-General of the Department of Higher Education and Training;
- Facilitate the involvement of relevant government departments in the activities of the SETA to:
 - address the competency requirements for service delivery;
 - address the learning needs of the most vulnerable segments of the sector;
 - promote training in SMMEs to enable them to qualify for public contracts; and
 - perform any duties imposed by the Act and to actively pursue concrete measures to achieve the objectives of the Act.

1.9 EXECUTIVE AUTHORITY



HONOURABLE DR NOBUHLE NKABANE
Minister of Higher Education & Training



HONOURABLE DR MIMMY MARTHA GONDWE
Deputy Minister of Higher Education & Training



HONOURABLE BUTI MANAMELA
Deputy Minister of Higher Education & Training

DHET LEGISLATIVE MANDATE

- The Higher Education Act provides a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE) (www.che.org.za).
- The National Student Financial Aid Scheme (NSFAS Act) grants loans and bursaries to eligible university students and for the administration of such loans and bursaries.
- The Further Education and Training Act (FET Act) establishes public and private adult learning centres.
- The Adult Education and Training Act (AET Act) governs and funds technical and vocational education and training (TVET) colleges (previously FET colleges) and matters related to providing an FET college education.
- The Continuing Education and Training Act, 2006, (Act No. 16 of 2006).
- The National Qualifications Framework Act (NQF Act) manages the NQF via level dispensations and related matters as well as for qualifications and quality assurance of qualifications required on the NQF sub-frameworks.
- The Skills Development Levies Act imposes skills development levies and matters related thereto.
- The Skills Development Act creates a national skills agency, establishes the quality council for trades and occupations and regulates apprenticeships and learnerships and matters related to skills development.

1.10 ACCOUNTING AUTHORITY



SIPHO ZWANE



NTOMBIKAYISE
KHUMALO



LESIBA LANGA



NOZIBELE MLAMBO



NOMONDE GONGXEKA-SEOPA



SIMPHIWE THOBELA
BOARD CHAIRPERSON



LOYISO TYIRA



THABO MOFOKENG



VIWE JAMES



SONTAGA MANTLHAKGA



AYANDA MQELA

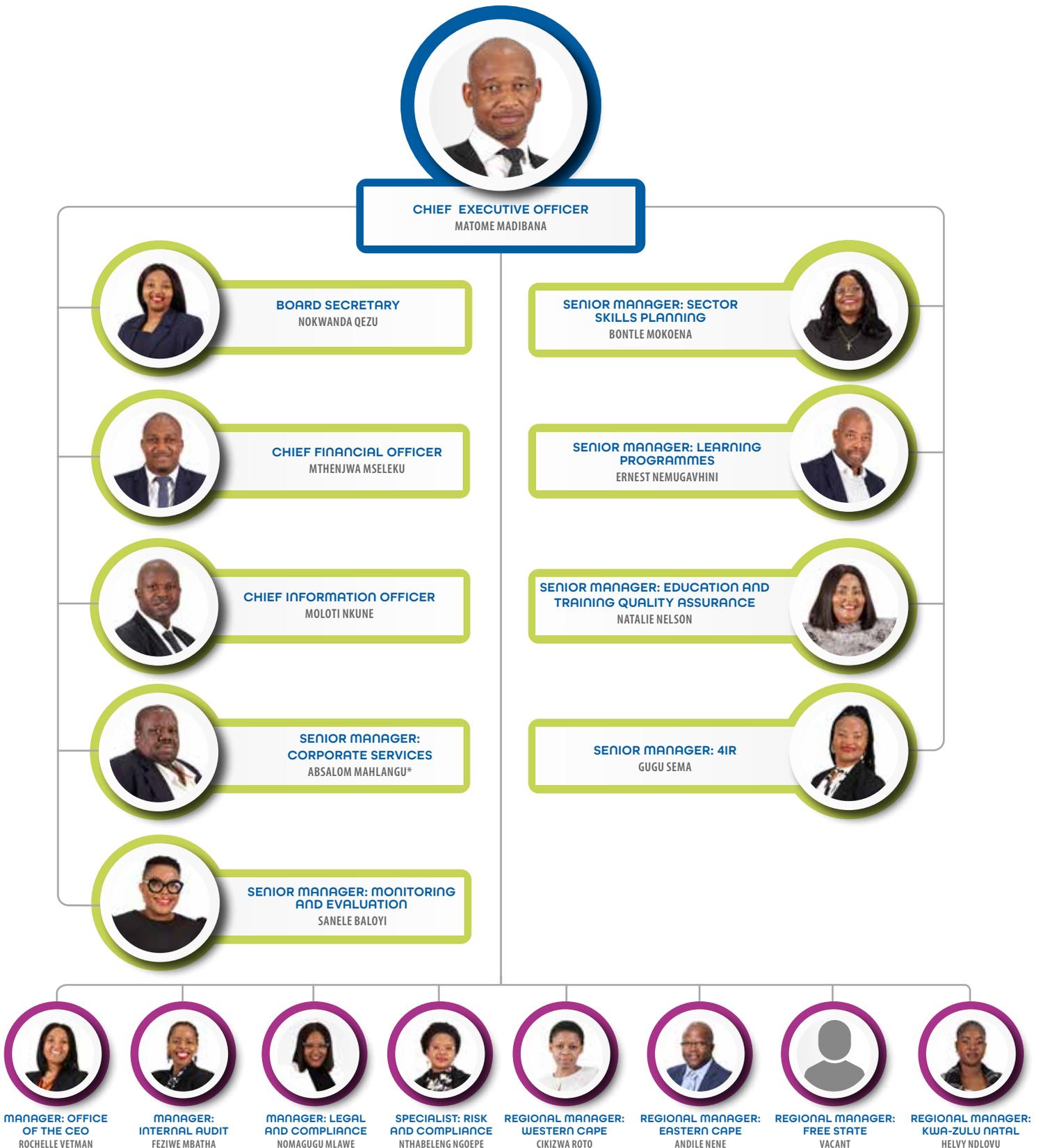


ROCHELLE BLAAUW



TEBOGO MAMOROBELA

1.11 ORGANISATIONAL STRUCTURE



* The vacancy of the Senior Manager Corporate Services became vacant in November 2023 and was filled with effect from 01 May 2024.



PART B PERFORMANCE INFORMATION

2.1 AUDITOR-GENERAL'S REPORT: PRE-DETERMINED OBJECTIVES



The Auditor-General has performed procedures to obtain evidence about the usefulness and reliability of performance information reported against predetermined objectives to provide reasonable quality assurance in the form of an audit conclusion. The audit outcome is included in the Audit Report to management.

Refer to page 85 of the Auditor-General's Report published as Part F: Financial Information.

2.2 OVERVIEW OF THE MICT SETA PERFORMANCE



2.2.1 SERVICE DELIVERY ENVIRONMENT

The MICT sector occupies a large share of the broader services sector; apart from a few sub-sectors that participate in the production of goods, the sector falls within the provision of services. The MICT sector is made up of five sub-sectors that are interrelated but also quite distinct, and these are:

- Advertising
- Film and Electronic Media
- Electronics
- Information Technology
- Telecommunications

The five sub-sectors of the SETA are increasingly converging into a single ICT ecosystem as information, telecommunications, advertising, and even film are streamed using similar technologies. The MICT sector is made up of 30 866 employers; this represents a 6% decrease from the 32 985 reported in the previous financial year. The information technology (IT) sub-sector is the largest sub-sector, accounting for 55% of employers. This is followed by the electronics sub-sector with 16%, closely followed by the telecommunications sub-sector with 15%. The film and electronic media account for 9%, recording a slight increase from 7% in the previous financial year to 9% this year. The advertising sub-sector, which accounts for 6% of employers, has declined by 2% from 2022/23.

From the current employer base, only 8 401 employers are paying levies; this is a slight decline from 8 896 reported in the previous financial year. The research cannot pinpoint this to one factor affecting the employer base; there are several factors, such as the energy crisis in the country, which is affecting small businesses; thus, some have decided to close shop or freeze their operations. Another identified factor is the interest rate hike, which has pressured small businesses, making it hard for them to operate as they have less flexibility to invest in long-term growth or less day-to-day cash flow stability.

The MICT sector experienced a slight decline in the number of employees, recording 221 738 in 2023/24 from 228 990 in 2022/23. There are several factors that can be attributed to this decline, most notably loadshedding, which has resulted in most employers restructuring or laying off employees. The country's economic growth trajectory does not look promising, with the most pressure being felt by small businesses. The excessive cost of alternative energy sources such as solar power or diesel-powered generators forces small firms to halt or close shop, limiting their ability to generate revenue. Even well-established companies, such as those in the telecoms, are already laying people off, with some organisations planning to retrench about 15% of the workforce to ensure sustainability.

The largest proportion (54%) of employees are working in the IT sub-sector, followed by 31% working in tele-communications and 8% in the electronics subsector. The sub-sectors with the lowest number of employees are film, with electronic media accounting for 4% and advertising with 3%.

The table below depicts the MICT SETA Standard Industrial Classification (SIC) Codes:

SUB-SECTOR	SIC CODE	MAIN ACTIVITY DESCRIPTION
Advertising	88311	Activities of Advertising Agents
	88312	Sign writing and industrial and commercial artistry
	88319	Other activities - window-dressing, etc.
Film and Electronic Media	88311	Activities of Advertising Agents
	88312	Sign writing and industrial and commercial artistry
	88319	Other activities - window-dressing, etc.
	88311	Activities of Advertising Agents
	88312	Sign writing and industrial and commercial artistry
	88319	Other activities - window-dressing, etc.
Electronics	88311	Activities of Advertising Agents
	88312	Sign writing and industrial and commercial artistry
	88319	Other activities - window-dressing, etc.
Information Technology	88311	Activities of Advertising Agents
	88312	Sign writing and industrial and commercial artistry
	88319	Other activities - window-dressing, etc.
	88311	Activities of Advertising Agents
	88312	Sign writing and industrial and commercial artistry
	88319	Other activities - window-dressing, etc.
Tele-Communications	88311	Activities of Advertising Agents
	88312	Sign writing and industrial and commercial artistry

2.2.2 SECTOR PERFORMANCE

South Africa's developmental path is guided by the National Development Plan (NDP), which sets forth ambitions for sustained economic growth until 2030. Within this framework, there exists a multitude of "levers," "pillars," or policy interventions recognised to contribute to this envisioned progress. As an integral component of South African society, the MICT sector is intricately linked with various national strategies and plans. These policies and plans significantly influence the sector's imperatives for SD. Consequently, addressing these imperatives demands a cohesive response from the MICT SETA and its stakeholders, rather than approaching them in isolation. Key among these national strategies and plans are:

- National Development Plan (NDP)
- Medium-Term Strategic Framework (MTSF) 2019-2024
- White Paper on Post-School Education and Training
- National Skills Development Plan (NSDP)
- Human Resource Development Strategy for South Africa (HRDS)

- National Skills Authority (NSA)
- National Integrated ICT Policy White Paper
- New Growth Path (NGP)
- Industrial Action Policy Plan (IAPP)
- Strategic Integrated Projects (SIPs)
- Broad-Based Black Economic Empowerment (B-BBEE)
- Economic Reconstruction and Recovery Plan (ERRP).

To build and manage talent, concerted effort and allocation of resources are essential. A promising development is the recognition by both industry and government of the factors contributing to existing gaps, prompting individual and collective responses. In line with the objectives of the NDP, the MICT SETA consistently harnesses its partnerships with industry to drive innovative research and extend opportunities to small businesses. This strategic approach aims to empower them to play significant roles within the country's manufacturing and technology ecosystem.

The overarching aim of the MICT SETA is to ensure that all its initiatives contribute to the realisation of NDP objectives in SD. To achieve this, the SETA adopts a proactive stance, planning and implementing measures in response to direct change drivers, thereby positioning itself for success amidst uncertainty and disruptions. Through collaborative partnerships, the SETA endeavours to cultivate resilience, foster innovation, and capitalise on emerging opportunities. These efforts are fully aligned with its priorities outlined in the NSDP, the ERRP, and its own skills strategy.

Furthermore, the SETA maintains a balanced focus on providing sustained support for SMMEs through enhanced internship programmes and targeted incubation initiatives. This integrated approach underscores the SETA's commitment to driving sustainable growth and development within the MICT sector while actively contributing to broader national objectives.

2.2.3 CHALLENGES AND OPPORTUNITIES

Strategic challenges and tensions that continue to hinder the sector include:

- Aligning the skills agenda to the needs of the sector
- Supporting innovation and promoting creativity
- Promoting a more local-based production and solutions
- Increased exports
- Development and support for small businesses as potential bedrocks for employment
- Deepening the transformation agenda within the sector

In mitigation of the challenges, the SETA will continue to ensure the implementation of priority sector development initiatives that focus on:

- Recognising, planning, and prioritising occupations that are on the National List of Occupations in High Demand and linking occupations and specialisations that address the above-mentioned change drivers. namely, AI, cloud computing, big data analytics, Fifth Generation Wireless Technology (5G), and IoT, to enable 4IR. In that way, the SETA will be fulfilling NSDP outcome 1 (identifying and increasing production of occupations in demand) and outcome 2 (linking education and the workplace). Additionally, the ERRP intervention on embedding skills planning into sectoral processes will be responded to by the SETA.
- Expanding opportunities for work-integrated learning, responding to NSDP outcome 4 (increase access to and delivery of industry and occupationally directed priority programmes and work placements), and aligning to the

ERRP intervention on increased access to programmes resulting in qualifications in priority sectors.

- Designing effective internships that serve as effective bridges into employment and collaborating with stakeholders on work-based training.
- Support innovation and commercialisation of 4IR technologies in South Africa, further encouraging local production and increased exports.

With South Africa striving towards being an e-skilled economy, as outlined in the NDP Vision 2030, key change drivers that affected the MICT sector in the 2023/24 financial year are:

- Cloud Computing.
- Internet of Things (IoT)
- Artificial Intelligence (AI)
- Big Data Analytics
- Fifth-generation wireless technology (5G).

The evolving landscape of change drivers significantly influences how businesses operate and adapt for future viability. Consequently, there is an imperative for organisations to embrace new methodologies, including skills training, to effectively leverage emerging market opportunities catalysed by the 4IR. In response, South African enterprises are increasingly investing in 4IR technologies. However, the advancement of these endeavours encounters obstacles such as limited funding, formalised training structures, and overall development pathways for emerging occupations within the 4IR domain.

Of particular concern is the inadequate recognition of emerging 4IR occupations within the Organising Framework for Occupations (OFO), such as roles like IoT specialist, cloud architect, and artificial intelligence specialist. This lack of formal recognition hinders the establishment of clear pathways for SD and career progression in these specialised areas. Additionally, certain OFO codes exhibit ambiguity and overlapping descriptions, further complicating the delineation of occupational boundaries and skill requirements.

To address these challenges, the SETA actively collaborates with stakeholders, including the Quality Council for Trades and Occupations (QCTO), training providers, and industry representatives. This concerted effort aims to develop new qualifications and enhance existing ones to align with the demands of the 4IR landscape.

2.2.4 ORGANISATIONAL ENVIRONMENT

The MICT SETA Accounting Authority continues to play a pivotal role in guiding management with the implementation of priorities identified in the five-year strategy. In the financial year under review, the MICT SETA's management continued to

develop systems and structures and build a strong leadership team that can fulfil the mandate of the organisation. There is continuous improvement in training and people development initiatives for all officials within the organisation. Senior Management were enrolled in an Executive Development Programme with the aim of developing and honing their ability to take on critical responsibilities at MICT.

The approved organisational structure contained 121 positions. The filling of all critical positions has resulted in the MICT SETA achieving 94% of targets set in the APP compared to 95% in the 2022/23 financial year.

During the period under review, the MICT has maintained a low vacancy rate through the financial year. This signifies that the organisation has a competitive advantage compared to other organisations in similar environments.

The relationships between the employer and employees are vital to the development of HR and addressing economic hardships that employees face. The SETA's employees are also experiencing the crippling consequences of rising interest rates and inflation. This is why the MICT SETA takes the wage negotiation process very seriously. We managed to sign a two-year multi-term agreement, which was implemented successfully on time and in line with the conditions of employment.

Noteworthy is the Rural Development Strategy that the MICT SETA developed in a bid to increase the SETA's participation and footprint in other provinces with the primary focus on marginalised rural and township communities. The SETA has a physical presence in five provinces with regional offices, namely Gauteng, KwaZulu Natal, Eastern Cape, Western Cape, and Free State.

2.2.5 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The implementation of the Occupational Qualifications Sub-Framework (OQSF), particularly the transition from historically registered unit standard-based programmes to occupational programmes, has been a key focus during the period under review.

The Transitional Arrangements provision for the Phasing Out of Pre-2009 qualifications is generally known as the Historical Qualifications. The transition requires moving towards occupational qualifications aligned with QCTO standards. This is part of QCTO's efforts to standardise the implementation of learning programmes. All qualifications registered before 2009 have a final registration date of 30 June 2023, and beyond this date, the SETA may not accredit Skills Development Providers (SDP).



SDPs can enrol learners in these qualifications until 30 June 2024; this will ensure that they can be certificated by the last date of achievement noted to be 30 June 2027. In terms of the extension of learnership durations, the QCTO has adjusted the durations of some learnership programmes. While traditionally many learnerships were one year long, some have now been extended to two years, and in certain cases, up to five years, depending on the duration of the qualification. This change ensures comprehensive SD tailored to the complexity of the occupational profiles.

The implication of the move to occupational programmes means that SDP must now seek accreditation directly from the QCTO. This change aims to centralise and streamline the quality assurance process.

The SETA's role in the occupational process is that of Quality Partner and Development Partner, which includes the delegation to conduct site visits as part of accreditation and provider monitoring and in addition, developing and ensuring the quality of occupational qualifications, aligning with QCTO's framework and standards.

The implementation of the QOSF introduces new guidelines and processes to assist SDPs and other stakeholders in adapting to the new policies. These guidelines cover accreditation processes, implementation standards, assessment criteria, and certification procedures, ensuring a smooth transition and compliance with new regulations.

These policy changes by QCTO reflect a significant shift towards a more centralised and standardised system for managing occupational qualifications in South Africa. The goal is to ensure that qualifications remain relevant, high-quality, and aligned with the needs of the sectors that we serve.

The National Qualifications Framework (NQF) Act amendment was assented to and signed into law by the President on 13 August 2019 and published for general information in Government Notice No. 1078 of Government Gazette No. 42646 of 19 August 2019. Section 9(1) thereof provides that it would only come into operation on a date to be determined by the President by Proclamation in the Gazette. In terms of the former section, the Act could only come into operation once the President had determined the date or dates of the commencement of various sections thereof by proclamation in the Gazette. To obtain a Presidential Proclamation is a process on its own. The advent of the COVID-19 pandemic, amongst others, resulted in a delay in the implementation of the Act, most of which were not under the control of the DHET, Science and Technology or South African Qualifications Authority (SAQA).

The NQF Amendment Act of 2019 introduces significant changes to the education system, enhancing clarity and accountability. Updated Definitions: The Act clarifies and expands upon the definitions outlined in the original 2008 Act. The changes are noted to be:

- **Evaluation of Foreign Qualifications:** The Act establishes a structured framework for evaluating qualifications obtained from foreign educational institutions.
- **Register for Misrepresented Qualifications:** A dedicated register will be maintained to document misrepresented or fraudulent qualifications, thereby promoting transparency and accountability.
- **Professional Designations Register:** Another register will be created specifically for professional titles or designations, ensuring accurate recognition.
- **Referral to SAQA:** Qualifications or part-qualifications must be submitted to SAQA for verification and evaluation for SAQA to proclaim authenticity, ensuring a consistent national standard.
- **Legal Consequences:** The Act outlines specific offences and penalties for individuals convicted of qualification fraud, serving as a deterrent against malpractice.

The impact for the SETA is more process-related, as the approved policies have factored in these changes and their implications.

2.2.6 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The NSDP is set to become the key policy to inform the work of the MICT SETA until 2030 and has been crafted in the context of the NDP. The SP and APP of the MICT SETA are aligned with the NSDP as well as the NDP through eight outcomes.

The APP is implemented through four programmes through which the MICT SETA will deliver interventions, and these are namely: administration, sector skills planning, learning programmes, which include the 4IR sub-programme, and education and training quality assurance.

The outputs set in each of the programmes are against budget allocations and contain measurable key output indicators in response to the achievement of goals within the NSDP as well as the SSP.

In achieving the impact statement identified in the SP 2020-2025, the SETA implemented the outcomes that are aligned to the NSDP, and below is progress made over a period of three years:

NSDP OUTCOME 1: IDENTIFY AND INCREASE PRODUCTION OF OCCUPATIONS IN HIGH DEMAND

MICT SETA OUTCOME 2 INCREASED AND IMPROVED LABOUR MARKET INFORMATION THAT ACCURATELY IDENTIFIES OCCUPANTS IN HIGH DEMAND	
Outcome indicators	Develop a Sector Skills Plan recording occupations in high demand
Five-year target	Five (5) approved Sector Skills Plans
Progress	Four (4) approved Sector Skills Plans have been developed

NSDP OUTCOME 4: INCREASE ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES

MICT SETA OUTCOME 4 INCREASED ACCESS TO AND DELIVERY OF INDUSTRY AND OCCUPATIONALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS	
Outcome indicators	Increased enrolments on WIL, Internships, Learnerships, Candidacy, Skills Programmes and Short Programmes for unemployed learners in TVETs and HET institutions
Five-year target	<ul style="list-style-type: none"> • 951 learners on TVET WIL Programme • 2 046 learners on HET WIL Programme • 8 050 interns • 15 079 learners on learnerships • 260 Candidacy • 6 333 learners on Skills Programmes • 4 637 learners on Short Programmes
Progress	<ul style="list-style-type: none"> • 9 272 learners on TVET and HET WIL Programme • 2 6023 learners on learnerships • 8 315 learners on internship • 417 Candidacy • 11 811 learners on Skills Programmes • 7494 learners on Short Programmes

NSDP OUTCOME 5: SUPPORT THE GROWTH OF THE PUBLIC COLLEGE INSTITUTIONAL TYPE AS A KEY PROVIDER OF SKILLS REQUIRED FOR SOCIO-ECONOMIC DEVELOPMENT

SUB-OUTCOMES:

- TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING COLLEGES; AND
- COMMUNITY EDUCATION AND TRAINING COLLEGES.

MICT SETA OUTCOME 7 INCREASED SUPPORT GROWTH OF THE PUBLIC COLLEGE SYSTEM	
Outcome indicators	Established offices in TVET colleges, TVET college lectures exposed to industry and together with CET lectures afforded bursary opportunities. College managers trained in financial and leadership management for this strategic planning
Five-year target	<ul style="list-style-type: none"> • 49 offices • 460 TVET lectures exposed to industry • 340 TVET lectures on bursary programmes • 230 CET lectures on bursaries programmes • 230 Managers on management programmes
Progress	<ul style="list-style-type: none"> • 81 offices established in TVET colleges • 615 TVET lectures exposed to industry • 490 TVET lecturers on bursary programmes • 451 CET lectures on bursary programmes • 301 Managers on management programmes

NSDP OUTCOME 6: SKILLS DEVELOPMENT SUPPORT FOR ENTREPRENEURSHIP AND COOPERATIVE DEVELOPMENT

MICT SETA OUTCOME 8 INCREASED SKILLS DEVELOPMENT SUPPORT FOR SMMEs, ENTREPRENEURSHIP COOPERATIVES DEVELOPMENT AND COMMUNITY-BASED ORGANISATIONS	
Outcome indicators	Cooperatives, CBOs (people), small businesses (people) and NGOs/NPOs (people) supported with training interventions, trained on entrepreneurial skills, and supported in starting their own business
Five-year target	<ul style="list-style-type: none"> • 550 people/beneficiaries in cooperatives • 550 people/beneficiaries in small businesses • 550 people/beneficiaries in entrepreneurial skills
Progress	<ul style="list-style-type: none"> • 1 127 people/beneficiaries in cooperatives • 1 622 beneficiaries in small businesses • 1 707 beneficiaries in entrepreneurial skills

NSDP OUTCOME 7: ENCOURAGE AND SUPPORT WORKER-INITIATED TRAINING

MICT SETA OUTCOME 9 INCREASED ACCESS TO AND DELIVERY OF INDUSTRY AND OCCUPATIONALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS	
Outcome indicators	Worker-initiated training supported through skills programmes
Five-year target	<ul style="list-style-type: none"> • 650 learners in Skills Programme • 200 learners in Short Programmes
Progress	<ul style="list-style-type: none"> • 2 113 workers in skills programmes • No workers enrolled/completed short programmes during this financial year

NSDP OUTCOME 8: SUPPORT CAREER DEVELOPMENT SERVICES

MICT SETA OUTCOME 3 INCREASED SUPPORT GROWTH OF THE PUBLIC COLLEGE SYSTEM	
Outcome indicators	Career opportunities guide with labour market information produced and distributed on an annual basis
Five-year target	<ul style="list-style-type: none"> • Career guide with research-based labour market information developed and distributed • Trained career development practitioners • Career development events on occupations in high demand attended in the MICT sector
Progress	<ul style="list-style-type: none"> • 4 Career guides with research-based labour market information developed and distributed • 140 Trained career development practitioners • 227 Career development events on occupations in high demand were attended by the MICT sector

2.3 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION



2.3.1 PROGRAMME 1: ADMINISTRATION

PURPOSE

The primary purpose of MICT SETA's Administration Programme is to ensure that a fully functional and operational MICT SETA realises its strategic outcomes through the provision of well-established and functional administration processes and systems. The Administration Programme continuously plays a supportive and facilitative role for the other core functions or operational divisions within MICT SETA.

The Administration Programme comprises the following sub-programmes:

Sub-programmes: Finance, including Supply Chain Management, aims to ensure that the MICT SETA has sound financial management systems and processes. Additionally, Corporate Services ensures the provision of high-level systems and services for all administrative functions within the organisation, including human resources and marketing, while IT delivers on business processes re-engineering and digitisation. Furthermore, Monitoring and Evaluation oversees the overall performance of the SETA and reporting thereof. Governance plays an overall oversight role and ensures effective management of revenue, expenditure, assets, liabilities, and attainment of the SETA mandate.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
SUB-PROGRAMME 1.1 FINANCE							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Attainment of an unqualified audit opinion from the Auditor General (AG)	Obtain an unqualified audit opinion	Clean audit	Unqualified audit report (clean audit)	Unqualified audit opinion	Unqualified Audit Report 2023/24 (clean audit)	None	Annual target met
SUB-PROGRAMME 1.2 MARKETING							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Career development services provided on occupations in high demand in the MICT sector	Number of career opportunity guides distributed	3000	3500	4000	4000	None	Annual target met
	Number of Career Development events attended	50	52	55	55	None	Annual target met
	Number of Career development practitioners trained	30	30	40	40	None	Annual target met
	Number of capacity building workshops on career development services hosted.	02	02	02	02	None	Annual target met

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
SUB-PROGRAMME 1.3 HUMAN RESOURCES							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Maintain an acceptable percentage of vacancy rate	Percentage of Vacancy rate	New target	15%	15%	8%	7%	Annual target met. Vacancies were filled timeously thereby maintaining the vacancy rate below 15%.
Implemented training plan	Percentage implementation of approved training plan	New target	New target	70%	84.4%	14.4%	Annual target met. Additional training was undertaken to develop officials.
SUB-PROGRAMME 1.4 INFORMATION TECHNOLOGY							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Digitised organisation in line with the Business Process Automation Plan	Number of business processes digitised	New target	08	10	23	+13	Annual target over-achieved due to processes being digitised in ETQA and Finance (DG Payments) through the new integrated Learner Management System (LMS) and other internal control environment through the institutionalisation of Convene portal.
SUB-PROGRAMME 1.5 MONITORING AND EVALUATION							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Monitoring reports submitted	Number of monitoring reports submitted	New Target	New Target	8	8	None	Annual target met
Evaluation studies conducted	Number of evaluation studies conducted	1	1	1	1	None	Annual target met
SUB-PROGRAMME 1.6							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Maintain effective and sound corporate governance	Number of approved governance charter reports submitted	New Target	New Target	4	4	None	Annual target met

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
SUB-PROGRAMME 1.7 INTERNAL AUDIT							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Implementation of an internal audit plan	Percentage implementation of internal audit plan	New Target	New Target	100%	80%	20%	Annual target not met due to capacity constraints. The recruitment process is underway to address the issue.
SUB-PROGRAMME 1.8 RISK AND COMPLIANCE							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Implemented risk management plan	Percentage implementation of the risk management plan	New Target	New Target	100%	100%	None	Annual target met

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The Programme has not achieved the annual target pertaining to 100% implementation of the Internal Audit Plan due to human resources constraints within the business unit. Notably, 80% of the audits that were planned for execution were implemented during the year under review. Provision for additional human resources has been made in the approved organisational structure, and the recruitment process to fill the vacancy is at an advanced stage. With additional capacity, the unit will be able to fully implement the planned 2024/25 audits.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 1	2023/24			2022/23		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Finance	29 660	31 201	1 541	36 742	34 103	-2 639
Corporate Services	16 058	9 605	-6 453	11 820	17 141	5 321
Marketing	4 187	8 456	4 269	5 782	2 793	-2 989
Information Technology	22 509	23 610	1 101	14 657	14 658	1
Monitoring & Evaluation	2 968	2 300	-668	2 699	2 197	-502
Governance	29 616	22 035	-7 581	24 964	16 662	-8 302
Total	104 998	97 207	-7 791	96 664	87 554	-9 110

2.3.2 PROGRAMME 2: SECTOR SKILLS PLANNING

PURPOSE

This programme aims to conduct research and develop a credible Sector Skills Plan that reflects an accurate (triangulated) list of scarce and critical skills, serving as the basis for the SETA's Strategic Plan. The primary goal of this Programme is conducting research, developing, updating, disseminating the Sector Skills Plan, administering the workplace Skills Plans and Annual Training Reports (ATR) and Mandatory Grants processes, as well as conducting capacity building for SDFs through skills development workshops.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
OUTCOME 3: IMPROVED LABOUR MARKET INFORMATION THAT ACCURATELY IDENTIFIES OCCUPATIONS IN HIGH DEMAND							
An approved sector skills plan identifying occupations in high demand	Percentage of WSP and ATR applications evaluated	New Target	New Target	100% WSPs/ATRs evaluated	100% WSPs/ATRs evaluated	None	Annual target met
	Accounting Authority (AA) approved Sector Skills Plan submitted to DHET	1	1	1	1	None	Annual target met

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

None. The Programme met all the outputs planned for the year.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 2	2023/24			2022/23		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Sector Skills Planning	260 703	212 533	-48 170	225 210	193 212	-31 997
Total	260 703	212 533	-48 170	225 210	193 212	-31 997

2.3.3 PROGRAMME 3: LEARNING PROGRAMMES

PURPOSE

To implement and monitor learning programmes in the media, advertising, and ICT sub-sectors. The plan to achieve the objectives and goals in this programme will be to implement the following learning programme interventions that will be rolled out in both urban and rural areas in partnership with constituent employers, with a focus on 4IR strategy as far as possible.

During the financial year under review, the APP was revised to align with the DHET Service Level Agreement, which necessitated adjustments on specific learning interventions. The revised APP was subsequently approved by the Accounting Authority and submitted to DHET for re-tabling in Parliament in August 2024.

According to the National Treasury guide for development of annual reports as informed by the DPME Framework for Strategic Plans and APPs, entities that have revised their APPs in a given financial year must prepare separate tables to present a report on each tabled APP for the financial year under review.

Thus, the table below provides a detailed report on the achievement in relation to performance information reflected in the originally tabled APP, which was implemented until 30 September 2023.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
OUTCOME 5: INCREASE ACCESS TO, AND DELIVERY OF INDUSTRY AND OCCUPATIONALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS								
Unemployed learners entering and completing learning programmes	Number of unemployed learners entering learning programmes	8 366	11 188	9 285	8 685	-600	Implementation was in progress when amendments to the target were initiated. This target has been met at the end of the financial year.	To align the MICT SETA APP targets with the DHET SLA 2023/24 targets as requested by DHET.
	Number of unemployed learners completing learning programmes	4 166	8 415	4 080	3 115	-965		
Employed learners entering and completing learning programmes	Number of employed learners entering learning programmes	235	383	345	179	-166	Implementation was in progress when amendments to the target were initiated.	To align the MICT SETA APP targets with the DHET SLA 2023/24 targets as requested by DHET.
	Number of employed learners completing learning programmes	203	245	180	108	-72		
Employed learners entering and completing Recognition of Prior Learning (RPL) programmes	Number of learners entering Recognition of Prior Learning (RPL) programmes	50	136	100	40	-60	This target has been met at the end of the financial year.	
	Number of learners completing Recognition of Prior Learning (RPL) programmes	New target	New target	42	0	-42		

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT	REASONS FOR REVISIONS TO THE OUTPUTS / OUTPUT INDICATORS / ANNUAL TARGETS
OUTCOME 1: SUPPORT THE SUSTAINABILITY AND GROWTH OF SMMES, ENTREPRENEURSHIP, COOPERATIVES AND COMMUNITY BASED ORGANISATIONS								
Skills development interventions supported for members / employees of Co-operatives, NGO's, CBOs, and entrepreneurship programmes	Number of Co-operatives learners supported through the subsidising of skills development interventions	163	249	150	70	-80	Implementation was in progress when amendments to the target were initiated. This target has been met at the end of the financial year.	To align the MICT SETA APP targets with the DHET SLA 2023/24 targets as requested by DHET
OUTCOME 8: IMPROVE THE QUALITY OF EDUCATION TO ADDRESS PROGRAMMES IN HIGH DEMAND WITHIN THE MICT SECTOR								
TVET Lecturers awarded bursaries	Number of TVET lectures awarded bursaries	51	72	75	0	-75	Implementation was in progress when amendments to the target were initiated. This target has been met at the end of the financial year.	To align the MICT SETA APP targets with the DHET SLA 2023/24 targets as requested by DHET.
OUTCOME 7: ENABLE THE GROWTH OF THE PUBLIC COLLEGE SYSTEM THROUGH SECTORAL PARTNERSHIPS IN THE DELIVERY OF LEARNING INTERVENTIONS								
CET college Lecturers exposed to skills development programmes	Number of CET college lecturers exposed to skills development programmes	40	70	75	55	-20	Implementation was in progress when amendments to the target were initiated. This target has been met at the end of the financial year.	To align the MICT SETA APP targets with the DHET SLA 2023/24 targets as requested by DHET.
Partnerships with TVET colleges established	Number of partnerships with TVET colleges established	New target	New target	14	24	-10	Target over-achieved due to TVET colleges' appetite to collaborate with the SETA.	To align the MICT SETA APP targets with the DHET SLA 2023/24 targets as requested by DHET.
CET partnerships established	Number of CET partnerships established	32	14	16	1	-15	Implementation was in progress when amendments to the target were initiated.	
Partnerships established with universities	Number of partnerships established with Higher Education Institutions (HEI)	New target	New target	25	16	-9	This target has been met at the end of the financial year.	

The below table presents the outcomes, outputs, output indicators, targets, and actual achievements against the revised APP 2023/24 that was approved by DHET, re-tabled in Parliament, and implemented until 31 March 2024.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
OUTCOME 3: IMPROVED LABOUR MARKET INFORMATION THAT ACCURATELY IDENTIFIES OCCUPATIONS IN HIGH DEMAND							
An approved sector skills plan identifying occupations in high demand	Percentage of discretionary grant budget allocated at developing high level skills on an annual basis	5%	6.4%	6.4%	9.16%	2.76%	Annual target over-achieved due to the implementation of MICT SETA Digital Skills Strategy aimed at developing ICT systems and innovation funding research chairs and bursaries on master's and PhD level. MICT SETA Spent more budget on funding bursaries for high-level skills.
	Percentage of discretionary grant budget allocated at developing intermediate level skills	92.4%	92.4%	92.4%	89.23%	-3.17%	Annual target not fully met due to low intake of intermediate level skills by the sector.
	Percentage of discretionary grant budget allocated at developing elementary skills on an annual basis	1%	1%	1%	1.62%	0.62	Annual target over-achieved by 0.62% due to the demand for basic computer literacy (end-user computing).
OUTCOME 5: INCREASE ACCESS TO, AND DELIVERY OF INDUSTRY AND OCCUPATIONALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS							
Unemployed learners entering and completing learning programmes	Number of unemployed learners entering learning programmes	8 366	11 188	10 646	13 437	+2 791	Annual target over-achieved by 2,791 because of high intake as a result of an increased stakeholder base and a higher unemployment rate, as well as the increase in Levies received in the current year and unclaimed Mandatory Grants.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
OUTCOME 5: INCREASE ACCESS TO, AND DELIVERY OF INDUSTRY AND OCCUPATIONALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS							
Unemployed learners entering and completing learning programmes	Number of unemployed learners completing learning programmes	4 166	8 415	4602	9 806	+5 204	Annual target was over-achieved by 5 204 as a result of learners enrolled in 2022/23 financial year completing learning programmes in 2023/24 financial year as well as higher enrolment in short programmes and skills programmes.
	Number of employed learners entering learning programmes	235	383	685	740	+55	Annual target over-achieved by 70 learners due to high intake as a result of an increased stakeholder base, as well as the increase in Levies received in the current year and unclaimed Mandatory Grants.
Employed learners entering and completing learning programmes	Number of employed learners completing learning programmes	203	245	290	601	+311	Annual target over-achieved as a result of learners enrolled in the 2022/23 financial year completing learning programmes in the 2023/24 financial year as well as higher enrolment in skills programmes.
	Number of learners entering Recognition of Prior Learning (RPL) programmes	50	136	50	90	+40	Annual target over-achieved due to a higher appetite by industry to train workers on RPL, an increased stakeholder base, as well as the increase in Levies received in the current year and unclaimed Mandatory Grants.
Employed learners entering and completing Recognition of Prior Learning (RPL) programmes	Number of learners completing Recognition of Prior Learning (RPL) programmes	New target	New target	38	40	+2	Annual target over-achieved due to +2 additional learners completing RPL.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
OUTCOME 4: INCREASE FOCUSED SKILLS DEVELOPMENT INTERVENTIONS FOR RURAL AND MARGINALIZED COMMUNITIES TO ENSURE INCLUSIVITY							
Rural skills development Projects approved and implemented	Number of rural skills development projects approved and implemented	190	133	50	82	+32	Annual target over-achieved due to high intake as a result of the increased stakeholder base to implement programmes in rural areas as well as the increase in Levies received in the current year and unclaimed Mandatory Grants.
OUTCOME 1: SUPPORT THE SUSTAINABILITY AND GROWTH OF SMMES, ENTREPRENEURSHIP, COOPERATIVES AND COMMUNITY BASED ORGANISATIONS							
Small Enterprises (SEs) supported through skills development interventions	Number of small businesses supported with training interventions or funded on an annual basis	441	452	200	542	+342	Annual target over-achieved as a result of more SMME participating in skills development as well as the increase in Levies received in the current year and unclaimed Mandatory Grants.
Skills development interventions supported for members / employees of Co-operatives, NGO's, CBOs, and entrepreneurship programmes	Number of Co-operatives learners supported through the subsidising of skills development interventions	163	249	160	344	+184	Annual target over-achieved because of an increase in stakeholder base as well as the increase in Levies received in the current year and unclaimed Mandatory Grant.
	Number of people trained on entrepreneurship programmes	New target	100	150	385	+235	Annual target over-achieved as a result of an increase in stakeholder base and the increase in Levies received in the current year and unclaimed Mandatory Grant.
	Number of NGOs/ NPOs/CBOs learners supported, through the subsidising of skills development interventions	171	825	150	246	+96	Annual target over-achieved due to an increase in Levies received in the current year and unclaimed Mandatory Grant.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
OUTCOME 5: INCREASE ACCESS TO, AND DELIVERY OF INDUSTRY AND OCCUPATIONALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS							
Worker-initiated skills development (federations/ trade unions) interventions supported	Number of worker-initiated skills development (federations/ trade unions) interventions supported	90	371	200	240	+40	Annual target over-achieved due to an increase in Levies received in the current year and unclaimed Mandatory Grant.
OUTCOME 8: IMPROVE THE QUALITY OF EDUCATION TO ADDRESS PROGRAMMES IN HIGH DEMAND WITHIN THE MICT SECTOR							
Centres of Specialisation supported	Number of Centres of Specialisation supported	6	10	14	22	+8	Annual target over-achieved because of an increase in Levies received in the current year and unclaimed Mandatory Grant.
TVET Lecturers exposed to industry through skills programmes.	Number of TVET lectures exposed to industry through skills programmes	66	70	75	75	None	Annual target met.
TVET Lecturers awarded bursaries	Number of TVET lectures awarded bursaries	0	60	65	78	+13	Annual target over-achieved due to an increase in Levies received in the current year and unclaimed Mandatory Grant.
OUTCOME 7: ENABLE THE GROWTH OF THE PUBLIC COLLEGE SYSTEM THROUGH SECTORAL PARTNERSHIPS IN THE DELIVERY OF LEARNING INTERVENTIONS							
CET college Lecturers exposed to skills development programmes	Number of CET college lecturers exposed to skills development programmes	0	70	80	160	+80	Annual target over-achieved due to an increase in Levies received in the current year and unclaimed Mandatory Grant.
Partnerships with TVET colleges established.	Number of partnerships with TVET colleges established	New target	76	76	99	+23	Annual target over-achieved due to more MOUs entered with TVET Colleges to collaborate and forge partnership with MICT SETA to address skills development initiatives.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
OUTCOME 7: ENABLE THE GROWTH OF THE PUBLIC COLLEGE SYSTEM THROUGH SECTORAL PARTNERSHIPS IN THE DELIVERY OF LEARNING INTERVENTIONS (CONTINUED)							
CET partnerships established	Number of CET partnerships established	9	12	12	14	+2	Annual target over-achieved due to more MOUs entered with CET Colleges to collaborate and forge partnership with MICT SETA to address skills development initiatives.
Partnerships established with universities	Number of partnerships established with Higher Education Institutions (HEI)	15	20	15	41	+26	Annual target over-achieved due to an increase in Levies received in the current year and unclaimed Mandatory Grant.

STRATEGY TO OVERCOME AREAS OF NON-ACHIEVEMENT

Although the SETA aimed to allocate 92.4% of its budget to pivotal skills development, reconciliation of the budget revealed that only 89.23% was utilised for this purpose. This shift is attributed to the deployment of MICT SETA Digital Skills Strategy projects, which involved the creation of the Learner Management System (LMS) and other ICT initiatives and influenced the large budget allocated to high-level skills. In addition, the Rural Development Strategy's response to projects has also resulted in substantial spending on elementary education; hence, the discretionary grant expenditure on elementary and high-level education is considerable.



SUB-PROGRAMME 3.2: 4IR

PURPOSE

To develop an integrated 4IR MICT SETA strategy and plan that will respond to the 4IR skills needs, including detailed interventions to be carried out in achieving skills competitiveness in the media, advertising, and ICT sub-sectors.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/COMMENT
OUTCOME 5: ENABLEMENT OF THE FOURTH INDUSTRIAL REVOLUTION (4IR)							
New 4IR partnerships established to implement 4IR initiatives in the MICT sector	Number of new 4IR partnerships established to implement 4IR initiatives in the MICT sector	20	35	40	40	None	Annual target met.
Students funded under established 4IR Research Chairs	Number of students funded under established 4IR Research Chairs	72	90	100	103	+3	Annual target over-achieved due to the increasing demand for bursary funding of Masters and PhD students pursuing 4IR related Research at Universities, as well as utilisation of surplus funds as a result of increase in Levies received in the current year and surpluses on Mandatory Grants.
4IR occupational qualifications developed	Number of 4IR occupational qualifications developed and submitted to the QCTO	10	3	15	15	None	Annual target met.
Learning laboratories established with industry partners	Laboratories supported in collaboration with industry partners	New Target	New target	20	21	+1	Annual target over-achieved due to the growing demand of establishing and supporting 4IR Learning Labs countrywide.
Skills competitions conducted in partnership with stakeholders	Number of skills competitions supported in partnership with stakeholders	New Target	New Target	10	10	None	Annual target met.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

None - The 4IR sub-programme met all the planned APP targets.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 3	2023/24			2022/23		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
Programmes Implementation	1 231 693	763 915	467 778	1 170 427	807 777	-362 650
4IR	5 537	4 852	-685	5 224	4 173	-1 051
Total	1 237 230	768 767	468 463	1 175 652	881 950	-363 701

2.3.4 PROGRAMME 4: EDUCATION AND TRAINING QUALITY ASSURANCE (ETQA)

PURPOSE

This programme aims to create access to quality programmes and to quality assure training provision in the media, advertising, and ICT sub-sectors. The objective is to implement the quality assurance regulations as stipulated by the Quality Council for Trades and Occupations (QCTO) and to improve the service and the turnaround times with regard to accreditation of training providers, registration of assessors and moderators, and learner certification. The programme also engages in capacity-building sessions for training providers to ensure the quality of delivery.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
OUTCOME: IMPROVED QUALITY OF EDUCATION TO ADDRESS PROGRAMMES IN HIGH DEMAND WITHIN THE MICT SECTOR							
Exit verifications conducted	Number of exit verifications conducted	New Target	New Target	400	1067	+667	Annual target over-achieved due to the rapid uptake of MICT SETA ICT related qualifications and skills programmes.
Training providers accredited	Number of training providers accredited	632	956	300	650	+350	Annual target over-achieved owing to an influx of provider applications in line with occupations and skills in high demand within the MICT and other sectors.
Qualified Subject Matter Experts registered	Number of qualified Subject Matter Experts registered	New target	New target	150	414	+264	Annual target over-achieved due to increased appetite for MICT registration, in line with the registration end date of qualifications.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET 2023/24	REASONS FOR DEVIATION/ COMMENT
OUTCOME: IMPROVED QUALITY OF EDUCATION TO ADDRESS PROGRAMMES IN HIGH DEMAND WITHIN THE MICT SECTOR (CONTINUED)							
Constituent moderators moderating quality of programmes	Number of qualified constituents registered moderators, moderating quality of programmes	New Target	New Target	150	171	+21	Annual target over-achievement due to targeted capacity workshops conducted to close gaps and this resulted in increased compliance in applications.
Realigned MICT SETA qualifications submitted to the QCTO	Number of realigned MICT SETA qualifications	0	8	12	11	-1	Annual target not met owing to one qualification not finalised by end of March 2024.
Registered assessment Centres for the External Integrated Summative Assessment (EISA)	Number of registered assessment Centres for the External Integrated Summative Assessment (EISA)	New Target	New Target	13	19	+6	Annual target over-achievement because of more centres recommended for accreditation by QCTO.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The ETQA did not fully meet the target relating to the realignment of SETA qualifications. This is because of the photographer qualification, which was initially approved as a full qualification but subsequently aligned to a skills programme following scoping by the Communities of Expert Practice. This has thus necessitated the SETA to re-apply for development as a skills programme in line with the QCTO processes. The qualification is currently in development and will be finalised by the second half of the year.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME 4	2023/24			2022/23		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000
ETQA	18 812	17 747	-1 065	16 526	17 545	1 019
Total	18 812	17 747	-1 065	16 526	17 545	1 019

2.4 REVENUE COLLECTION



The table below reflects the different MICT SETA sources of revenue and actual amounts collected in the current financial year.

PROGRAMME 4	2023/24			2022/23		
	ESTIMATED BUDGET R'000	ACTUAL AMOUNT COLLECTED R'000	OVER/UNDER COLLECTION R'000	ESTIMATED BUDGET R'000	ACTUAL AMOUNT COLLECTED R'000	OVER/UNDER COLLECTION R'000
Administration	151 591	150 417	-1 174	134 935	143 549	8 614
Mandatory	288 744	286 781	-1 963	257 019	267 150	10 131
Discretionary	722 441	706 654	-15 787	636 123	676 500	40 377
Finance revenue	48 094	53 242	5 148	21 404	34 089	12 685
UIF Revenue	0	0	0	9 097	9 097	12 685
National Skills Fund Revenue	32 535	1 775	-30 760	0	0	0
FASSET Revenue	18 144	1 134	-17 010	0	0	0
Total	1 261 549	1 200 003	-61 546	1 068 579	1 139 435	70 856

2.5 CAPITAL INVESTMENTS



The MICT SETA does not have any direct capital investment. However, there is a Learner Management System that is under development through partnership with the Research Chair.



PART C GOVERNANCE

3. INTRODUCTION

The Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA) is a public entity established in terms of the Skills Development Act No. 97 of 1998 (the Act) and listed as a schedule 3A entity as per the Public Finance Management Act No. 29 of 1999 (PFMA).

The Act provides an institutional framework for the MICT SETA to develop and implement national, sectoral, and workplace strategies to develop and improve the skills of the South African workforce. The MICT SETA is governed within the confines of the Constitution, which is in accordance with the requirements of the legal framework of the SETA.

The Accounting Authority (AA) is responsible for providing strategic direction to the MICT SETA by determining performance objectives and approving the annual budget, as well as ensuring that the organisation achieves its objectives and implements the goals of the National Skills Development Plan (NSDP). The AA is accountable to the Executive Authority and Parliament. The AA upholds the highest standards of integrity and ethical conduct as espoused in King IV, thus ensuring effective leadership of the entity based on the principles of responsibility, accountability, fairness, transparency, competence, and independence.

The AA is supported by six (6) committees, namely the Executive Committee (EXCO), Audit and Risk Committee (ARC), Governance and Strategy Committee (GovCo), Finance and Remuneration Committee (FinRemco), Information and Communication Technologies Committee (ICTCOM), and Social and Ethics Committee (SAECO).

3.1 PORTFOLIO COMMITTEE

The Portfolio Committee (PC) on Higher Education, Science and Innovation exercises oversight over the SETA and may invite the AA to account for the SETA's performance from time to time. In the year under review, MICT SETA was not invited by the Portfolio Committee; however, the SETAs' Chairpersons and the CEOs attended the SETA PSET Legacy Report meeting with the PC on Higher Education, Science and Innovation on 20 March 2024 at Northlink TVET College in Cape Town.

In the year under review, the MICT SETA submitted four (4) Quarterly Monitoring Reports reflecting performance on implementation of the Service Level Agreement (SLA) entered into with DHET. Furthermore, all four (4) Quarterly Performance Reports were submitted to the DPME as prescribed.

3.2 EXECUTIVE AUTHORITY

The Minister of Higher Education and Training, as Executive Authority of the SETA, is responsible for appointing members of the Accounting Authority and determining their remuneration as per the tariffs recommended by the National Treasury. An annual Service Level Agreement (SLA) with the Executive Authority, which encompasses the MICT SETA's performance objectives, targets, and deliverables, as well as the provision of information and/or reports on its activities, has been signed. The SETA also submitted the Annual Sector Skills Plan (SSP), Strategic Plan (SP), and Annual Performance Plan (APP) to the Executive Authority.

3.3 THE ACCOUNTING AUTHORITY/ BOARD

3.3.1 INTRODUCTION

The MICT SETA Board is the Accounting Authority as established in terms of the MICT SETA Constitution, and it fulfils its duties and responsibilities as provided for in the PFMA and the Skills Development Act, 97 of 1998, as amended. The AA provides oversight and strategic leadership to the MICT SETA, ensuring that it fulfils its mandate and obligations in terms of the Act and the Constitution.

The AA has an absolute responsibility for the performance of the SETA and is fully accountable to the Executive Authority for such performance. In line with the MICT SETA Constitution, the AA constitutes a fundamental base for the application of corporate governance principles at the MICT SETA. The AA meets quarterly, and special meetings are scheduled as required.

3.3.2 THE ROLE OF THE ACCOUNTING AUTHORITY IS AS FOLLOWS:

The following roles and functions of the Accounting Authority are outlined in the MICT SETA Constitution, which forms the basis of the Board Charter:

- Govern and manage the SETA in accordance with the PFMA, the Act, and any other applicable legislation and King IV Code on Corporate Governance.
- Ensure that the SETA achieves the objectives set out in clause 5 of the Constitution and performs the functions outlined in clause 6 of the Constitution.
- Provide effective leadership and ensure that the SETA implements the goals of the NSDP and the Performance Agreement with the Minister;
- Provide strategic direction for the SETA;
- Liaise with Stakeholders;
- Ensure that the SETA complies with the relevant statutory requirements and the requirements of its Constitution;

- Manage institutional risk;
- Monitor the performance of the SETA;
- Ensure that its members and members of committees established comply with the Code of Conduct as set out in Annexure 2 of its Constitution; and
- Apply for the establishment of the SETA in terms of Section 9(1) of the Skills Development Act, read together with the Regulations regarding the Establishment of Sector Education and Training Authorities, 7 September 1999, as amended by General Notice R106 in the Government Gazette 27254 of February 2005.

3.3.3 BOARD CHARTER

The MICT SETA Board Charter covers:

- Composition of the Accounting Authority and its Committees;
- Role and functions of the Accounting Authority and the Chairperson;
- Roles and responsibilities of the CEO;
- Delegation of Authority Framework;
- Reporting and accountability;
- Conflict of interest;
- Term of office of members of the Accounting Authority;
- Meetings of the Accounting Authority;
- Independent professional advice; and
- Board evaluation and performance.

The AA fully complied with all aspects and provisions of the Board Charter by providing strategic direction and leadership, reviewing and approving budgets, plans, and strategies, monitoring implementation, and reporting performance to the Executive Authority as prescribed by legislation.

In line with Section 11(1) and (2) of the Act, the Accounting Authority should comprise fifteen (15) independent members to ensure independence and objectivity in decision-making. It is composed as follows:

- The Chairperson;
- Six (6) members representing Organised Labour;
- Six (6) members representing Organised Employers;
- One (1) member representing Professional Bodies; and
- One (1) member representing Community Organisations.

The current Accounting Authority was appointed by the Minister of Higher Education and Training on 1 April 2020, for a period of five (5) years, which will expire on 31 March 2025. There were four (4) vacancies in the Accounting Authority at the end of the financial year due to Members being recalled by their mandating organisations and this was communicated to the Executive Authority. The Minister, on 22 May 2024, appointed two (2) Members to replace those that were recalled by mandating organisations.

3.3.4 COMMITTEES OF THE ACCOUNTING AUTHORITY

Item 8 sub-clause (8.3.1) of the MICT SETA Constitution provides that the Accounting Authority may delegate any of its functions to the Executive Committee, Chief Executive Officer, and to any other Committee or Chamber of the SETA. The Accounting Authority established the following committees:

- Audit and Risk Committee;
- Executive Committee;
- Finance and Remuneration Committee;
- Governance and Strategy Committee;
- ICT Committee; and
- Social and Ethics Committee.

Members of the Accounting Authority and the number of meetings held for the financial year, including special meetings and a Strategy Session:



MR SIMPHIWE THOBELA CD(SA)

Chairperson of the AA/Exco; GovCo member

Appointed: 01 April 2020

Number of meetings attended: 9/9

QUALIFICATIONS

- B. Com Logistics
- Postgraduate Diploma: Public Management
- Master of Town and Regional Planning
- Advanced Programme: Risk Management
- PhD Candidate

AREA OF EXPERTISE

- Public Sector, Leadership
- Governance,
- Financial Management
- Supply Chain Management

BOARD DIRECTORSHIPS

- Interim Board member -Universal Service and Access Agency of South Africa (USAASA): Chairperson of the Audit and Risk Committee and member of Remco
- Chairperson of Magwa Enterprise Tea, member of the Investment Committee and HR Remuneration Committee.
- KwaZulu-Natal Growth Trust Fund



MS NTOMBIKAYISE KHUMALO

EXCO Member; GovCo member

Appointed: 01 April 2020

Number of meetings attended: 9/9

QUALIFICATIONS

- Diploma in Business Computing
- Certification: Finance and Investment Management
- Certification: Principles of Economics
- Certification: SAP Finance (Certificate)
- Certification: Women Leaders
- Certificate: Law of Evidence
- Certificate PFMA
- Certificate Paralegal
- Advanced Certificate Credit Management
- Certification: Finance for Non-Financial Managers

AREA OF EXPERTISE

- Labour Law
- Advanced Negotiation Skills, Skills Development

BOARD DIRECTORSHIPS

- uBuhle Bezwe Landscaping & Interior Designs: Executive Director
- COSATU: Central Executive Committee Member
- COSATU: Central Executive Sub- Committee Member – HRC
- COSATU: National Finance Committee Member
- COSATU: Workers Pension & Retirement Task Team Member
- CWU: National Executive Member
- CWU: National Office Bearer & National Treasurer
- Sentech: Employment Equity & Skills Development Member



MR LOYISO TYIRA

EXCO member; Chairperson of ICTCOM

Appointed: 01 April 2020

Number of meetings attended: 9/9

QUALIFICATIONS

- PDM (Digital Business)
- MDP (Management Development Programme)
- PME (Programme for Management Excellence)
- Certificate for Non- Mining Professionals
- Certificate Management Excellence
- ITCP(SA) (Information Technology Certified Professional)

AREA OF EXPERTISE

- Information Technology

BOARD DIRECTORSHIPS

- Future Business Consulting
- ICT SMME Chamber
- SAMDDRA
- Broadband Infraco SOC
- Technology and Innovation Agency (TIA)
- B-BBEE ICT Sector Council



MR THABO MOFOKENG

EXCO member; ICTCOM member

Appointed: 01 April 2020

Number of meetings attended: 9/9

QUALIFICATIONS

- Bachelor of Science: Electrical Engineering
- Diploma: Project Management
- Certification: Operations & Management of Wireless Network & Systems Engineering

AREA OF EXPERTISE

- ICT Projects, Broadband infrastructure,
- Technology Management Services,
- Digital Assets & Blockchain Solutions

BOARD DIRECTORSHIPS

- Octet Technologies
- Fuma Engineering
- IT Association of SA
- Solario Technologies



MR VIWE THOMAS JAMES

ARC member; ICTCOM member

Appointed: 01 April 2020

Number of meetings attended: 9/9

QUALIFICATIONS

- Advanced Law, Labour Law, and Procedures Programme
- South African Public Structures, Functions, and Finance
- Chartered Corporate Governance and Administration
- N3: Electrical Engineering

AREA OF EXPERTISE

Labour Law, Governance



MR SIPHO GEORGE ZWANE

EXCO member; Chairperson of SAECO

Appointed: 01 April 2020

Number of meetings attended: 9/9

QUALIFICATIONS

- Bachelor of Administration
- National Diploma: Public Management
- Post Graduate Diploma: Public Management
- Advanced Certification in Project Management

AREA OF EXPERTISE

Labour Law, Administration

BOARD DIRECTORSHIPS

Depacu: General Secretary



MR LESIBA JAN LANGA

FinRemco member; SAECO Member

Appointed: 01 April 2020

Number of meetings attended: 9/9

QUALIFICATIONS

- Diploma: Law
- Certification: Labour Dispute Resolution
- Certification: Labour Relation management
- Certification: Labour Arbitration
- Certification: Advanced Labour Law Programme

AREA OF EXPERTISE

Telecommunications

BOARD DIRECTORSHIPS

- SAPWU: President



MR TEBOGO MACK MAMOROBELA

FinRemco member; ARC member

Appointed: 01 April 2020

Number of meetings attended: 9/9

QUALIFICATIONS

- Strategic Diplomacy, Leadership in Digital Leadership
- Research Awareness for Leaders
- Certificate: Emerging Technical Leadership in Digital Business

AREA OF EXPERTISE

Employee Relations



MS THABISA ZIMBINI FAYE*

GovCo Chairperson; FinRemco member

Appointed: 01 April 2020

Number of meetings attended: 4/9

QUALIFICATIONS

- Development Management – Economics Stream
- BA Honours: Development Studies
- BA: Social Sciences
- MA International Development Management Prince 2
- Project Management certified

AREA OF EXPERTISE

- Policy, Regulation
- Development Economics
- ICT, Sandboxing, and Emerging Digital Technologies.

BOARD DIRECTORSHIPS

- South African Communications Association Forum

* Ms Faye was recalled by her mandating organisation on 7 September 2023 and was replaced by Ms Gongxeka-Seopa.



MS NOZIBELE MLAMBO

GovCo member; SAECO member

Appointed: 01 April 2022

Number of meetings attended: 9/9

QUALIFICATIONS

- Postgraduate Diploma: Project Management
- Advanced Diploma: Project Management
- Diploma: Travel and Tourism

AREA OF EXPERTISE

- Stakeholder Management



MR SONTAGA MANTLHAKGA

Chairperson of GovCo; ICTCOM member

Appointed: 19 Dec. 2022

Number of meetings attended: 9/9

QUALIFICATIONS

- MBA
- Postgraduate Diploma in Business Management
- Senior Primary Teachers Diploma
- Higher
- Certificate: Business Management
- Certificate: Industrial Policy
- Certificate: Research Awareness for Leaders
- Certificate: Public Relations
- Certificate: Emerging Technical Leaders in Digital Business

AREA OF EXPERTISE

- Labour Relations
- Business Management
- Negotiator
- Project Management

BOARD DIRECTORSHIPS

Telkom Retirement Fund Trustee



MS ROCHELLE BLAAUW

Chairperson of FinRemco; ICTCOM member

Appointed: 19 Dec 2022

Number of meetings attended: 9/9

QUALIFICATIONS

- BCom – Human Resources Management
- Higher Certificate in Human Resources Management
- Intermediate Leadership Programme

AREA OF EXPERTISE

HR, Learning and Development Organisational Development



MR AYANDA MQELA*

Member of SAECO and GovCo

Appointed: 22 May 2024

Number of meetings attended: 0/9

QUALIFICATIONS

- L.E.A.D (Legal Practice Management)
- Certificate: Comparative Constitutional Law
- Certificate: Discourses and Histories of Rights LLB

AREA OF EXPERTISE

- Litigation and Dispute Resolution
- Commercial Law
- Employment Law
- Family Law
- Criminal Law (Fraud & Forensic Investigations)

BOARD DIRECTORSHIPS

- Oasis Association (Non-Profit Organisation) Board Member (2015 -2017)
- Give Hope Foundation (Non-Profit Organisation) Board Member (2020 till to date)

*Mr Mqela was appointed on 22 May 2024



MS NOMONDE GONGXEKA-SEOPA*

Member of ICTCOM and FinRemco

Appointed: 22 May 2024

Number of meetings attended: 0/9

QUALIFICATIONS

- Master's Degree in ICT Policy and Regulation
- Business Models, Innovation and Regulation on the Digital World
- Embracing Theological and Scriptural Background and Practical Teaching Skills
- Certification: Understanding Spectrum Management
- Certification: Finance for Non-Financial Managers
- Telecommunications, Policy and Regulation Framework & Trends
- Management Advanced Programme (MAP)
- Principles of Brand Advertising & Communication
- Diploma Journalism

AREA OF EXPERTISE

- Policy and regulatory expert
- Skilled in Platform Competition & Data Privacy, Business Processes & Operations Management,
- Negotiation & Analysis, Strategy, Business Development, Government Relations, and Researcher.
- Project Management,
- Compliance
- Stakeholder Management
- Business Acumen and Strategic Planning Budget planning and management

BOARD DIRECTORSHIPS

- B-BBEE ICT Sector Council
- Chairperson: Digital Migration Advisory Council
- Advisory Board Member: African Leadership Academy (ALA)
- SMME Chamber, Secretariat – Department of Communications
- Chairperson: SADC Media Awards, South Africa's National Adjudication Committee (NAC)
- ICASA Disability Consultative Forum Committee Member
- Board Member: Media Development & Diversity Agency (MDDA), Chair of Finance & Operations Committee, Member of Policy, Legislative & Regulatory Committee and Convener of MDDA Media and Literacy Summits
- Department of Communications (DoC), Task Team Member
- South African National AIDS Council (SANAC)- Celebrity Sector Representative

*Ms Gongxeka-Seopa was appointed on 22 May 2024

3.3.5 FUNCTIONS OF THE EXECUTIVE COMMITTEE



Subject to the direction of the Accounting Authority, the Executive Committee is responsible for overseeing the management of the SETA. In terms of the Constitution, EXCO must meet at least once a month and may hold special meetings when necessary. The functions of the Executive Committee include, but are not limited to, the following:

- Supervise the proper management of all financial matters;
- Coordinate and supervise the implementation of the Accounting Authority's policies;
- Monitor national policy issues and developments and make recommendations regarding the adoption of policies by the Accounting Authority;
- Coordinate the functioning of committees, and structures of the MICT SETA and monitor their activities to ensure that they act within the terms of any powers delegated to them by the Accounting Authority;
- Oversee staff employment issues;
- Determine budgets and business plans;
- Monitor the relations and interactions of the MICT SETA with other SETAs and other agencies on matters related to skills development; and
- Perform any other function or duty delegated to it by the Accounting Authority.

The Members of the Committee and meetings attended:

COMMITTEE MEMBERS	NUMBER OF MEETINGS HELD (13) (1) SPECIAL
Mr. Simphiwe Thobela (Chairperson)	13/13
Ms. Ntombikayise Khumalo	13/13
Mr. Siphso Zwane	13/13
Mr. Thabo Mofokeng	13/13
Mr. Loyiso Tyira	13/13

3.3.6 FUNCTIONS OF THE FINANCE AND REMUNERATION COMMITTEE



The Finance and Remuneration Committee performs all functions referred or delegated to it by the Accounting Authority to ensure that the SETA meets the requirements of the Act, SDLA, PFMA, and the Treasury Regulations that relate to finance and the remuneration of the Chief Executive Officer, AA, and Committee members, as well as staff. Details of the members of the committee and meetings attended are as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS HELD (7)
Ms. Rochelle Blaauw (Chairperson)	6/7
Mr. Tebogo Mamorobela (Chairperson)	7/7
Mr. Jabu Langa	7/7
Ms. Thabisa Faye*	4/7

Mr. Mamorobela ceased to be the Chairperson of the Committee, and Ms. Blaauw was appointed as Chairperson of the Committee with effect from 27 November 2023.

*Ms. Faye was recalled by her mandating organisation on 07 September 2023.

The Finance and Remuneration Committee evaluates and makes recommendations to the Accounting Authority in respect of the following:

- Budget, cash flow, and financial statements of the SETA;
- The financial and human resources policies of the SETA;
- Actions to implement the recommendations of the Auditor-General's (external) Report and the Internal Audit reports of the SETA;
- The execution of the legally mandated financial functions of the SETA; and
- The financial implications of policies and changes to the budget and business plan of the SETA.
- Issues relating to the remuneration of employees and the Chief Executive Officer of the MICT SETA by:
 - Developing guidelines on and reviewing the compensation and performance of employees;

- Reviewing and approving corporate goals that are relevant to the compensation of the Chief Executive Officer;
- Determining the Chief Executive Officer's compensation in accordance with applicable rules and regulations;
- Reviewing and reassessing the adequacy of the remuneration policy annually and recommending any changes to the Accounting Authority for approval; and
- Ensuring that the Accounting Authority and committee members' remuneration is in accordance with the requirements of the PFMA and the Treasury Regulations that relate to finance and the remuneration of said members.

3.3.7 FUNCTIONS OF THE GOVERNANCE AND STRATEGY COMMITTEE



The Governance and Strategy Committee is responsible for considering and making recommendations to the Accounting Authority concerning the management and the strategy of the MICT SETA. Details of the Members of the Committee and meetings attended are as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS HELD (6)
Mr. Sontaga Mantthakga (Chairperson)	6/6
Ms. Thabisa Faye* (Chairperson)	3/6
Mr. Simphiwe Thobela	6/6
Ms. Ntombikayise Khumalo	6/6
Ms. Nozibele Mlambo	5/6

*Ms Faye who was the Chairperson of the Governance and Strategy Committee was recalled her mandating organisation on 7 September 2023 and was replaced by Ms Gongxeka-Seopa.

The Governance and Strategy Committee must:

- Develop policies, principles, criteria, and guidelines that are necessary for the governance and strategic function of the SETA;
- Promote good governance;

- Develop the skills development strategy for the SETA and make recommendations to the Accounting Authority on implementation of the strategy;
- Monitor the SETA's compliance with the Skills Development Act, Skills Levies Act, Public Finance Management Act, King IV, as well as other relevant legislation and best practices;
- Review the performance of the MICT SETA against set targets on a quarterly basis and make recommendations to the Accounting Authority to improve performance where necessary;
- Consider matters of corporate governance and create, maintain, and periodically review the corporate governance principles;
- Develop policies designed to encourage the highest levels of corporate conduct by members of the Accounting Authority and Committees;
- Oversee the review of the organisational strategy on an ongoing basis and recommend the Strategic Plan, Annual Plan and Service Level Agreement with DHET to the Accounting Authority for approval;
- Review the MICT SETA Sector Skills Plan and recommend it to the Accounting Authority for approval; and
- Conduct a performance assessment of the Committee every second year in line with King IV recommendations.

3.3.8 FUNCTIONS OF THE AUDIT AND RISK COMMITTEE



The Audit and Risk Committee performs the functions of an Audit committee as contemplated in the PFMA. The Committee reviews and make recommendations on:

- The functioning and overall efficiency and effectiveness of the internal control system;
- The functioning of Internal Audit;
- The risk areas of the MICT SETA's operations which are to be covered by the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to the Accounting Authority;
- The scope and results of the external audit and its cost-effectiveness, as well as the independence and objectivity of the external auditors;

- The cooperation and coordination between the internal and external audit functions, and their cooperation and coordination pertaining to the management of and control environment within the MICT SETA;
- Any accounting or auditing concerns identified through internal and external audits by the Auditor-General;
- The adequacy and effectiveness of the risk management processes followed and the development, implementation, maintenance and enhancement of fraud prevention plans;
- The effectiveness of the system for monitoring compliance with laws, regulations and policies, and the results of management’s investigation and follow-up action (including disciplinary action) regarding any instance of non-compliance; and
- The MICT SETA’s compliance with relevant legal and regulatory requirements, as well as its Code of Conduct and the action taken to address any violations.
- In addition, the Audit and Risk Committee must also:
 - Review the annual financial statements and establish whether they have been prepared in accordance with the PFMA and related Treasury Regulations, as well as the applicable accounting framework;
 - Review and approve the Internal Audit Charter and the Internal Audit Plan, as well as the resources required to implement such plan;
 - Develop a direct, strong and candid relationship with the external auditors. Communication with the external auditors must facilitate independence from the management of the MICT SETA and encourage the external auditors to speak freely, regularly and confidentially with the Audit and Risk Committee; and
 - Recommend such measures as, in the Committee’s opinion, may be necessary to ensure the reliability, integrity and objectivity of the MICT SETA’s operations and reporting.

The Terms of Reference of the Audit and Risk Committee stipulate that the meetings should be held no less than four times a year. Details of the members of the committee and meetings attended are as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS HELD (8)
Mr. Suleman Badat (Chairperson)	8/8
Mr. Gideon Labane	6/8
Ms. Lindiwe Nkosi	8/8
Mr. Viwe James	8/8
Mr. Tebogo Mamorobela	8/8

Three (3) ARC and FinRemco joint meetings were held during the year under review.

3.3.9 FUNCTIONS OF THE ICT STEERING COMMITTEE



Subject to the directions of the Accounting Authority, the ICT Steering Committee is responsible for considering and making recommendations to the Accounting Authority concerning the procurement, implementation, and maintenance of the SETA’s ICT systems, applications, and related projects. Details of the members of the committee and meetings attended are as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS HELD (4)
Mr. Loyiso Tyira (Chairperson)	4/4
Mr. Thabo Mofokeng	4/4
Mr. Viwe James	4/4
Ms. Rochelle Blaauw	4/4
Mr. Sontaga Mantlhakga	4/4

Without limiting its functions, the ICT Steering Committee must:

- Develop policies, frameworks, criteria, and guidelines to inform the design, procurement, and implementation of ICT systems and applications;
- Promote good ICT governance in accordance with applicable standards and best practices;
- Review the performance of the ICT Division against set targets on a quarterly basis and make recommendations to the Accounting Authority to improve performance where necessary;
- Monitor the procurement practices of the ICT Division;
- Foster collaboration between the MICT SETA, other SETAs, and selected government departments around ICT systems and applications development and procurement;
- Oversee the governance of Information and Communication Technology (ICT) systems;

- Ensure that ICT systems comply with internal policies, selected industry standards, as well as relevant laws and regulations applicable to corporate governance of ICT;
- Consider quarterly reports on the implementation of ICT projects;
- Ensure that ICT frameworks, policies, and procedures are in place and are strictly adhered to and are regularly reviewed;
- Review reports on business risk-related matters; and
- Recommend relevant ICT projects for approval by the Accounting Authority.

The Social and Ethics Committee's responsibilities include but are not limited to the following issues:

- Code of Ethics;
- Transformation and equity matters – internally and what is expected from stakeholders;
- BBB-EE matters;
- Legal compliance;
- Stakeholder engagement;
- Collaboration with other committees on matters of common interest; and
- Corporate Social Responsibility.

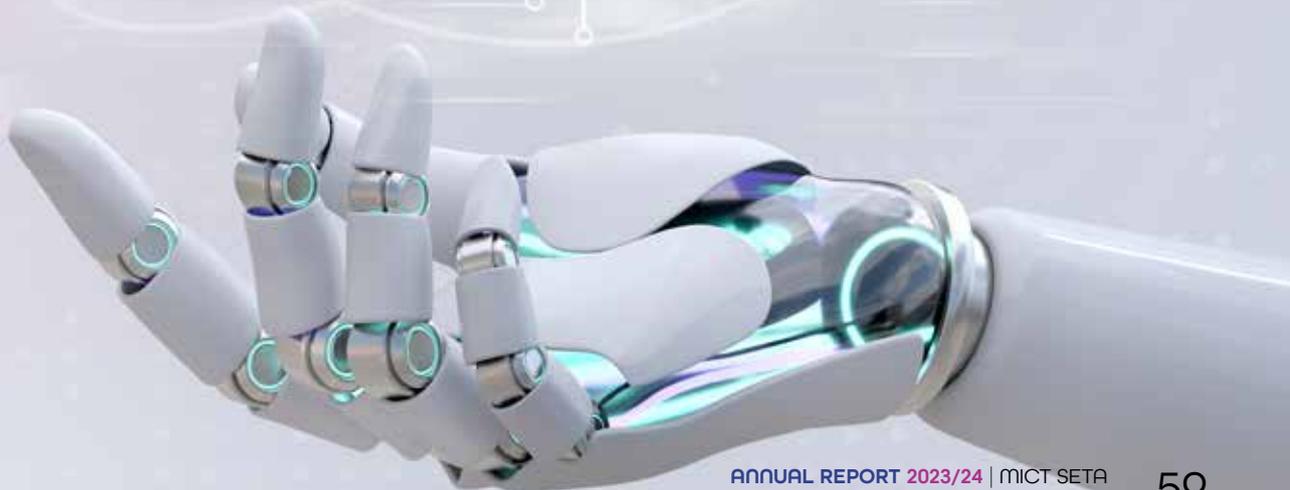
3.3.10 SOCIAL AND ETHICS COMMITTEE



Four (4) meetings were held during the year under review. Details of the Members of the Committee and meetings attended are as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS HELD (4)
Mr. Siphon Zwane (Chairperson)	4/4
Mr. Jabu Langa	4/4
Ms. Nozibele Mlambo	4/4

The Social and Ethics Committee is the social conscience of the MICT SETA, which monitors and implements the ethical standards and social responsibilities of MICT SETA. King IV™ provides for the involvement of stakeholders and promotes ethical leadership. The MICT SETA believes that the Social and Ethics Committee should be the custodian of the stakeholder-inclusive approach.



3.3.11 REMUNERATION OF MEMBERS

Section 14(3A)(b)(iv) of the Skills Development Act, 97 of 1998, determines that "...the Minister (of Higher Education and Training) may prescribe... the allowances that may be paid to Members and office-bearers of SETA's or any other persons who serve on a Committee or other structure of a SETA.

The table below illustrates amounts paid to the Accounting Authority members and allocated committees, including other expenses such as travel reimbursements, during the financial year ended 31 March 2024:

NAME	SURNAME	BOARD	FINREMCO	EXCO	GOVCO	ICT	AUDIT AND RISK	SAECO	OTHER	TRAVEL AND ACCOMMODATION	TOTAL
Mr Simphiwe	Thobela	108	23	148	66	12	-	11	257	1051**	1 676
Mr Lesiba	Langa	80	75	-	-	-	-	44	62	27	288
Mr Loyiso	Tyira	84	-	120	11	46	-	-	176	170	607
Ms Nozibele	Mlambo	62	-	-	35	-	-	32	44	19	192
Ms Ntombikayise	Khumalo	84	-	120	71	-	-	-	62	50	387
Ms Rochelle	Blaauw	75	73	-	-	35	-	-	64	27	274
Mr Siphso	Zwane	84	-	120	-	-	-	57	74	49	384
Mr Sontaga	Mantlhakga	84	-	-	76	35	-	-	68	340**	603
Mr Tebogo	Mamorobela	84	90	-	-	-	53	-	75	242**	544
Ms Thabisa	Faye	32	44	-	40	-	-	-	43	2	161
Mr Thabo	Mofokeng	84	-	120	-	35	-	-	71	25	335
Mr Viwe	James	67	-	-	-	35	80	-	58	24	264
TOTAL		928	305	628	299	198	133	144	1 054	2 026	5 715

**The high travel, car hire, and accommodation costs reported under Messrs Thobela, Mantlhakga, and Mamorobela, respectively, are due to the members residing outside Gauteng, where most of the meetings and engagements are held.

3.3.11.1 REMUNERATION OF EXTERNAL AUDIT & RISK COMMITTEE MEMBER

In line with the Terms of Reference of the Audit & Risk Committee, which provide for the appointment of three (3) external members and two (2) members of the AA, remuneration thereof is as follows:

NAME	SURNAME	QUALIFICATIONS	INTERNAL/ EXTERNAL	FEES R'000	OTHER R'000
Mr Suleman	Badat	CA(SA)	External	92	109
Mr Gideon	Labane	CA(SA)	External	53	29
Ms Lindiwe	Nkosi	CA(SA)	External	71	36
Mr Tebogo	Mamorobela	See page 54	Internal	Refer to 3.3.12	Refer to 3.3.12
Mr Viwe	James	See page 54	Internal	Refer to 3.3.12	Refer to 3.3.12

3.4 RISK MANAGEMENT

The MICT SETA developed a Risk Management Strategy during the financial year in consideration of the Audit and Risk Committee resolutions and inputs from the annual risk assessment that was conducted.

The strategy incorporates the SETA's Risk Appetite and Tolerance Framework, Risk Management Framework, and Policy. The National Treasury had indicated that its Public Sector Risk Management Framework was under review and anticipates publishing it upon approval. This may necessitate a review of the MICT SETA Risk Management Framework in the short term to align with the latest standards of good practice, where applicable.

The MICT SETA Risk Management Strategy is underpinned by the following:

- Annual risk assessment reviews, which form an integral part of entity-wide risk management processes that include the development and quarterly update of its risk registers;
- These reviews are aligned with the strategic planning processes of the organisation, to assist in ensuring that risks that may adversely affect the MICT SETA's ability to execute its legislative mandate are identified, mitigated, and communicated; and
- Communication of the risk governance document to ensure that risk management is embedded into the daily operations across the MICT SETA.

The MICT SETA has an internal Risk Management Committee (RMC) established by the Chief Executive Officer and chaired by an independent Chairperson. The RMC submits quarterly reports to the Audit and Risk Committee (ARC) and advises the ARC on the identified risks and the progress made in implementing controls to mitigate those risks, as well as areas of concern relating to risk management, if any. Most controls were implemented successfully during the 2023/24 financial year, with further improvements to be considered and implemented going forward in consideration of the evaluation conducted during the financial year.

The Risk Management Committee expressed its satisfaction that risk management processes were adequately and consistently implemented during the 2023/24 financial year; however, management was requested to consider stringent measures to mitigate the operational risks by adopting an aggressive approach, as there seems to be inadequate movement in the management of these risks.

3.4.1 RISK MATURITY ASSESSMENT

The MICT SETA conducted a risk maturity assessment through the National Treasury's Risk Management Maturity Assessment, which is a subset of its Financial Management Capability Maturity Model (FMCMM). A maturity assessment level 5 was achieved as of 31 March 2024.

3.5 INTERNAL CONTROL

Effective risk management is fundamental to the MICT SETA activities. Responsibility and accountability for risk management resides at all levels within the MICT SETA as outlined in its Risk Management Policy and is cascaded down from the Accounting Authority through to each manager.

The assessment, evaluation, and measurement of risks is an ongoing process that is integrated into the MICT SETA activities, and it is aimed at protecting the SETA's reputation, assets, and ability to meet its mandate.

In accordance with the PFMA and King IV requirements, the internal audit provides an independent assessment of the adequacy and effectiveness of the overall risk management and reports on that to the Accounting Authority through the Audit and Risk Committee.

3.6 INTERNAL AUDIT AND AUDIT COMMITTEES

3.6.1 INTERNAL AUDIT

The MICT SETA uses an insourced internal audit function, which has a mandate to outsource any specialised audits as and when required. Internal Audit follows a risk-based approach that incorporates management's risk assessment and mitigation measures.

During the reporting period, 80% of the Annual Audit Plan was completed. A 100% completion rate was not achieved due to the resignation of an auditor during the year under review and the late finalisation of the panel of internal audit service providers. The following audits were undertaken in the 2023/2024 financial year:

- 2022/23 Performance Information Quarter 4 Verification;
- 2023/24 Performance Information Quarter 1 Verification;
- 2023/24 Performance Information Quarter 2 Verification;
- 2023/24 Performance Information Quarter 3 Verification;
- 2022/23 Annual Performance Plan Review;
- Annual Financial Statements review 2022/23.
- Monitoring and Evaluation Human Resources: General;
- Fixed Asset Management;
- Discretionary Grants/Finance;

- Mandatory Grants;
- Quality Assurance;
- Marketing Review;
- Governance Audit;
- SCM;
- IT Application Controls Review;
- Business Continuity Management; and
- Assessments of fraud incident reports as per whistle blowing reports received.

3.6.2 REVIEW OF EFFECTIVENESS OF INTERNAL CONTROLS

The Committee's review of the findings of the work of Internal Audit, which was based on the risk assessments conducted, revealed weaknesses in the system of internal controls, which were raised with the management and the Accounting Authority. Weaknesses were identified in the following areas:

- The state of legal and regulatory compliance monitoring;
- The level of PoPI Act non-compliance;
- Performance Information Reporting;
- ICT Governance and General Controls;
- Implementation of action plans addresses audit findings; and
- Data migration to the newly in-housed accounting system.

The ARC expressed its concern regarding slow progress made by management during the year in addressing internal control deficiencies identified by internal and external audits. There were also concerns over the migration of data to the accounting system.

3.6.3 AUDIT AND RISK COMMITTEE

The key activities and objectives of the Audit and Risk Committee, together with the attendance of the Audit and Risk Committee Members, are contained on pages 57 to 58.

3.6.4 COMPLIANCE WITH LAWS AND REGULATIONS

The MICT SETA reviews its policies and procedures as and when there are changes in its regulatory environment to ensure continuous compliance with the Skills Development Act, Skills Development Levies Act, Public Finance Management Act, the SETA Constitution, and other relevant legislation. During the period under review, a POPIA Committee was established to assist in ensuring the MICT SETA's compliance with the Protection of Personal Information Act.

In line with the SETA Governance Charter, approved by the Minister of Higher Education, Science, and Innovation, the MICT SETA submits its quarterly reports on the implementation of this charter to DHET. The MICT SETA has measures in place to ensure compliance with the SDA, SDL, PFMA, and the SETA Constitution.

Below is a list of all the legislation-based instruments that MICT SETA is required to comply with and has successfully complied with in the year under review:

DOCUMENT OR STATUTORY REQUIREMENT	ACTION
1. Strategic Plan	Approved and submitted Final draft to DHET on 30 November 2023.
2. Annual Performance Plan	Approved and submitted Final draft to DHET on 30 November 2023.
3. Sector Skills Plan	Submitted to DHET on 15 June 2023.
4. Employment Equity Plan and Report	Submitted to the Department of Employment and Labour on 7 December 2023.
5. Procurement Plan 2023/24	Submitted to National Treasury on 24 March 2023.
6. Workplace Skills Plan 2023/24	Submitted to ETDP SETA on 4 May 2023.
7. Budget for 2023/24	Submitted to DHET on 30 November 2022 and revised budget on 15 November 2023.
8. Quarterly Reports (Finance and Performance Reports)	Finance and Performance Report: Submitted to DHET and National Treasury on 31 July 2024 (First Quarterly Report), 31 October 2023 (Second Quarterly Report), 31 January 2024 (Third Quarterly Report), and 30 April 2024 (Fourth Quarterly Report).
9. Quarterly Reports (Meetings of the Accounting Authority and Sub- Committees)	Submitted to DHET on 14 July 2023 (First Quarterly Report), 13 October 2023, (Second Quarterly Report), 15 January 2023 (Third Quarterly Report), and 15 April 2023 (Fourth Quarterly Report).
10. Quarterly Reports (Governance Reports)	Submitted to DHET on 14 July 2023 (First Quarterly Report), 13 October 2023, (Second Quarterly Report), 15 January 2023 (Third Quarterly Report) and 15 April 2023 (Fourth Quarterly Report).
11. Annual General Meeting	Was held on 27 October 2023.
12. Internal Audits and Findings	Reported to the Audit and Risk Committee on 20 April 2023, 25 May 2023, 21 July 2023, 23 October 2023 and 22 January 2024.
13. External Audits and Findings	Reported to the Audit and Risk Committee on 26 July 2023, 23 October 2023, and 22 January 2024.
14. Legal Cases	<p>The entity has appointed legal firms to commence legal action for the recovery of monies relating to unpaid learner stipends against Fanisa Holdings and Bulls Training. Litigation has commenced by way of summons, which have been issued against Fanisa Holdings.</p> <p>The entity has also commenced legal action against Praxis Computing (Pty) Ltd for the recovery of its IP (intellectual property) in the form of Source Code and the data on the Skills Web Learner Management System. An application with the High Court has been lodged, and Praxis has been served with the Notice of Motion.</p> <p>The entity is also defending a case for the alleged breach of contract by MJV Recruitment & Consulting Agency (Pty) Ltd. ('MJV') after it (the entity) terminated MJV's contract for utilising a non-accredited service provider to provide training. The matter is awaiting a trial date from the Registrar of the High Court. At the time of reporting, there was a backlog for trial dates with the Gauteng division.</p>
15. Fraudulent Activities	<p>The entity received 39 whistleblower reports through the hotline. More than 45% of these reports were not related to the MICT SETA, as no contracts were noted between the alleged parties and the MICT SETA. The remainder of the reports related to allegations of fraud and corruption, complaints, breach of contract, and learner stipend queries.</p> <p>All whistleblower reports were processed internally, with one report referred to the SAPS for further investigations, which related to allegations of unethical behaviour by a former MICT SETA employee and stakeholder. The SAPS investigation was still in progress as at 31 March 2024.</p>
17. Policies	A number of policies were reviewed during the 2023/24 financial year.

3.7 FRAUD AND CORRUPTION

The MICT SETA has an approved Fraud Prevention Policy, which is informed by the stipulations in the PFMA, Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), Protected Disclosures Act, 2000 (Act No. 26 of 2000), and other related legislation. In addition to the policy, the MICT SETA has a Fraud Prevention Plan that incorporates the following measures:

- Ethical Conduct;
- Fraud Response and Implementation Plan; and
- Whistle-blowing policy, including an independent hotline.

3.7.1 MECHANISMS IN PLACE TO REPORT FRAUD AND CORRUPTION

- a) Mechanisms in place to report fraud and corruption and how they are implemented. In addition to the national whistle-blowing tollfree number provided by the Public Service Commission, the MICT SETA procured the services of an external whistle-blowing service provider to assist in ensuring timeous and anonymous reporting of any allegations of suspected fraud and corruption.

The MICT SETA employees and stakeholders may report any offence or suspected fraudulent activity to the toll-free numbers, the MICT SETA Management, or to the Accounting Authority.

- b) How cases are reported and what action is taken by the MICT SETA:

The MICT SETA employees and stakeholders can anonymously call the anti-corruption toll-free number or the whistleblowing hotline posted on the MICT SETA website home page (report fraud tab); email, or telephone the office of the Chief Executive Officer or the Chairperson of the Accounting Authority by accessing the MICT SETA website for contact numbers.

When fraud and corruption allegations are reported, a preliminary inquiry is conducted by Internal Audit, and where there is a need to refer such allegations to law enforcement authorities, the CEO will sign the relevant authorisation.

All cases reported are brought to the attention of the Audit and Risk Committee, regardless of whether they have merit or not, except reports on which Members of the Audit and Risk Committee could be implicated. In such cases, relevant reports are submitted to the Accounting Authority.

3.8 MINIMISING CONFLICT OF INTEREST

The SETA Constitution provides a Code of Conduct for members of the Accounting Authority. In addition, the AA has approved a Code of Ethics, which also deals with the management of conflicts of interest for both employees and AA members. Members of the Accounting Authority, Management and Employees annually complete a mandatory disclosure of interest form as required by the Public Service Regulations, 2019. In addition, Members of the Board and Management are further required to declare any conflict of interest at all meetings of the Board and its Committees on an ongoing basis.

3.9 CODE OF CONDUCT

The MICT SETA Code of Conduct is informed by the Labour Relations Act Schedule 8 Code of Good Practice and the King IV Code of Good Practice. It provides guidance regarding ethical behaviour, both in terms of individual conduct as well as in their relationships with fellow employees and stakeholders. It promotes exemplary conduct by employees in their public and private lives to enhance professionalism and ensure public and stakeholder confidence in dealing with the MICT SETA.

The MICT SETA will institute a disciplinary inquiry in the event of non-compliance with the Code of Conduct in accordance with the disciplinary code and grievance procedures.

3.10 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The MICT SETA has a Health and Safety Policy that is informed by the Health and Safety Act 85 of 1993, as amended. To ensure compliance with the Occupational Health and Safety Act, the MICT SETA established an Occupational Health and Safety Committee to deal with health and safety issues in all offices for reporting to the CEO.

The Committee meets on a regular basis to discuss matters within its Terms of Reference and OHS-related risks that emanate from the respective offices. The Health and Safety representatives have been provided with relevant training to perform their duties and responsibilities within their respective offices.

Training interventions for the newly appointed representatives were underway for implementation in 2024/25.

3.11 BOARD SECRETARY

The Board Secretariat function resides within the office of the CEO with a functional reporting line to the Accounting Authority through the Chairperson of the Board. Ms. Nokwanda Qezu was appointed as the Board Secretary with effect from 01 May 2023.

The main function and role of the Board Secretary is to assist the Accounting Authority with corporate governance procedures and monitor MICT SETA's legislative and regulatory compliance. The Board Secretary also:

- ensures that applicable rules and regulations for the conduct of the affairs of the Board are complied with and that all matters are dealt with efficiently and effectively;
- ensures that the Board Charter and the Committees' Terms of Reference are reviewed annually, and Annual Work Plans of the Accounting Authority and its Committees are developed;
- manages Accounting Authority meetings and Committee processes through the preparation and distribution of board packs, including agenda and minutes; and
- provides advice to the Accounting Authority on the law and regulations relevant to the SETA, as well as ethics compliance requirements.

Members of the Accounting Authority have unlimited access to the advice and services of the Board Secretary.

3.12 SOCIAL RESPONSIBILITY

The MICT SETA is unwavering in its commitment to corporate social responsibility, aiming to make a meaningful and lasting impact on South African society. Central to this commitment is our recognition of the critical importance of education and equal opportunities for all. We believe in the power of education to transform lives and are dedicated to ensuring that both our employees and their families have access to educational resources. To this end, we offer bursaries to employees and their dependents, ensuring that education is within reach and empowering families within our organisation.

In our ongoing efforts to uplift communities, the MICT SETA has undertaken several key initiatives designed to bridge the digital divide. One of our cornerstone projects involves the annual

donation of equipment to underprivileged schools across the country. This initiative is particularly impactful in townships, rural areas, and marginalised communities, where access to digital resources is often limited. By providing these schools with the necessary tools and technology, we enable students to access quality education and resources, thereby enhancing their learning environment and prospects.

Furthermore, the MICT SETA's Accounting Authority has crafted a comprehensive strategy focused on establishing long-term partnerships with rural and underdeveloped communities. These strategic alliances are aimed at having a sustained and significant impact on South Africa's development challenges. By fostering collaboration, sharing knowledge, and implementing targeted initiatives, we strive to promote economic empowerment, education, and community development.

A pivotal aspect of our corporate social responsibility efforts is our Career Development Services programme. This programme is designed to provide access to crucial information and resources for schools in townships, rural areas, and marginalised communities throughout South Africa. By offering career guidance, training opportunities, and digital literacy programmes through our stakeholder partnerships, we are working to ensure that students in these areas have equal and equitable access to opportunities in the media and ICT sub-sectors of unity within the community.

In addition to these initiatives, the MICT SETA is proud to offer internship positions within our various departments. These internships provide valuable work experience, skills development, and professional growth opportunities for young South Africans. By integrating internships into our CSR strategy, we are not only helping to prepare the next generation for successful careers in the media and ICT industries but also contributing to the broader goal of socio-economic development. Through these internships, we aim to cultivate a skilled workforce that is equipped to meet the demands of the evolving digital landscape.

Through these efforts, the MICT SETA is dedicated to creating a more inclusive and prosperous society. By addressing the digital divide, promoting equal access to educational and career opportunities, and offering practical work experience through internships, we are helping to build a future where all South Africans can thrive in the digital age.



3.13 AUDIT COMMITTEE REPORT

MR SULEMAN BADAT

3.13.1 THE AUDIT & RISK COMMITTEE TERMS OF REFERENCE

The Committee reports that it has complied with its responsibilities arising from section 51(1)(a)(ii) as amended, and Treasury Regulation 27.1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. The Committee also reports that its Terms of Reference were reviewed and approved by the Accounting Authority during the period under review. The Committee performed its duties in terms of the provisions thereof and discharged its responsibilities.

3.13.2 AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The Committee comprised of five (5) members (three (3) independent members and two (2) members of the Board). During the period under review, the Committee held four (4) quarterly meetings, two (2) joint meetings with FinRemco and two (2) special meetings. The CEO, CFO, Manager: Internal Audit, Senior Management members, Chairperson: Risk Management Committee and representatives of the Auditor-General South Africa (AGSA) have standing invitations to the Committee meetings. The Chairperson of the Committee reports quarterly to the Board regarding the Committee's statutory and oversight responsibilities. The table below discloses relevant information about the Audit and Risk Committee members:

NAME	QUALIFICATIONS	DATE APPOINTED	NUMBER OF MEETINGS HELD (8) INCLUDING SPECIAL MEETINGS AND RISK WORKSHOP	STATUS
Mr. Suleman Badat (Chairperson)	CA (SA)	01/10/2020	8/8	Active
Mr. Gideon Labane	CA (SA)	01/10/2020	6/8	Active
Ms. Lindiwe Nkosi	CA (SA)	08/12/2020	8/8	Active
Mr. Viwe James	Chartered Corporate Governance and Administration	01/02/2022	8/8	Active
Mr. Tebogo Mamorobela	Strategic Diplomacy, Leadership in Digital Leadership, Research Awareness for Leaders Certificate	01/02/2021	8/8	Active

3.13.3 AUDIT AND RISK COMMITTEE RESPONSIBILITIES

The Committee has reviewed the following:

- **Financial Information and Finance Function**

The Committee reviewed the adequacy, reliability and accuracy of financial information quarterly during the period under review. The Committee also provided assurance on the quality of financial reporting by reviewing the draft annual financial statements and annual report.

- **Effectiveness of Internal Controls**

The Committee obtains assurances from Management, Internal Audit and the external auditors on the effectiveness of governance, risk management and internal controls in the areas of financial management, performance management, compliance management and Information Communication and Technology (ICT). The Committee's review of the findings of the work of Internal Audit, which was based on the risk assessments conducted and control evaluation, revealed weaknesses in the system of internal controls which were raised with the Management and the Accounting Authority. A number of weaknesses were identified in the following areas:

- Lack of a systematic and timely process to record achieved performance and inadequate quality assurance review processes to ensure that there is valid, accurate and complete information. This is so particularly true for the learning programme, which is responsible for the majority of the organisational performance.
- Policies that govern processes within the organisation are in place, however, a lack of periodic review to assess the relevance and applicability thereof was identified.
- There were significant deficiencies noted within the business continuity process, Management has acknowledged these deficiencies and is currently working on a plan to close the identified gaps.

- **Risk Management**

The Committee is responsible for oversight of risk management. The Committee held an annual Strategic Risk Assessment with Management to identify the key risks that may impede the achievement of strategic objectives, resulting in the updated 2023/24 Strategic Risk Register for consideration by the Board. The Committee considered and recommended the Business Continuity Plan and the Risk Management Strategy to the Board for approval. The Committee is satisfied with the overall risk management function, noting the achievement of level 5 risk maturity in line with the National Treasury's Risk Maturity

Assessment which is a sub-set of its Financial Management Capability Maturity Model. Further, the Committee made recommendations to Management to enhance the capacity within the Risk function.

- **Internal Audit**

The Committee is responsible for ensuring that the Internal Audit function is independent and has necessary resources, standing and authority to discharge its duties. The Committee approved the Internal Audit Charter and the three-year risk-based Internal Audit Plan, including the Annual Internal Audit Plan. Internal audit activities are measured against the approved Plan and the Manager: Internal Audit tabled reports to the Committee on a quarterly basis.

The Committee is satisfied that Internal Audit performed its duties in accordance with the approved Internal Audit Plan. The Committee continued to monitor the implementation of plans to address internal and external audit findings issued by the Internal Audit unit and Auditor-General of South Africa. The Committee noted the Auditor-General Engagement Letter and the Audit Strategy, which included the audit fees for the financial year under review. The Committee encouraged communication between Management, Internal Audit and the External Auditors.

The Internal Auditors have assessed the overall internal control environment as "needs improvement." The Committee evaluated the Internal Audit Function and its Internal Audit Manager and overall was satisfied with the performance of the Internal Audit Function for the period under review.

- **Evaluation of the Finance Function**

The Committee conducted an evaluation of the Finance Function and the CFO and was overall satisfied with the performance of the finance function for the period under review.

- **In-Year Management and Quarterly Review**

The Committee tabled to the Accounting Authority the in-year management reports and further submitted four (4) Quarterly Performance Reports reflecting performance on the implementation of the Annual Performance Plan 2023/24, which includes Service Level Agreement (SLA) targets to DPME and DHET as prescribed.

- **Evaluation of Annual Financial Statements**

The Committee has:

- Reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report with the Auditor-General and Management;

- Reviewed the Auditor-General's Management Report and the audit findings;
- Reviewed changes, if any, to accounting policies and practices as reported in the Annual Financial Statements;
- Reviewed the processes for compliance with legal and regulatory provisions, and recommended to Management that the process needs to be formalised;
- Reviewed the information on predetermined objectives as reported in the Annual Report; and
- Reviewed material adjustments, if any, resulting from the audit.

3.13.4 APPRECIATION

The Committee expresses its sincere appreciation to the Board, CEO and his Management team, Risk Management Committee, Internal and External Auditors for their co-operation and support towards us achieving the requirements of our Charter as mandated.

Mr Suleman Badat CA(SA)

Chairperson of the Audit and Risk Committee

- **External Auditor's Report**

The Committee has, on a quarterly basis, reviewed the entity's implementation plan for audit findings raised in the prior year. The Committee has met with the External Auditor to ensure that there are no unresolved issues that emanated from the audit. The Committee concurs and accepts the Independent Auditor's opinion regarding the Annual Financial Statements and proposes that the Audited Annual Financial Statements, read together with the report of the Independent Auditor, be accepted.

3.14 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The table below has been completed in accordance with compliance to the B-BBEE requirements as required by the B-BBEE Act and as determined by the Department of Trade, Industry and Competition.

CRITERIA	RESPONSE YES/NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	NO	N/A. MICT SETA is a schedule 3A public entity that is mandated by the Skills Development Act to achieve skills development and economic growth within the subsector it operates.
Developing and implementing a preferential procurement policy?	YES	Preferential procurement is covered in the SCM policy.
Determining qualification criteria for the sale of state-owned enterprises?	NO	N/A. MICT SETA is a schedule 3A entity that is mandated by the Skills Development Act to achieve skills development and economic growth within the subsector it operates.
Developing criteria for entering partnerships with the private sector?	YES	MICT SETA has developed a Discretionary Grants policy that details the criteria for awarding Discretionary Funding.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	YES	MICT SETA has developed a Discretionary Grants policy that details the criteria of awarding Discretionary Funding.



PART D HUMAN RESOURCE MANAGEMENT

4.1 INTRODUCTION

4.1.1 OVERVIEW OF HUMAN RESOURCES MATTERS

The Human Resources Management Department works towards developing a high-performing culture by implementing policies and procedures that support organisational effectiveness and compliance with all legislative requirements.

The achievement of the MICT's strategic objectives set out for the next five years will require a different Human Capital Management Division with service offerings targeted at adding value and enabling the MICT to increase its value through people. While progress has been made in many areas in the year under review, particularly in policy development, the work of HRM needs to shift further along the continuum from administrative processing to being a trusted strategic partner for management, employees, and the Accounting Authority.

4.1.2 SET HUMAN RESOURCES PRIORITIES FOR THE PERIOD UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

The MICT SETA strives to equip and encourage its employees and their children who wish to pursue tertiary education by providing them with bursaries to:

- Ensure good governance practices;
- Ensure that compliance is a must and not negotiable;
- Ensure that high-performing employees are retained; and
- Appoint employees from different races such as White and Indian.

The above priorities continue to contribute positively to assisting the MICT SETA to achieve its mandate.

4.1.3 WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

In the year under review, twenty-four (24) fixed-term contractors were appointed within different departments such as learning programmes, finance, and regional offices to equip young unemployed youth to gain work experience. Some of the contractors managed to get permanent positions within MICT SETA, while others secured permanent positions outside of MICT SETA.

Employees and their dependents were offered bursaries to empower them with educational knowledge and to further their studies so that they can be well-equipped to apply for higher positions within the MICT SETA.

MICT SETA ensured that the employees were trained and equipped to perform their daily tasks to the best of their abilities, and employees were provided with the right equipment and tools to perform their daily tasks.

MICT SETA further ensured that all the senior management positions were filled and supplemented the leadership bench with external appointments in a way that positively impacts the current and future leadership, as well as the entity's employment equity representation:

- Proper strategies are in place to recruit the right employees;
- Proper programmes are in place to meet future human resources needs within the organisation;
- Ensure that employees are trained and their skills developed to match future demands; and
- Provide employees with market-related benefits.

4.1.4 EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The MICT SETA's employee performance management is aligned to the departmental and organisational mandate and strategic objectives.

The positive and continual performance improvement of employees is reinforced using performance rewards linked to the individual's performance over a year. Employees are trained to ensure that they are fully equipped to perform their daily tasks and are also provided with guidance by line managers to grow within the MICT SETA. To improve and maintain an effective Performance Management System, the SETA achieved 100% in relation to performance management contracting and reviews.

4.1.5 EMPLOYEE WELLNESS PROGRAMME

The MICT SETA appointed Lyra Wellbeing (formerly known as ICAS) as its wellness service provider to afford employees access to quality health and safety services. To ensure healthy and safe working conditions, the MICT SETA complies with the Occupational Health and Safety Act (OHSA) 85 of 1993. The service provider is available 24/7 to ensure that employees are assisted with personal issues, legal issues, financial issues, and work stress.

4.1.6 POLICY DEVELOPMENT

All the MICT SETA Human Resources policies were reviewed and approved in the financial year under review. The Governance practitioner was appointed to assist the SETA in aligning the policies with the relevant legislation. All HR policies are reviewed triennially or whenever the need arises.

The MICT SETA policy reviews are conducted to achieve organisational excellence through exemplary human resources best practices relating to organisational corporate governance and strategic human resources management and giving guidance to employees on the expected behaviour of employees.

4.1.7 HIGHLIGHT ACHIEVEMENTS

The Human Resources department achieved the following:

- Approval of the employment equity plan by the Department of Employment and Labour;
- Out of the four (2) APP annual targets, HR achieved all the set targets;
- Human Resources policies were applied consistently and fairly to all employees;
- All senior management positions were filled and are dominated by women;
- Additional positions were approved for alignment of the organisational structure in line with strategic objectives;
- Multi-year wage agreement; and
- Managed to maintain more than 86.4% of human resources talent.

4.1.8 CHALLENGES FACED BY THE SETA

The Human Resources department experienced the following challenges for the year under review:

- Loss of key/critical skills mainly in support business due to non-competitive remuneration packages;
- Absence of an online recruitment system;
- There is no online performance management system; and
- Inability to attract skilled and competent employees who are living with disability.

4.1.9 FUTURE HUMAN RESOURCE PLANS/GOALS

To ensure continuous improvement in the management of human resources within the MICT SETA, the Human Resources department has set the following plans/goals for the next financial year:

- Procurement of an Online Recruitment and Performance System which is underway;
- To correct the wrong behaviour instead of being punitive;
- Ensure appointments for people living with disabilities;
- Ensure service delivery to employees and external stakeholders by the Human Resources department;
- Retain high-performing employees by implementing a retention and succession policy;
- Encourage and promote ethical behaviour at all times among MICT SETA employees.

4.2 HUMAN RESOURCES STATISTICS

4.2.1 PERSONNEL BY COST PROGRAMME

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP. (%)	NO. OF EMPLOYEES	AVG. PERSONNEL COST PER EMPLOYEE (R'000)
Programme 1: Administration	444 097	45 899	10%	54	850
Programme 2: Sector Skills Planning	57 568	4 909	9%	7	701
Programme 3: Learning Programmes	452 321	34 441	8%	55	626
Programme 4: ETQA	156 256	10 514	7%	19	553
Total	1 110 243	95 763	9%	135	709

4.2.2 PERSONNEL COST BY SALARY BAND

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	EXPENDITURE (%)	NO. OF EMPLOYEES	AVG. PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	8 224	2 394	29%	1	2 394
Senior Management	65 792	16 365	25%	8	2 046
Professional Qualified	115 136	18 411	16%	14	1 315
Skilled	468 769	39 567	8%	57	694
Semi-skilled	452 321	19 026	4%	55	346
Unskilled				-	-
Total	1 110 243	95 763	9%	135	709

4.2.3 PERFORMANCE REWARDS

PROGRAMME	PERFORMANCE REWARD (CASHBONUS) (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARD TO TOTAL PERSONNEL COST (%)	NO. OF EMPLOYEES
Top Management	532	2 394	22%	1
Senior Management	1 794	16 365	11%	7
Professional Qualified	2 384	18 411	13%	17
Skilled	5 077	39 567	13%	56
Semi-skilled	2 146	19 026	11%	37
Total	11 933	95 763	12%	118

4.2.4 TRAINING COSTS

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % PERSONNEL COST (%)	NO. OF EMPLOYEES	AVG. TRAINING COSTS PER EMPLOYEE (R'000)
Programme 1: Administration	638 770	1296	0%	42	31
Programme 2: Sector Skills Planning	60 835	258	0%	4	65
Programme 3: Learning Programmes	349 803	413	0%	23	18
Programme 4: ETQA	60 835	242	0%	4	61
Total	1 110 243	2 209	0%	73	174

4.2.5 EMPLOYMENT AND VACANCIES

PROGRAMME	2022/23 EMPLOYEE	2023/24 APPROVED	NO. OF EMPLOYEES	VACANCIES	% OF VACANCIES
Top Management	1	1	1	0	0%
Senior Management	7	9	8	1	10%
Professional Qualified	11	15	14	1	10%
Skilled	44	62	57	5	50%
Semi-skilled	39	34	31	3	30%
Unskilled	3	0	0	0	0%
Temporary	15	0	24	0	0%
Total	120	121	135	10	100%

4.2.6 EMPLOYMENT CHANGES

Provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the public entity.

PROGRAMME	EMPLOYMENT AT THE BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF PERIOD
Top Management	1	0	0	1
Senior Management	8	1	1	8
Professional Qualified	13	3	2	14
Skilled	57	2	2	57
Semi-skilled	29	2	0	31
Unskilled	0	0	0	0
Temporary	19	21	16	24
Total	127	29	21	135

4.2.7 REASONS FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NUMBER OF STAFF LEAVING
Death	0	0%
Resignation	14	66.67%
Dismissal	0	0%
Retirement	0	0%
Ill-health	0	0%
Expiry of contract	7	33.33%
Other	0	0%
Total	21	100%

4.2.8 LABOUR RELATIONS MISCONDUCT AND DISCIPLINARY ACTION

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	5
Final written warning	1
Suspension pending investigation	0
Dismissal	0
Total	6



4.2.9 EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

PROGRAMME	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	1	0	0	0	0	0	0
Senior Management	3	3	0	1	0	1	0	0
Professional Qualified	3	6	0	1	0	1	0	1
Skilled	22	22	1	2	0	1	0	1
Semi-skilled	12	13	0	1	0	1	0	1
Unskilled	0	0	0	0	0	0	0	0
Temporary	10	0	0	0	0	0	0	0
Total	51	45	1	5	0	4	0	3

PROGRAMME	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	4	4	1	1	0	0	0	1
Professional Qualified	9	7	1	1	1	1	0	1
Skilled	33	30	0	1	1	1	0	1
Semi-skilled	18	13	1	1	0	1	0	1
Unskilled	0	0	0	0	0	0	0	0
Temporary	14	0	0	0	0	0	0	0
Total	78	54	3	4	2	3	0	4

PROGRAMME	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	1	3	0	0
Unskilled	0	0	0	0
Temporary	0	0	0	0
Total	1	3	0	0



PART E

PFMA COMPLIANCE REPORT

1.1. IRREGULAR EXPENDITURE

	2024 R'000	2023 R'000
A) RECONCILIATION OF IRREGULAR EXPENDITURE		
Opening Balance	19 379	156 886
Add: Irregular expenditure confirmed	-	1 339
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned but removed	3 133	138 846
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered but written off	-	-
Closing Balance	16 246	19 379

During the 2023/24 financial year MICT SETA did not incur any Irregular Expenditure. In relation to the Irregular Expenditure balance from prior years, MICT SETA submitted a request for condonation for an amount of R4.7 million to the Relevant Authority. The Relevant Authority did not approve the request for condonation amounting to R3.1 million but referred it to the Accounting Authority for removal. In line with the Irregular Expenditure Instruction Note 4 of 2022/23, the Accounting Authority processed for removal of the Irregular Expenditure amounting to R3.1 million in 2023/24 financial year. At year-end the condonation request amounting to R1.6 million had not yet been processed by Relevant Authority. The balance of Irregular Expenditure amount of R14 million relating to 2018/19 prior year could not be removed since it was not free from fraudulent and corrupt activities and the matter is currently with the Law Enforcement Units.

	2024 R'000	2023 R'000
RECONCILING NOTES		
DESCRIPTION		
Irregular expenditure that was under assessment	1 629	-
Irregular expenditure that relates to 2023 and identified in 2024	-	15
Irregular expenditure for the current year	-	1 324
Total	1 629	1 339

B) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

	2024 R'000	2023 R'000
DESCRIPTION		
Irregular expenditure NOT condoned but removed	3 133	138 846
Closing Balance	3 133	138 846

The Relevant Authority did not approve the request for condonation. In line with the Irregular Expenditure Instruction Note 4 of 2022/23, the Accounting Authority processed for removal the Irregular Expenditure amounting to R3.1 million in 2023/24 financial year.

C) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

DISCIPLINARY STEPS TAKEN

MICT SETA did not incur any Irregular Expenditure in the current year. In relation to the Irregular Expenditure incurred in the prior years, management investigated the irregular expenditure and took effective and appropriate steps against the officials who made and/or permitted the irregular expenditure. Amongst other steps taken, included official written warnings and provision of Supply Chain Management training.

1.2. FRUITLESS AND WASTEFUL EXPENDITURE

A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE DESCRIPTION	2024 R'000	2023 R'000
Opening Balance	9	9
Add: Fruitless and wasteful expenditure confirmed	125	1
Less: Fruitless and wasteful expenditure written of	-	-
Less: Fruitless and wasteful expenditure recoverable	125	1
Closing Balance	9	9

Fruitless and Wasteful expenditure is presented inclusive of VAT. The Fruitless and Wasteful Expenditure identified in the current year amounted to R 125 000, this includes R 7 243 relating to traffic fines as well as incremental costs resulting from Employees having missed their flights, R 40 500 relating to inaccurate claims from Service Providers, R 31 999 and R 45 066 relates to Payroll Phishing incidents. R 57 199 has been recovered; the remainder of the amounts are in the process of recovery.

RECONCILING NOTES DESCRIPTION	2024 R'000	2023 R'000
Fruitless and Wasteful expenditure that was under assessment in 2023/2024		-
Fruitless and Wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
Fruitless and Wasteful expenditure for the current year	125	1
Total	125	1

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL RECOVERED

DESCRIPTION	2024 R'000	2023 R'000
Fruitless and wasteful expenditure NOT condoned and removed	57	1
Closing Balance	57	1

The expenditure amounting to R 7 243 traffic fines incurred by employees, R 9 555 relating to Payroll Phishing incidents and R 40 500 relating to inaccurate claims by service providers have been recovered.

B) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE NOT RECOVERED AND WRITTEN OFF

DESCRIPTION	2024 R'000	2023 R'000
Fruitless and wasteful expenditure	77	9
Closing Balance	77	9

Fruitless and Wasteful expenditure relates to interest charged by the Auditor-General and Redefine Properties on invoices paid after 30days for an amount of R 5 553; R 500 relates to staff advance not recovered from an employee at the end of their service; R 2990 is the cost of expired consumables in the MICT Storeroom. R 67 510 relating to the Payroll Phishing incident.

C) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

DISCIPLINARY STEPS TAKEN

Management investigated the irregular expenditure and took effective and appropriate steps against the officials who made and/or permitted the fruitless and wasteful expenditure. Amongst other steps taken included official written warnings and the recovery of funds from the employees.

2. PAYMENT WITHIN 30 DAYS

DESCRIPTION NUMBER OF	NUMBER OF INVOICES	CONSOLIDATED VALUE
		R '000
Valid invoices received	6 303	792 229
Invoices paid within 30 days or agreed period	5 715	690 601
Invoices paid after 30 days or agreed period	588	101 628
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Invoices paid after 30 days or agreed period are due to non-compliances in relation to invoices that are submitted without proper supporting evidence or submitted with insufficient deliverables. MICT SETA is in the process of implementing a Learner Management System (LMS), which will enable service providers to track the processing of their invoices from the time of submission to the time of payment. This system will provide real-time feedback to service providers, thus fast track the process of resolving queries. The implementation of the invoice tracker module is expected to be completed in the 2024/25 financial year.

3. SUPPLY CHAIN MANAGEMENT

3.1 PROCUREMENT BY OTHER MEANS

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Appointment of a Service Provider for urgent procurement to restore access of faulty entrance doors at MICT SETA Head Office.	Access Cards Solutions (ACS) CC	Deviation: Urgency	MICT/DEV 01/2023.	5
Appointment of a service provider to provide assets and contracts management specialist on a temporary basis for a period of six months	Mastech General Trading cc	Deviation: Less than 3 quotes received	RFQ/MICT/17/2023	326
Appointment of Kunene Makopo Risk Solutions (Pty) Ltd to provide indemnity/liability insurance cover for Board members for a period of twenty-four (24) months.	Kunene Makopo Risk Solutions (Pty) Ltd	Deviation: Single Source		192
Appointment of a qualifications development facilitator to review an occupational qualification and realign historical qualifications into the update.	Customized Business Advisory Solutions (CBAS) CC	Deviation: Less than 3 quotes received	RFQ/MICT/104/2023 - MICT/DEV 03/2023	207
				731

3.2 CONTRACT VARIATIONS AND EXPANSIONS

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE R'000	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S R'000	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION R'000
Appointment of a service provider for the provision, supply, and configurations of local area network (LAN) for Cape Town Regional office	Sizwe Africa IT Group (PTY) LTD	Variation	RFQ/MICT/92/2022	166	N/A	16
Provision of office space accommodation for Durban regional office	Tupac Business Enterprise CC	Variation	12/MICTS/1/04/11	1 908	N/A	104
Placement of two (02) temporary finance administrators	Tiana business Consulting Services A (Pty) Ltd	Variation	RFQ/MICT/127/2022	493	N/A	60
Azeus convene electronic board portal licence subscription	Ability Holdings 35 cc T/A Convene SA	Variation	RFQ/MICT/44/2022	406	N/A	101
Appointment of a service provider for the renewal of Microsoft 365 software licenses	Altron Karabina a division of Altron TMT (Pty) Ltd	Variation	RFQ/MICT/131/2022.	395	N/A	16
Provision of office space accommodation for Durban regional office	Tupac Business Enterprise CC	Variation	12/MICTS/1/04/11	2 045	104	104
Appointment of Kunene Makopo Risk Solutions (Pty) Ltd to provide indemnity/ liability insurance cover for Board members for a period of twenty-four (24) months.	Kunene Makopo Risk Solutions (Pty) Ltd	Variation	RFQ/MICT/30/2021	486	N/A	158
Appointment of a service provider for the provision of one (01) temporary assets & contracts specialist for a period of six (06) months	Mastech General Trading CC	Variation	RFQ/MICT/17/2023	326	N/A	163
				6 225	104	722



PART F

FINANCIAL INFORMATION



6.1 MESSAGE FROM THE CHIEF FINANCIAL OFFICER

MR MTHENJWA MSELEKU

MICT SETA continues to receive tremendous support from our Executive Authority and our stakeholders. The SETA enjoys a steady increase in skills development levy revenue. The average skills development levy income amounted to R96 million per month, an increase of 5.21% from the prior year.

We issued grants totalling R728 million to service providers, excluding the National Skills Fund and FASSET projects. We had various employers move into the SETA, and unfortunately lost a few employers as well through inter-SETA transfers. The SETA has a strong commitment to making a meaningful change in our community through skills development. We are indeed encouraged by our communities within our priority areas as well as providing critical development for our most vulnerable communities during these difficult economic times.

Our strong financial standing is upheld by the commitment and expertise of our staff, partners and stakeholders. Our Accounting Authority and professional staff work diligently to maintain sound financial controls. Our audit committee oversees our financial reporting and risk management. Our finance and remuneration committee continuously monitors our investment policies, asset allocation, financial performance, and the strength of our balance sheet. Our ICT committee oversees the implementation and security of our recording and reporting systems. Lastly, our Executive committee ensures that we maintain efficient operations and keep watch over our financial health. As a result

of this combined assurance approach, we are pleased that MICT SETA received a clean audit opinion consecutively, with a zero incurrance of irregular expenditure in the current financial year. We are looking forward to working with all our stakeholders to ensure that the organisation maintains this outcome.

Thank you to our stakeholders for entrusting us with your funds in a manner that ensures our mandate of skills development has been fulfilled. We are committed to transparency and accountability in our financial affairs.

Gratitude goes to the Executive Authority for ensuring our existence, the National Treasury for ensuring that the SETA remains compliant. Furthermore, appreciation is also extended to the Auditor-General, the Audit Committee and the Accounting Authority for their oversight role.

We look forward to answering any questions that our stakeholders may have regarding any aspect of our financial activities.

Regards

Mr Mthenjwa Mseleku CA(SA)
Chief Financial Officer

31 July 2024

6.2 ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL



The Accounting Authority/Board is required by the Public Finance Management Act (Act 1 of 1999) to maintain adequate accounting records and are responsible for the content and integrity of the Audited Annual Financial Statements and related financial information included in this report. It is the responsibility of the Accounting Authority/Board to ensure that the Audited Annual Financial Statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Audited Annual Financial Statements and were given unrestricted access to all financial records and related data.

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

The Audited Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Audited Annual Financial Statements set out on pages 91 to 131, which have been prepared on an going concern basis, were approved by the accounting authority on 29 July 2024 and were signed on its behalf by:

MR MATOME MADIBANA
CHIEF EXECUTIVE OFFICER
Date: 31 July 2024

MR SIMPHIWE THOBELA CD(SA)
CHAIRPERSON OF THE BOARD
Date: 31 July 2024

6.3 REPORT OF THE AUDITOR-GENERAL



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE MEDIA INFORMATION AND COMMUNICATION TECHNOLOGIES SECTOR EDUCATION AND TRAINING AUTHORITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Media, Information and Communications Technologies Sector Education and Training Authority (MICT SETA) on pages 91 to 131, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the MICT Seta as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

BASIS FOR OPINION

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

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

6. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and the 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.
7. In preparing the financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 89 forms part of our auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.
11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the public entities performance on its primary mandated functions and that are of significant national, community, or public interest.

PROGRAMME	PAGE NUMBERS	PURPOSE
Programme 2: sector skills planning	38	This programme aims to conduct research and develop a credible (board and DHET approved) sector skills plan that reflects an accurate (triangulated) list of scarce and critical skills, serving as the basis for the Seta's strategic plan. The plan to achieve goals and objectives in this programme is to contract with a reputable research house and ensure that there is in-house capacity at the MICT Seta. The MICT SETA will develop a research agenda and conduct the necessary research accordingly for the financial years of this Annual Performance Plan. This research will be used to inform the Sector Skills Plan document.
Programme 3: learning programmes	39 to 47	To implement and monitor learning programmes in the media, advertising and ICT sub-sectors. The plan to achieve the objectives and goals in this programme will be to implement the following learning programme interventions that will be rolled out in both urban and rural areas, in partnership with constituent employers and with a focus on the 4IR strategy as far as possible.

12. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected programmes.

OTHER MATTERS

16. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over and under achievements and measures taken to improve.
18. The table that follows provides information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 35 to 48.

PROGRAMME 3: LEARNING PROGRAMMES

Targets achieved: 95%

Budget spent: 62%

KEY SERVICE DELIVERY INDICATOR NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
Percentage of DG budget allocated to developing intermediate skills	92.4%	89.23%

MATERIAL MISSTATEMENTS

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 3: learning programmes. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

REPORT ON COMPLIANCE WITH LEGISLATION

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the public entity's compliance with legislation.
21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

24. The Accounting Authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

INTERNAL CONTROL DEFICIENCIES

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

29. I did not identify any deficiencies in internal control.

Auditor-General.

Pretoria

31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

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 programmes and on the public entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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.

I also provide the Accounting Authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

COMPLIANCE WITH LEGISLATION - SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

SELECTED LEGISLATION AND REGULATIONS	CONSOLIDATED FIRM LEVEL REQUIREMENTS
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4) Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b) Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b) Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b) Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6 Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii) Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f) Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a) Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1 Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b) Regulation 32.1.1(c); 33.1.1; 33.1.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2 Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3 Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
SETA Grant regulation 2012	Regulation 2 (1),(2),(3) Regulation 3 (3) & (4) Regulation 4 (3) & (8) Regulation 6 (9) (iii)

6.4 STATEMENT OF FINANCIAL POSITION



AS AT 31 MARCH 2024

	Note(s)	2024 R'000	2023 R'000
ASSETS			
CURRENT ASSETS			
Inventories	3	300	238
Accounts receivable from exchange transactions	4	4,687	4,378
Accounts receivable from non-exchange transactions	5	772	1,900
Cash and cash equivalents	6	781,360	661,155
		787,119	667,671
NON-CURRENT ASSETS			
Property, plant and equipment	7	9,970	8,438
Intangible assets	8	1,694	3,028
		11,664	11,466
Total Assets		798,783	679,137
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable from non-exchange transactions	9	95,038	104,099
Accounts payable from exchange transactions	10	12,036	10,848
Provisions	11	29,200	24,947
Deferred revenue	12	23,510	3,000
		159,784	142,894
Total Liabilities		159,784	142,894
Net Assets		638,999	536,243
Net assets represented by:			
Administration reserve		11,664	11,466
Employer grant reserve		728	87
Discretionary reserve		626,607	524,690
Total Net Assets		638,999	536,243

6.5 STATEMENT OF FINANCIAL PERFORMANCE



FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 R '000	2023 R '000
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Skills Development Levies	14	1,146,954	1,087,199
Skills Development Levies - Interest		4,428	4,355
Skills Development Levies - Penalties		4,380	4,453
Other Revenue - Grants Received	16	215	176
UIF Revenue		-	9,097
NSF Revenue		1,775	-
FASSET Revenue		1,134	-
Total revenue from non-exchange transactions		1,158,886	1,105,280
REVENUE FROM EXCHANGE TRANSACTIONS			
Other revenue	16	871	66
Finance revenue	15	53,242	34,089
Total revenue from exchange transactions		54,113	34,155
Total revenue	14	1,212,999	1,139,435
EXPENDITURE			
UIF Expense		-	9,097
FASSET Expense		1,134	-
NSF Expense		1,775	-
Discretionary Grant Expense and Project Expenses	17	763,915	808,000
Mandatory Grants Expense	17	206,650	188,352
Administration Expense	18	136,769	123,175
Total expenditure		1,110,243	1,128,624
Surplus for the year	13	102,756	10,811

6.6 STATEMENT OF CHANGES IN NET ASSETS



	Administration Reserve R'000	Mandatory Reserve R'000	Discretionary Reserve R'000	Total Reserves R'000
Balance at 01 April 2022	14,369	150	505,305	519,824
Surplus for the year	20,616	78,798	(76,466)	22,948
Transfer of surplus to Discretionary Grants	(23,519)	(78,861)	102,380	-
Total Changes	(2,903)	(63)	25,914	22,948
Prior year adjustments	-	-	(6,529)	(6,529)
Restated Balance at 01 April 2023	11,466	87	524,690	536,243
Surplus for the year	14,836	80,131	7,789	102,756
Transfer of Surplus to Discretionary Grants	(14,638)	(79,490)	94,128	-
Total Changes	198	641	101,917	102,756
Balance at 31 March 2024	11,664	728	626,607	638,999

Refer to note 13 for detailed calculation of surplus/(deficit) and note 28 for prior year adjustment.

6.7 CASH FLOW STATEMENT



	Note(s)	2024 R '000	2023 R '000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Skills development levies, interest and penalties		1,159,764	1,109,289
Finance revenue		53,015	33,644
Other cash receipts from stakeholders		871	66
		1,213,650	1,142,999
PAYMENTS			
Employer grants and programme payments		(962,247)	(980,360)
Payments to suppliers and other stakeholders		(64,784)	(63,080)
Compensation of employees		(61,754)	(78,526)
		(1,088,785)	(1,121,966)
Net cash flows from operating activities	19	124,865	21,033
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(4,660)	(4,145)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred Revenue		20,510	3,000
Net increase/(decrease) in cash and cash equivalents		120,205	16,888
Cash and cash equivalents at the beginning of the year		661,155	644,267
Cash and cash equivalents at the end of the year	6	781,360	661,155

6.8 STATEMENT OF COMPARISON OF BUDGETS AND ACTUAL AMOUNTS



	Approved budget R'000	Adjustments R'000	Final Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000
STATEMENT OF FINANCIAL PERFORMANCE					
REVENUE					
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Skills Development Levies	1,079,481	75,494	1,154,975	1,146,954	(8,021)
Skilled Development Levies: Interest	-	3,875	3,875	4,428	553
Skilled Development Levies: Penalties	-	3,925	3,925	4,380	455
Other Revenue	-	-	-	215	215
National Skills Fund Revenue	-	32,535	32,535	1,775	(30,760)
FASSET Revenue	-	18,144	18,144	1,134	(17,010)
Total revenue from non-exchange transactions	1,079,481	133,973	1,213,454	1,158,886	(54,568)
REVENUE FROM EXCHANGE TRANSACTIONS					
Other Revenue	-	-	-	871	871
Finance Revenue	22,474	25,620	48,094	53,242	5,148
Total revenue from exchange transactions	22,474	25,620	48,094	54,113	6,019
EXPENDITURE					
National Skills Fund Expense	-	(32,535)	(32,535)	(1,134)	31,401
FASSET Expense	-	(18,144)	(18,144)	(1,775)	16,369
Discretionary Grant and Project Admin Expense	(680,883)	(550,810)	(1,231,693)	(763,915)	467,778
Mandatory Grant Expense	(229,390)	(16,042)	(245,432)	(206,650)	38,782
Administration Expense	(141,682)	(9,909)	(151,591)	(129,920)	21,671
Special Projects	(50,000)	-	(50,000)	(6,849)	43,151
Total expenditure	(1,101,955)	(627,440)	(1,729,395)	(1,110,243)	619,152
Approved prior year surplus	-	467,847	467,847	-	(467,847)
Surplus for the year	-	-	-	102,756	102,756

VARIANCE ANALYSIS

The total SDL revenue received is R 1.1 million below revised budget by 1%, this is comparable to the budget. The SDL penalties and interest is above the revised budget by 13% as a result of employers paying their SDL later than required.

The total revenue received from exchange transactions is above budget by R 6.02 million (12.52%) due to larger cash balances from increased Skills Development Levy revenue and the increase in the repo rate

The total expenditure is below budget by R 619 million (-35.80%). The variance consists of discretionary grants expenditure which is below budget by -37.98% due to the late approval of the budget and thus conservative spending Mandatory grants expenditure is also below budget by -15.80% due to non-compliant documentation submitted for WSP approvals. The special project is below budget by -86.30% due to most project being scheduled for implementation through research chairs.

Refer to Note 27 for further explanation of material variances between final budget and actuals.

6.9 ACCOUNTING POLICIES

1. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

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

These Audited 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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these Audited Annual Financial Statements are disclosed below:

1.1 PRESENTATION CURRENCY

These Audited Annual Financial Statements are presented in South African Rand, which is the functional currency of the entity.

1.2 GOING CONCERN ASSUMPTION

These Audited 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.

The case between Business Unity South Africa (BUSA) and the Minister of Higher Education and Training has posed a risk on the going concern of the organisation. Further disclosure concerning this matter has been made under the contingencies note (note 21). Other than the risk mentioned, there are no known instances that cast doubt on the MICT SETA's ability to continue as a going concern.

1.3 INVENTORIES

Inventory is comprised of consumables.

Consumables are recognised as an asset on the date of acquisition and are measured at cost of acquisition. Inventory is subsequently measured at lower of cost and net realisable value.

Consumables are subsequently recognised in surplus or deficit as they are consumed.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets that are held for use of administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.



The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

ASSET CLASS	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Furniture and fittings	Straight-line	10 - 15 years
Motor vehicles	Straight-line	4 - 6 years
Office equipment	Straight-line	7 - 10 years
Computer equipment	Straight-line	3 - 6 years
Leasehold improvements	Straight-line	4 - 6 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 7).

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.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Internally generated software programs are initially recognised at cost. Development costs are recognised when it is probable that it will generate future economic benefits for the organisation, Intangible asset with finite useful life are amortised over their useful lives using a straight line basis and tested for impairment at each reporting date. A module of the system is amortised only once it is available for use. Costs associated with research, training, support and maintenance are recognised as an expense and charged to statement of financial performance when incurred.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

ASSET CLASS	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Computer software, internally generated	Straight-line	5 - 10 years
Computer software, purchased	Straight-line	4 - 6 years

1.6 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.

Finance leases held by the MICT SETA are recorded as purchase of equipment by means of long-term borrowings. All other leases are classified as operating leases.

Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

1.7 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for bonuses.

Termination benefits are recognised and expensed only when the payment is made.

No provision has been made for retirement benefits as the MICT SETA does not provide for retirement benefits for its employees.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 21.

1.8 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the Audited Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Audited 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 Audited Annual Financial Statements. Significant judgements include:

ACCOUNTS RECEIVABLE

The MICT SETA assesses its receivables for impairment at the end of each reporting period. The MICT SETA makes judgments as to whether there is observable data indicating that the receivables have to be impaired. If the indications exist, the carrying amount of the receivables is reduced through the use of an impairment allowance account in the Statement of Financial Position. When a receivable is non-collectable, it is written off against the allowance account

ALLOWANCE FOR SLOW MOVING, DAMAGED AND OBSOLETE STOCK

An allowance to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note

IMPAIRMENT TESTING

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared if expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in Note 11.

ALLOWANCE FOR DOUBTABLE DEBTS

On accounts receivable, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.9 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.10 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the MICT SETA and these measures can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

1.11 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions result in resources being received by MICT SETA, usually in accordance with a binding arrangement.

When MICT SETA receives resources as a result of a non-exchange transaction, it recognises as asset and revenue in the period that the arrangement becomes binding and when it is probable that MICT SETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to the MICT SETA are subjected to the fulfillment of specific conditions, it recognises an asset and a corresponding liability as and when the conditions are fulfilled, the liability is reduced and the revenue is recognised.

The asset and the corresponding liability and revenue are measured on the basis of the fair value of the asset on initial recognised.

Unconditional grants received are recognised when the amounts have been received.

Non-exchange revenue transactions include the receipt of the levy income from DHET, income from the National Skills Fund (NSF), Financial and Accounting Services Sector Education and Training Authority (FASSET), and grants from the National Government.

LEVY INCOME

The Accounting Policy for recognition and measurement of Skills Development Levy (SDL) income is based on the Skills Development Act, Act no 97 of 1998 as amended 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 (the Levies Act), 1999 (Act No. 9 of 1999) as amended, registered member companies of the MICT SETA pay an SDL of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the DHET. Companies with an annual payroll cost less than R500 000 are exempted in accordance with Section 4(b) of the Levies Act as amended, effective 1 August 2005.

80% of Skills Development Levies are paid over MICT SETA (net of the 20% contribution to the NSF). MICT SETA was not in the position to verify that SARS has collected all potential skills levy income.

SDL transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the MICT SETA and the benefits can be measured reliably. This occurs when the DHET makes an allocation to the MICT SETA as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

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

INTEREST AND PENALTIES

Interest and penalties received on the SDL are recognised on the accrual basis.

Funds allocated by the National Skills Fund, the Unemployment Insurance Fund or any other entities of government for special projects.

Funds transferred are accounted for in the Audited Annual Financial Statements of the MICT SETA as a liability until the related eligible special project expenses are incurred. The liability is reduced by any project expenditure incurred and recognised as revenue.

Property, plant and equipment acquired for Special Projects are capitalised in the Audited Annual Financial Statements of the MICT SETA, as the MICT SETA controls such assets for the duration of the project. Such assets may however only be disposed of in terms of an agreement and specific written instructions.

FINANCE REVENUE

Finance revenue is comprised of interest accrued from the short-term investment and bank balances.

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

1.12 GRANTS AND PROGRAMME EXPENDITURE

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory employer grant (excluding interest and penalties) by complying with the criteria in accordance with the Skills Development Act, 1998, as amended and the SETA Grant Regulations regarding monies received and related matters (the SETA Grant Regulations).

MANDATORY GRANTS

Mandatory/Employer Grants are equivalent to 20% of the total levies contributed by employers during the corresponding financial period.

DISCRETIONARY GRANTS

A SETA may, out of any surplus monies, and in accordance with the criteria as defined in the SETA Grant Regulations, determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application has been approved

PROGRAMME EXPENDITURE

Programme 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.

Programme costs are recognised as expenses in the period in which they are incurred.

Project administration costs that are directly linked to Learning Programmes are part of programme expenditure.

RETROSPECTIVE ADJUSTMENTS BY SARS

The MICT SETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such grant over payment, net of bad debts and provision for irrecoverable amounts.

1.13 RESERVES

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with the Regulation issued in term of the Skills Development Act, 1998 (Act 97 of 1998) as amended as follows:

- Administration reserves
- Mandatory (Employer grant) reserve
- Discretionary reserves and
- Unappropriated surplus

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act and the regulations issued in terms the Act.

1.14 COMPARATIVE FIGURES

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

1.15 FRUITLESS AND WASTEFUL EXPENDITURE

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

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

Fruitless and Wasteful expenditure is accounted for in accordance with the PFMA Compliance and Reporting Framework. The reconciliation of the opening and closing balance will be disclosed in the Annual Report.

1.16 IRREGULAR EXPENDITURE

Irregular expenditure is recorded in the notes to the Annual Financial Statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure is accounted for in accordance with the PFMA Compliance and Reporting Framework. The reconciliation of the opening and closing balance will be disclosed in the Annual Report.

1.17 TAXATION

The SETA received confirmation of the tax exemption on 04 April 2017, following the process of registering for income tax and applying for exemption as advised after receiving correspondence from SARS about the tax status of the SETAs.

The MICT SETA is therefore exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

1.18 SEGMENT INFORMATION

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria is met.

1.19 BUDGET INFORMATION

The entity is subject to budgetary limits in the form of budget authorisations (or equivalent), which is given effect through authorising legislation.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2023 to 31/03/2024.

The Audited Annual 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.

1.20 RELATED PARTIES

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

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

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

1.21 FINANCIAL INSTRUMENTS

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial assets and financial liabilities are recognised on the SETA's Statement of Financial Position when the SETA becomes a party to the contractual provisions of the instrument.

1.21.1 FINANCIAL ASSETS

The SETA has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

CLASS	CATEGORY
Cash and Cash Equivalents	Financial asset measured at fair value
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents mainly comprise of cash on hand, current account, call accounts, credit card accounts and fixed deposits held by the MICT SETA at the Corporation of Public Deposits (CPD). Cash and cash equivalents are initially recognised at cost and subsequently stated at fair value due to their short term nature, closely approximate their fair value.

RECEIVABLES

Exchange and non-exchange receivables comprise of trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market and are classified as Receivables. Receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

EFFECTIVE INTEREST METHOD

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

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for indicators of impairment at each financial year end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment values or movement in provision for impairment are recognised in the Statement of Financial Performance.

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. Fair Value Considerations

The fair values at which financial instruments are carried at the balance sheet date have been determined using available market values. Where market values are not available, fair values will be calculated by discounting expected future cash flows at prevailing interest rates where material.

OFFSETTING

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

1.21.2 FINANCIAL LIABILITIES

All financial liabilities of the SETA are classified depending on the nature and purpose of the financial liabilities and the classification is determined at the time of initial recognition.

The SETA has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

CLASS	CATEGORY
Trade and other payables from exchange transactions	Finance liability measured at amortised cost
Trade and other payables from non-exchange transactions	Finance liability measured at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised using the effective method.

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

DERECOGNITION

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

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. Upon derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in net surplus or deficit for the period.

6.10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS



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:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact

2.2 STANDARDS AND INTERPRETATIONS 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 Apr 2024 or later periods:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	To be determined	Unlikely there will be a material impact
GRAP 25 (as revised): Employee Benefits	To be determined	Unlikely there will be a material impact

3. INVENTORIES

	2024 R'000	2023 R'000
Consumables and stationery	300	238

The movement in consumables is recognised in the Statement of Financial Performance through monthly usage. The SETA has recognised a provision of R 0.053 million for the write-down of obsolete stock.

4. ACCOUNTS RECEIVABLES FROM EXCHANGE TRANSACTIONS

Employee costs in advance	37	42
Prepayments	1,964	2,007
Deposits	1,006	989
Sundry receivables	1,767	1,427
Provision for bad debts	(87)	(87)
	4,687	4,378

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2024 R'000	2023 R'000
Receivables - Employer Grants	414	1,610
Sundry receivables	3,534	3,437
Provision for bad debts	(3,176)	(3,147)
	772	1,900

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Cash on hand	7	6
Bank balances	392,994	382,790
Short-term investments	388,359	278,359
	781,360	661,155

As required in 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 is 7.13% (2023: 4.96%). Short term investments are held with the Corporation for Public Deposits as per Treasury Instruction Note issued.

The Skills Development Act Regulation states that a SETA may, if not otherwise specified by the PFMA, invest the monies in accordance with Investment Policy approved by the relevant SETA. Treasury Regulations 31.3.3 requires that unless exempted by National Treasury, the SETA as a public entity that is listed in Schedule 3A of the act, must invest surplus funds with the Corporation of Public Deposits. Surplus funds are invested in line with an Investment Policy as required by the Treasury Regulation 31.3.5. Cash includes cash on hand and with banks. Cash equivalents are short term, highly liquid investments that are held with the registered banking institutions or the Corporation of Public Deposits. These are subject to an insignificant risk of change in value.

7. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Furniture and fittings	4,897	(2,086)	2,811	5,923	(3,602)	2,321
Motor vehicles	382	(382)	-	382	(382)	-
Office equipment	1,014	(560)	454	3,318	(2,672)	646
Computer equipment	8,261	(3,785)	4,476	11,048	(6,960)	4,088
Leasehold improvements	4,443	(2,214)	2,229	3,380	(1,997)	1,383
Total	18,997	(9,027)	9,970	24,051	(15,613)	8,438

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2024	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Furniture and fittings	2,321	1,062	(122)	(450)	2,811
Office equipment	646	90	(54)	(228)	454
Computer equipment	4,088	2,446	(222)	(1,836)	4,476
Leasehold improvements	1,383	1,062	-	(216)	2,229
	8,438	4,660	(398)	(2,730)	9,970

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2023	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Furniture and fittings	2,652	109	(24)	(416)	2,321
Office equipment	693	147	(1)	(193)	646
Computer equipment	1,569	3,889	(54)	(1,316)	4,088
Leasehold improvements	1,573	-	-	(190)	1,383
	6,487	4,145	(79)	(2,115)	8,438

The depreciation methods and average useful lives, and residual values of property, plant and equipment have been assessed and the impact was found to be immaterial.

EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT INCLUDED IN STATEMENT OF FINANCIAL PERFORMANCE	2024 R'000	2023 R'000
Repairs and Maintenance	72	47

Expenditure incurred to repair and maintain property, plant and equipment is included in the Statement of Financial Performance in the repairs and maintenance expenditure line item, R 71 881 for 2024 and R 46,915 for 2023.

8. INTANGIBLE ASSETS

	2024			2023		
	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Computer software, purchased	1,996	(1,996)	-	2,026	(1,865)	161
Computer software, internally generated	8,723	(7,029)	1,694	8,723	(5,856)	2,867
Total	10,719	(9,025)	1,694	10,749	(7,721)	3,028

RECONCILIATION OF INTANGIBLE ASSETS - 2024	Opening balance R'000	Disposals R'000	Amortisation R'000	Total R'000
Computer software, purchased	161	(1)	(160)	-
Computer software, internally generated	2,867	-	(1,173)	1,694
	3,028	(1)	(1,333)	1,694

8. INTANGIBLE ASSETS (CONTINUED)

RECONCILIATION OF INTANGIBLE ASSETS - 2023	Opening balance R'000	Disposals R'000	Amortisation R'000	Total R'000
Computer software, purchased	345	(184)	-	161
Computer software, internally generated	7,537	(2,703)	(1,967)	2,867
	7,882	(2,887)	(1,967)	3,028

9. ACCOUNTS PAYABLE FROM NON-EXCHANGE TRANSACTIONS

	2024 R'000	2023 R'000
DESIGNATED AT FAIR VALUE		
Grants payable - Mandatory	31,694	29,330
Grants payable - Discretionary	63,117	67,802
InterSETA and other payables	227	6,967
	95,038	104,099

10. ACCOUNTS PAYABLES FROM EXCHANGE TRANSACTIONS

Service provider payables	4,692	2,276
Payroll payables	316	271
Payrolls accruals	3,487	3,445
Accruals	2,857	3,892
Operating lease liability	684	964
	12,036	10,848

11. PROVISIONS

RECONCILIATION OF PROVISIONS - 2024	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Salary provision	-	105	-	105
Performance bonus	8,483	12,853	(8,483)	12,853
Exempt employers	16,464	3,079	(3,301)	16,242
	24,947	16,037	(11,784)	29,200

RECONCILIATION OF PROVISIONS - 2023	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Performance bonus	6,690	8,483	(6,690)	8,483
Exempt employers	16,300	2,767	(2,603)	16,464
	22,990	11,250	(9,293)	24,947

11. PROVISIONS (CONTINUED)

PERFORMANCE BONUS

Performance bonus is paid between the month of August and December after the approval is sought from the board. The amount payable is dependent on the outcome of individual performance evaluations as well as organisational performance.

EXEMPT EMPLOYERS

The balance of the exempt employers provision relates to amounts to be repaid to all employers exempted from SDL (below threshold of R500 000 payroll per annum) who have however contributed the levies.

In terms of Skills Development Circular No. 09/2013, issued by the DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after expiry date of five years as stipulated in terms of Section 190 (4) of Tax Administration Act. These amounts are being transferred to discretionary funds in line with the aforementioned Circular.

	2024 R'000	2023 R'000
Financial and Accounting SETA	17,010	-
National Skills Fund	6,500	-
Gauteng Department of Economic Development	-	3,000
	23,510	3,000

During the financial year, MICT SETA entered into Service Level Agreements with the Financial and Accounting Education and Training Sector Authority (FASSET) and National Skills Funds (NSF) for the training of unemployed learners in the Digital Skills sector and to address the shortage of skills through Learnerships and Short Programmes. MICT SETA received R18 million through the FASSET partnership and R8.2 million through the NSF partnership. The total funding for NSF project is R 53 million for a period of 25 months in which NSF contributes 80% towards the programme and MICT SETA contributes 20%. The receipt of money from NSF and FASSET is accounted for as deferred revenue and the outstanding amount at year end is R 6.5 million and R 17 million respectively. The funds relating to the GDED deferred revenue were transferred back to the Gauteng Department of Economic Development due to certain conditions not being met.

13. SURPLUS FOR THE YEAR

ALLOCATION OF SURPLUS FOR THE YEAR TO RESERVES: 2024

	Administration R'000	Mandatory R'000	Discretionary R'000	Total R'000
Total revenue	151,605	286,781	774,613	1,212,999
Administration levy (10,5%)	150,519	-	-	150,519
Mandatory levy (20%)	-	286,781	-	286,781
Discretionary levy (49,5%)	-	-	709,654	709,654
Penalties and interest	-	-	8,808	8,808
Finance revenue	-	-	53,242	53,242
National Skills Fund Income	-	-	1,775	1,775
FASSET Income	-	-	1,134	1,134
Other Income	1,086	-	-	1,086
Total expenditure	136,769	206,650	766,824	1,110,243
Administration expenses	136,769	-	-	136,769
Mandatory expenses	-	206,650	-	206,650
Discretionary grant and project expenses	-	-	763,915	763,915
National Skills Fund Expense	-	-	1,775	1,775
FASSET Expense	-	-	1,134	1,134
(Deficit) Surplus per Statement of Financial Performance	14,836	80,131	7,789	102,756

13. SURPLUS FOR THE YEAR

ALLOCATION OF SURPLUS FOR THE YEAR TO RESERVES: 2023	Administration R'000	Mandatory R'000	Discretionary R'000	Total R'000
Total revenue	143,791	267,150	728,494	1,139,435
Administration levy (10,5%)	143,549	-	-	143,549
Mandatory levy (20%)	-	267,150	-	267,150
Discretionary levy (49,5%)	-	-	676,500	676,500
Penalties and interest	-	-	8,808	8,808
Finance revenue	-	-	34,089	34,089
UIF revenue	-	-	9,097	9,097
Other revenue	242	-	-	242
Total expenditure	123,175	188,352	817,097	1,128,624
Administration expenses	123,175	-	-	123,175
Mandatory expenses	-	188,352	-	188,352
Discretionary grant and project expenses	-	-	808,000	808,000
Project Admin Cost	-	-	-	-
UIF expense	-	-	9,097	9,097
(Deficit) Surplus per Statement of Financial Performance	20,616	78,798	(88,603)	10,811

The comparative figures on the Allocation of surplus for the year note was updated to show the project administration costs that are directly linked to Learning Programmes in line with the utilization of the 7.5% Project administration cost as set out in the Grant Regulation. This disclosure is done to enhance the usefulness and fair presentation of the Annual Financial Statements. There was no change in the overall expenditure amount and the surplus.

14. REVENUE

2024	2023
R'000	R'000

Levy income per the Statement of Financial Performance is as follows:

SKILLS DEVELOPMENT LEVY: ADMINISTRATION

SDL: Administration	150,417	143,455
InterSETA transfers: In	114	188
InterSETA transfer: Out	(12)	(94)
Administration levy Income (10.5%)	150,519	143,549

SKILLS DEVELOPMENT LEVY: MANDATORY

SDL Income: Mandatory	286,613	267,034
InterSETA transfers: In	186	358
InterSETA transfers: Out	(18)	(242)
Mandatory levy Income (20%)	286,781	267,150

SKILLS DEVELOPMENT LEVY: DISCRETIONARY

SDL Income: Discretionary	709,175	676,417
InterSETA Transfer: In	537	887
InterSETA Transfer: Out	(58)	(804)
Discretionary levy Income (49.5%)	709,654	676,500
Total Skills Development Levy Income	1,146,954	1,087,199

15. FINANCE REVENUE	2024	2023
	R'000	R'000
INTEREST REVENUE		
Interest from investments	30,000	16,262
Interest from bank	23,242	17,827
	53,242	34,089

16. OTHER REVENUE

Other revenue comprises of:

THE AMOUNT INCLUDED IN OTHER REVENUE ARISING FROM EXCHANGES OF GOODS OR SERVICES ARE AS FOLLOWS:

Income from insurance claims	151	66
Profit on Sale of Assets	6	-
Income from penalties	714	-
	871	66

THE AMOUNT INCLUDED IN OTHER REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:

Grants from ETDP SETA	215	176
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17. MANDATORY AND DISCRETIONARY GRANT PROJECT EXPENDITURE

MANDATORY GRANTS EXPENDITURE

Grants disbursed	203,989	190,174
Provision/(reversed) and accruals	2,661	(1,822)
Mandatory (employer) grants	206,650	188,352

DISCRETIONARY GRANT AND PROJECT EXPENDITURE

Grants and project administration disbursed	743,542	797,836
Provision/(reversed) and accruals	20,372	10,164
Discretionary (programmes) grants and project expenditure	17.1 763,914	808,000

17.1 DISCRETIONARY GRANT PROJECT COSTS CONSISTS OF:

Discretionary grants expenditure	731,474	783,710
Discretionary grants project administration costs	17.2 32,441	24,290
Discretionary (programmes) grants and project expenditure	763,915	808,000

17.2 DISCRETIONARY GRANTS PROJECT ADMINISTRATION COSTS CONSISTS OF:

Employee related costs	29,442	22,982
Travel and Subsistence	2,775	1,157
Other	224	151
Discretionary grants project administration costs	32,441	24,290

The comparative figures on the Mandatory and discretionary grant project expenditure note and in the Statement of Financial Performance were updated to show the project administration costs that are directly linked to Learning Programmes in line with the utilization of the 7.5% Project administration cost as set out in the SETA Grant Regulations. This disclosure is done to enhance the usefulness and fair presentation of the Annual Financial Statements. There was no change in the overall expenditure amount.

18. ADMINISTRATIVE EXPENDITURE		2024	2023
		R '000	R '000
Operating lease rental - Buildings		7,077	6,560
Operating lease rental - Equipment		-	44
Repairs and maintenance		209	50
QCTO expenditure		7,234	6,203
Advertising, marketing and publications		4,080	2,477
Catering and Refreshments		156	75
Service provider and consulting fees		1,250	4,410
Legal fees		773	2,569
Investigations		523	173
Compensation of employees	18.1	66,321	57,762
Travel and subsistence		3,147	2,796
Staff training and development		2,209	1,526
Remuneration to board and sub-committees		8,008	7,066
External audit fees		4,276	4,053
Internal audit fees		730	-
General expenses	18.2	6,176	5,147
ICT support costs		17,579	12,752
Depreciation and impairment		2,730	2,115
Amortisation and impairment		1,334	4,854
Research costs		974	324
4IR and ETQA qualification development		1,983	2,219
		136,769	123,175

The comparative figures on the Administrative expenditure note and Statement of Financial Performance was updated to exclude the project administration costs that are directly linked to Learning Programmes in line with the utilization of the 7.5% Project administration cost as set out in the SETA Grant Regulations. This disclosure is done to enhance the usefulness and fair presentation of the Annual Financial Statements. There was no change in the overall expenditure amount.

18.1 COMPENSATION OF EMPLOYEES

2024	Salaries and wages	Employer contributions	Other contributions	Total
	R '000	R '000	R '000	R '000
Basic salaries	48,213	-	-	48,213
Performance awards	8,380	-	-	8,380
Other non-pensionable allowance	657	-	-	657
Medical aid contributions	-	3,930	-	3,930
Pension contributions	-	3,439	-	3,439
UIF and SDL	-	771	-	771
Leave and 13th cheque	-	-	931	931
	57,250	8,140	931	66,321
2023				
Basic salaries	42,990	-	-	42,990
Performance awards	6,696	-	-	6,696
Other non-pensionable allowance	444	-	-	444
Medical aid contributions	-	2,892	-	2,892
Pension contributions	-	2,888	-	2,888
UIF and SDL	-	657	-	657
Leave and 13th cheque	-	-	1,195	1,195
	50,130	6,437	1,195	57,762

18. ADMINISTRATIVE EXPENDITURE (CONTINUED)	2024	2023
	R'000	R'000
18.2 GENERAL EXPENSES		
Bank Charges	140	141
Certificates	-	145
Cleaning	50	19
Electricity & water	2,018	1,668
Insurance	444	172
Licences and subscriptions	60	73
Postage and courier	44	53
Printing and stationary	92	137
Other expenses	509	191
Human resources expenses	496	730
Equipment rental	482	608
Roadshows and forums	647	769
Provision and bad debt	54	88
Storage facilities	37	-
COVID 19 expenses	-	5
Small assets write off	1,143	348
	6,216	5,147

19. CASH USED IN OPERATIONS		
Surplus	102,756	10,811
Adjustments for: Depreciation	2,730	2,115
Amortisation	1,334	2,887
Loss on Disposal	343	-
Impairment	-	1,967
Provision for bad debt	53	88
Movements in provisions	4,253	1,948
Changes in working capital: Inventories	(60)	(34)
Accounts receivables from exchange transactions	(309)	(1,446)
Accounts receivables from non-exchange transactions	1,128	4,172
Accounts payables from exchange transactions	1,188	(2,110)
Accounts payables from non-exchange transactions	(9,061)	(2,365)
Deferred revenue	20,510	3,000
	124,865	21,033

20. COMMITMENTS

DISCRETIONARY RESERVES

2024 Commitments approved and effective	NSDP Target	Opening balance R '000	Adjustments R '000	New contracts R '000	Expenditure R '000	Write Backs R '000	Total R '000
Increasing access to occupationally directed programmes**	4	389,553	-	699,153	(538,366)	(30,783)	519,557
Promoting the growth of Public TVET College system	4	65,052	-	218,715	(193,108)	(7,752)	82,907
		454,605	-	917,868	(731,474)	(38,535)	602,464

The total discretionary grant expenditure of R731 million (note 17) excludes the project administration cost of R32 million directly linked to the support expenditure of the Learning Programmes.

** Included in this line are transactions with Universities for Bursaries, WIL, Internship and Learnerships amounting to R 519 million, (2023:R569 million) and NSF of R 17 million.

** Included in the commitment balance is an amount of R 1.40 million in respect of South African Mobile Devices Distributors in which Mr L Tyira, an MICT SETA board member is a director. There is also an amount of R 2.15 million paid to the Communications Workers Union in which Ms Khumalo and Mr Manthlaga, board members, are representatives. The South African Postal Services also received R 1.54 million in which Mr Langa is a representative.

2023 Commitments approved and effective	NSDP Target	Opening balance R '000	Adjustments R '000	New contracts R '000	Expenditure R '000	Write Backs R '000	Total R '000
Increasing access to occupationally directed programmes**	4	489,233	(4,477)	565,563	(606,271)	(54,495)	389,553
Promoting the growth of Public TVET College system	4	67,009	231	184,683	(177,439)	(9,432)	65,052
		556,242	(4,246)	750,246	(783,710)	(62,820)	454,605

The total discretionary grant expenditure of R784 million (note 17) excludes the project administration cost of R24 million directly linked to the support expenditure of the Learning Programmes.

** Included in this line are transactions with Universities for Bursaries, WIL, Internship and Learnerships amounting to R 569 million, (2022:R313 million) and NSF of R 17 million.

** Included in the commitment balance is an amount of R 1.7 million in respect of National Union of Metal Workers of South Africa in which Mr V James a MICT SETA board Member, is an employee and an amount of R 3.4 million in respect of South African Mobile Devices Distributors and Repairers Association in which Mr L Tyira, an MICT SETA board member, is a founding member and a director. There is also an amount of R1.5 million paid to the Communications Workers Union in which Ms Khumalo and Mr Manthlaga, board members, are employees

	2024 R '000	2023 R '000
OPERATING LEASES		
Minimum lease payments due		
• within one year	5,305	4,726
• In the second to fifth year	5,417	4,350
	10,722	9,076

Operating lease payments represent rentals payable by the entity for head office building in Midrand, Durban, East London and Cape Town. No contingent rent is payable. All leases are subject to an average escalation rate of 7% per annum. The lease for the head office is for a period of 5 years expiring on the 31 December 2024, the lease for the East London office is for a period of 3 years expiring on the 30 June 2025, the lease for Cape town is for a period of 5 years expiring on the 31 May 2028 and the lease for Durban is for a period of 5 years expiring on the 30 November 2028.

The procurement for the Cape Town and Durban lease was finalised during the financial year and commenced on the 1 June and 1 December 2023 respectively.

The 2022/23 total of the minimum lease payment due, has been adjusted by R 0.197 million from R8.8 million to R9.0 million resulting from prior year operating lease smoothing amount calculated inclusive of VAT.

21. CONTINGENCIES

2024
R'000

2023
R'000

LITIGATIONS

MATTERS RELATING TO LITIGATIONS AGAINST MICT SETA

	2024 R'000	2023 R'000
Claimed Amount	9,720	5,830
Legal Fees	980	670
	10,700	6,500

- Included in the litigations above is a claim from a former employee who has taken the MICT SETA to court alleging discrimination relating to unilateral changes to employment conditions wherein the former employee was forced to take early retirement in 2017. The lawyers have indicated an estimated value of R 3 million, should MICT SETA lose the case. The estimated legal costs are expected to be R 0.400 million.
- Included in the litigations above is a claim from a service provider over payment of invoices, where the service provider is claiming to have rendered services. MICT SETA is in dispute, the amount claimed by the service provider is R 0.263 million. The estimated legal costs are expected to be R 0.080 million.
- Included in the litigations above is a claim from a service provider who claimed breach of contract by MICT SETA for terminating the contract. Should the MICT SETA lose the case, the estimated loss is projected at R 0.849 million. The estimated legal costs are expected to be R 0.200 million.
- Included in the above litigations is an expenditure of R 5.6 million that relates to contracts that were found by the Special Investigating Unit to have been awarded irregularly in the 2017/18 and 2018/19 financial years. These transactions were previously recognised as a liability due to the services having been rendered, however the outcome of the SIU investigation ordered that these transactions not be paid due to the nature of the award being irregular. MICT SETA is not intending to pay these transactions since the contracts were awarded irregularly and the matter is currently being handled by the SIU. The estimated legal costs could not be determined at year end.
- Included in the prior year litigations is a claim from an unsuccessful bidder who had taken the MICT SETA to court pleading for review and setting aside of the lease agreement of the East London Office, the lawyers had indicated an estimated value of R 1.6 million, should MICT SETA lose the case. During the current financial year the applicant withdrew their application with a tender for costs. The estimated legal costs are estimated to be R 0.300 million.

FIRST TIME EMPLOYER REGISTRATIONS

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

At the reporting date it is estimated that, as a result of possible applications, additional mandatory grant expenditure of R 727 583 (2023: R 87 100) may be incurred. The amount is contingent on the number of submissions received and approved.

SETA Grant Regulations 3 December 2021 as repromulgated: Treatment of Surplus.

No latest updates regarding this matter, Circular No. 16/2017 on 30 November 2017 as was issued by the Department is still in force.

SETA GRANT REGULATIONS OF 3 DECEMBER 2012 AS REPROMULGATED: MANDATORY GRANTS

Regulation 4(4) of the 2012 Grant Regulations, as promulgated in 2012, reduced the mandatory grant that an employer could claim from 50% to 20% of the total levies paid. The way that the Regulations were promulgated led to litigation by Business Unity South Africa (BUSA), to which a ruling was ultimately made by the Labour Appeal Court in October 2019, the effect of which Regulation 4(4) was set aside.

The ruling is silent on the percentage quantum that can be claimed back by employers and on the effective date of the order. The effect is that the Minister would have to decide on the percentage for mandatory grants, in consultation with the sector. To date, there has been no communication regarding the approved mandatory grant percentage.

21. CONTINGENCIES (CONTINUED)

DHET splits the mandatory grant levy income portion at a rate of 20% in the monthly levy download information. Consequently, the SETA has continued to pay and accrue mandatory grants at 20% in the 2023/24 financial year, which is also aligned to the approved annual performance plan.

Given that the intention of the litigants was to increase the mandatory grant percentage, the likelihood of a contingent asset is remote. Nonetheless, the likelihood of a liability can only be confirmed from the outcome of the consultation between the Minister and the sector, which is not within the control of the entity. The amount of the possible obligation cannot be reliably estimated due to the uncertainty of the approved rate, as well as the effective date of application.

RETENTION OF CASH SURPLUS

In terms of Section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C of the PFMA may not retain cash surpluses that were realized in the previous financial year without obtaining prior written of National Treasury. On the 25 May 2017, National Treasury issued Instruction No. 6 of 2017/2018 which introduced the revised provisions of the retention of surplus to be followed by the public entities listed in schedule 3A and 3C of the PFMA. According to this Instruction, a Surplus is based on the Cash and Cash Equivalents at the End of the Year add Receivables less Current Liabilities and Commitments.

On the 02 September 2020, National Treasury issued a new instruction note 12 of 2020/2021 effective for the surpluses realised in the 2019/20 financial years and beyond, this Instruction Note repealed Instruction Note no. 06 of 2017/2018 on the revised provisions of the retention of surpluses to be followed by the public entities listed in Schedule 3A and 3C of the PFMA. According to this Instruction Note, a Surplus is based on Cash and Cash Equivalent at the end of the year add Receivable less Current liabilities.

During the year National Treasury granted an approval of the Retention of Surplus relating to 2022/23 financial year.

Notwithstanding the accumulated surplus of R 627 million below, MICT SETA has at year end commitments in the form of contracts with various service providers as indicated in note 20. The commitment value on these contracts is R 602 million. The Net surplus after taking into account these commitments is R 25 million.

	2024 R'000	2023 R'000
CALCULATION OF SURPLUS		
Cash and cash equivalents at the end of the year	781,360	661,155
Add: Receivables	5,459	6,278
Less: Current liabilities	(159,784)	(142,894)
Surplus	627,035	524,539

22. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT

In the course of operations the MICT SETA is exposed to credit, liquidity and market risk. The MICT SETA has developed a comprehensive risk strategy in terms of TR 27.2.1 in order to monitor and control these risks. The financial instruments notes have been updated to ensure alignment with the disclosure as per GRAP 104, the corresponding comparatives for 2022/23 was also updated. The risk management process relating to each of these risks is discussed under the headings below.

MARKET RISK

1. CURRENCY RISK

The entity is not exposed to any currency risk

2. INTEREST RATE RISK

The entity's interest rate risk arises from interest on cash and cash equivalent and other receivables. Exposure to interest rate risk is monitored on a continuous and proactive basis

22. FINANCIAL INSTRUMENTS (CONTINUED)

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

	Interest bearing (Variable rate)		Non-interest bearing	
	Amount R '000	Effective interest rate %	Amount R '000	Total R '000
YEAR ENDED 31 MARCH 2024				
Cash and cash equivalent	781,360	7.13%	-	781,360
Accounts receivable	1,567	7.13%	201	1,768
Total financial assets	782,927		201	783,128
Accounts payable	(1,060)		(4,692)	(5,752)
	781,867		(4,491)	777,376
	Interest bearing (Variable rate)		Non-interest bearing	
	Amount R '000	Effective interest rate %	Amount R '000	Total R '000
YEAR ENDED 31 MARCH 2023				
Cash and cash equivalent	661,155	4.96%	-	661,155
Accounts receivable	1,339	4.96%	88	1,427
Total financial assets	662,494		662,582	648,153
Accounts payable	(393)	(2,275)	(2,668)	(4,576)
	662,101	(2,187)	659,914	643,577

Financial instruments have not been discounted as they will be settled or recovered in the near future. Effect of discounting was considered and found not to be material.

3. OTHER PRICE RISK

The entity is not exposed to other price risk.

4. CREDIT RISK

Financial asset, which potentially subject the MICT SETA to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and account receivable.

The MICT SETA limits its treasury counter-party exposure by only dealing with well-established and reputable financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulations. The MICT SETA's exposure is continuously monitored by Finance and Remuneration Committee.

Credit risk with respect to levy paying employers is limited due to nature of the income received. The MICT SETA does not have any material exposure to any individual or counter-party. The MICT SETA's concentration of credit risk is limited to the industry (ICT, Media and related industries) in which the MICT SETA operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivables that has not been adequately assessed and provided for. Accounts receivable are presented net of an allowance for doubtful debt.

	2024 R '000	2023 R '000
CASH AT BANK AND SHORT-TERM INVESTMENTS		
Bank balances	393,001	382,796
Short term investments	388,359	278,359
	781,360	661,155

22. FINANCIAL INSTRUMENTS (CONTINUED)

5. LIQUIDITY RISK

The MICT SETA manages liquidity risk through effective management of working capital, capital expenditure and cashflows. Adequate reserves and liquid resources are maintained. The entity manages liquidity risk through forecasting, as well as monitoring cash flows on a daily basis.

2024	Carrying amount R'000	On Demand R'000	1 - 3 months R'000	4 - 12 months R'000	1 - 5 years R'000
Current Assets					
Accounts receivable from exchange transactions	4,687	4,687	-	-	-
Accounts receivables from non-exchange transactions	387	387	-	-	-
Cash and cash equivalents	781,360	781,360	-	-	-
Current Liabilities					
Accounts payables from exchange transactions	(7,865)	(7,865)	-	-	-
Accounts payable from non-exchange transactions	(63,117)	(63,117)	-	-	-
	715,452	715,452	-	-	-
2023					
Current Assets					
Accounts receivables from exchange transactions	4,378	4,378	-	-	-
Accounts receivables from non-exchange transactions	1,724	1,724	-	-	-
Cash and cash equivalents	661,155	661,155	-	-	-
Current liabilities					
Accounts payable from exchange transactions	(6,439)	(6,439)	-	-	-
Accounts payables from non-exchange transactions	(67,802)	(67,802)	-	-	-
	593,016	593,016	-	-	-

CATEGORIES OF FINANCIAL INSTRUMENTS

FAIR VALUES

The MICT SETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instrument was carried at an amount in excess of its fair value and fair values could be reliably measured or all financial instruments.

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

CASH AND CASH EQUIVALENTS

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

ACCOUNTS RECEIVABLES

The carrying amount of accounts receivable, net allowance for bad debt, approximates fair value due to relatively short-term maturity of these financial assets. The effect of discounting was considered and found to be immaterial.

22. FINANCIAL INSTRUMENTS (CONTINUED)

AGING OF RECEIVABLES

FINANCIAL YEAR - 2023/24

Included in the Receivables from exchange transactions amount past due: 0 - 30 days is R 1.59 million, past due 31 - 60 days R0.038 million, past due 61 and above is R 0.174 million. The remainder relates to prepayments and deposits. The provision for bad debts raised for the receivables from exchange amounted to R 0.087 million.

Included in the Receivables from non-exchange transactions are amounts past due: 0 - 30 days R 0.431 million, past due 31 - 60 R0, past due 61 days and above R 3.4 million. The remainder relates to provision for bad debts, the provision for bad debts raised for the receivables from non-exchange is R 3.1 million.

FINANCIAL YEAR - 2022/23

Included in the Receivables from exchange transactions amount past due: 0 - 30 days is R 1.350 million, past due 31 - 60 days R0.006 million, past due 61 and above R0.113K. The remainder relates to prepayments and deposits. The provision for bad debts raised for the receivables from exchange amounted to R 0.087 million.

Included in the Receivables from non-exchange transactions are amounts past due: 0 - 30 days R 1.432 million, past due 31 - 60 R0, past due 61 days and above R 3.437 million. The remainder relates to provision for bad debts. The provision for bad debts raised for the receivables from non-exchange is R 3.147 million.

ACCOUNTS PAYABLE

The fair value of interest-bearing borrowings is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (only if applicable). The fair value of interest-bearing borrowings with variable interest rate approximates their carrying amounts.

The carrying amount of account and other payables approximates fair value due to relatively short-term maturity of these financial assets. The effect of discounting was considered and found to be immaterial.

2024

FINANCIAL ASSETS	At fair value R'000	At amortised cost R'000	Total R'000
Trade and other receivables from exchange transactions	-	4,687	4,687
Cash and cash equivalents	781,360	-	781,360
	781,360	4,687	786,047

FINANCIAL LIABILITIES	At amortised cost R'000	Total R'000
Trade and other payables from exchange transactions	7,865	7,865
Taxes and transfer payable (non-exchange)	63,117	63,117
	70,982	70,982

2023

FINANCIAL ASSETS	At fair value R'000	At amortised cost R'000	Total R'000
Trade and other receivables from exchange transactions	-	4,378	4,378
Cash and cash equivalents	661,155	-	661,155
	661,155	4,378	665,533

FINANCIAL LIABILITIES	At amortised cost R'000	Total R'000
Trade and other payables from exchange transactions	6,439	6,439
Taxes and transfers payables (non-exchange)	67,802	67,802
	74,241	74,241

23. RELATED PARTIES

TRANSACTIONS WITH CONTROLLING ENTITY

The MICT SETA is controlled by the Department of Higher Education and Training (DHET). The Department is controlled by the Minister of Higher Education and Training.

Levies were received from the DHET and are disclosed in Note 14.

TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL

By virtue of the fact that MICT SETA is a National Public Entity related to other entities and departments in the National sphere of government, it is considered related to QCTO, other SETAs, Public TVET colleges, Public Universities, the National Skills Fund, Unemployment Insurance Fund, Gauteng Department of Economic Development, South African Qualification Authority, National Institute for the Humanities and Social Sciences and National Student Financial Aid Scheme.

The transactions are consistent with normal operating relationships between the entities, and are undertaken on terms and conditions that are normal for such transactions. Where there were transaction and balances arising due to the movement of funds between entities under the common control of the DHET, these amounts were disclosed in the table below:

Transactions, Balances & Commitments with Public TVET colleges, Public Universities and National Skills Fund are disclosed under note 20.

Transactions with QCTO and entities in the National sphere of government are disclosed in note 18 and Transactions with other SETAs are disclosed in note 16, transactions with the Unemployment Insurance Fund, National Insurance Fund and FASSET are disclosed in the face of the Statement of Financial Performance. Transactions and balances with the Gauteng Department of Economic Development, National Skills Fund and FASSET are disclosed in note 12.

RELATED PARTY BALANCES

AMOUNTS INCLUDED IN TRADE RECEIVABLE (TRADE PAYABLE) REGARDING RELATED PARTIES	2024 R'000	2023 R'000
MERSETA	(16)	(5,936)
FP&M SETA	(73)	(53)
W&R SETA	(49)	(49)
INSETA	-	(615)
CETA	(16)	(10)
FASSET	-	(272)
SASSETA	(30)	(30)
SERVICES SETA	(37)	-
ETDP SETA	(6)	(3)
	(227)	(6,968)

Note that with regard to MICT SETA transfers the amount of the transaction, where applicable, includes interest and penalties transferred to or from the MICT SETA

23. RELATED PARTIES (CONTINUED)

2024	Basic R'000	Bonus and performance related payments R'000	Other short-term employment benefits R'000	Post- employment benefits R'000	Other benefits received R'000	Total R'000
CEO - Mr M Madibana	2,147	515	54	193	26	2,935
CFO - Mr M Mseleku (a)	1,577	231	163	116	19	2,106
CIO - Mr M Nkune	1,651	266	115	120	19	2,171
SM: 4IR - Ms G Sema	1,140	167	47	135	19	1,508
SM: SSP - Ms B Mokoena	1,209	162	72	72	19	1,534
SM: LPD - Mr E Nemughavhini	1,297	220	104	191	19	1,833
SM: EQTA - Natalie Nelson	1,439	227	58	84	19	1,827
Acting SM: Corporate Service- Natalie Nelson (b)	105	-	-	-	-	105
SM: Corporate Services - Mr I Mogashoa (b)	882	-	35	49	12	978
SM: Monitoring and Evaluation - Ms S Baloyi	1,219	200	81	78	19	1,597
Board Secretary - Ms K Qezu (c)	1,209	-	117	187	18	1,531
Manager: OCEO - Ms R Vetman	931	176	146	62	12	1,327
	14,806	2,164	992	1,287	201	19,452

- (a) The Finance Manager who was acting in the position of CFO, was appointed as CFO on the 1st April 2023.
- (b) The Senior Manager: Corporate Services was appointed in February 2023 and resigned from the organisation in November 2023, the SM:ETQA was appointed as the acting SM: Corporate Services.
- (c) The Board Secretary was appointed on the 1st May 2023.

23. RELATED PARTIES (CONTINUED)

2023	Basic R'000	Bonus and performance related payments R'000	Other short- term employment benefits R'000	Post- employment benefits R'000	Other benefits received R'000	Total R'000
CEO - Mr M Madibana (a)	1,925	320	33	168	24	2,470
Acting: CEO - Mr M Madibana (a)	42	-	-	-	-	42
CFO - Ms T Mokhabuki(b)	1,357	278	30	65	11	1,742
Acting: CFO - Mr M Mseleku (c)	364	-	-	-	-	364
CIO - Mr M Nkune	1,598	257	107	113	19	2,094
SM: 4IR - Ms G Sema	836	147	46	100	19	1,148
SM: SSP - Ms B Mokoena	1,043	65	65	60	19	1,253
SM: ETQA - Ms N Nelson	1,377	208	45	79	19	1,727
SM: LPD - Mr E Nemughavhini	1,255	182	96	181	19	1,734
SM: Corporate Services - Mr M Madibana (d)	105	-	3	10	2	119
SM: Corporate Services - Mr I Mogashoa (d)	232	-	4	14	3	253
SM: Monitoring and Evaluation - Ms S Baloyi	1,223	-	73	74	19	1,390
Board Secretary - Mr S Mabaso (e)	343	-	10	14	5	373
Board Secretary - Ms N Chauke (e)	243	-	15	15	5	277
Manager: OCEO - Ms R Vetman	899	98	135	58	12	1,201
	12,842	1,555	662	951	176	16,187

- (a) The Senior Manager: Corporate Services, who was acting in the position of CEO, was appointed as CEO on the 1st May 2022.
- (b) The former CFO of the organisation was placed on precautionary suspension during May 2022. The matter was investigated and an enquiry took place, she subsequently resigned from the organisation in October 2022. While on suspension she continued to receive her salary and full benefit until her resignation.
- (c) The Finance Manager was appointed on the 13 May 2022 as the Acting CFO. He acted in the position until 31 March 2023.
- (d) The new Senior Manager: Corporate Services was appointed on the 1st February 2023. The previous Senior Manager was appointed as CEO in May 2022.
- (e) The former Board Secretary was appointed in March 2022 and resigned in September 2022. The position was subsequently filled in January 2023, the newly appointed Board Secretary subsequently resigned in March 2023.

23. RELATED PARTIES (CONTINUED)

MANAGEMENT CLASS: BOARD MEMBERS 2024

	Board	FinRemco	Exco	Govco	ICT	Audit and Risk	SAECO	Other	Travel and Accommodation	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Mr S Thobela	108	23	148	66	12	-	11	257	1,051	1,676
Ms N Khumalo	84	-	120	71	-	-	-	62	50	387
Mr L Langa	80	75	-	-	-	-	44	62	27	288
Mr L Tyira	84	-	120	11	46	-	-	176	170	607
Mr T Mofokeng	84	-	120	-	35	-	-	71	25	335
Mr T Mamorobela	84	90	-	-	-	53	-	75	242	544
Mr S Zwane	84	-	120	-	-	-	57	74	49	384
Mr S Mantlhakga	84	-	-	76	35	-	-	68	340	603
Ms N Mlambo	62	-	-	35	-	-	32	44	19	192
Ms R Blaauw	75	73	-	-	35	-	-	64	27	274
Mr S Ngobeni (c)	-	-	-	-	-	58	-	74	2	134
Mr S Badat (b)	58	-	-	-	-	92	-	51	12	213
Mr G Labane (b)	11	-	-	-	-	53	-	18	9	91
Ms L Nkosi	-	-	-	-	-	71	-	36	9	116
Ms T Faye (a)	32	44	-	40	-	-	-	43	2	161
Mr V James	67	-	-	-	35	80	-	58	24	264
	997	305	628	299	198	407	144	1,233	2,058	6,269

- (a) Ms Faye was recalled by her organisation as a board member of the SETA in September 2023.
- (b) Mr Badat, Mr Labane and Ms Nkosi are independent members of the Audit and Risk Committee chaired by Mr S Badat.
- (c) Mr Ngobeni is an independent member of RMC, who chairs the Risk Management Committee and reports to ARC functionally.
- (d) Other fees include payments made to members of the board, for board preparation and attendance of other strategic meetings such as ministerial meetings and other stakeholder engagements
- (e) The remuneration of Board members above does not include Conference fees of R 0.947 million paid for on behalf of the board, R 0.242 million for catering, R 0.278 million for training, R 0.104 million for corporate memberships and R 0.168 for board corporate items as these are included as part of the board expenses in note 18

23. RELATED PARTIES (CONTINUED)

MANAGEMENT CLASS: BOARD MEMBERS 2023

	Board	FinRemco	Exco	Govco	ICT	Audit and Risk	SAECO	Other	Travel and Accommodation	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Mr S Thobela	133	-	161	60	6	6	-	279	1,479	2,124
Ms N Khumalo	121	-	116	69	-	-	-	40	33	379
Mr L Langa	112	51	-	-	9	-	9	54	13	248
Mr L Tyira	130	-	130	-	86	-	-	128	293	767
Mr T Mofokeng	130	-	125	-	47	-	-	56	13	371
Mr T Mamorobela	182	67	-	-	-	42	-	39	158	488
Mr S Zwane	125	-	125	-	-	-	11	81	40	382
Mr S Mantlhakga (a)	11	-	-	-	9	-	-	3	48	71
Ms N Mlambo (e)	-	-	-	-	-	-	-	-	3	3
Ms R Blaauw (a)	13	-	-	-	9	-	-	5	1	28
Mr S Ngobeni (b)	46	-	-	-	-	22	-	63	2	133
Mr S Badat (f)	-	-	-	-	-	100	-	98	3	201
Mr G Labane (f)	-	-	-	-	-	73	-	34	-	107
Ms L Nkosi (f)	-	-	-	-	-	48	-	20	1	69
Ms T Faye	126	43	-	85	-	9	-	26	3	292
Mr V James	125	-	-	13	56	56	-	16	24	290
	1,254	161	657	227	222	356	20	942	2,114	5,953

- (a) Ms R Blaauw and Mr S Mantlhakga were appointed as new board members of the Board on the 9th December 2022
- (b) Mr Ngobeni is an independent member of RMC, who chairs the management committee and reports to ARC functionally.
- (c) Other fees include payments made to members of the board, for board preparation and attendance of other strategic meetings such as ministerial meetings and other stakeholder engagements.
- (d) The remuneration of Board members above does not include Conference fees of R 0.721 million paid for on behalf of the board, as well as training for R0.149 million and Boardcorporate items amounting to R 0.093 million, R 0.052 million for subscriptions and R 0.100 million for catering these are included as part of the board expenses in note 18.
- (e) Ms Mlambo was appointed as part of the Board on the 1st February 2022
- (f) Mr Badat, Mr Labane, Ms Nkosi and Ms Faye are independent members of the audit and risk committee chaired by Mr S Badat.

23. RELATED PARTIES (CONTINUED)

NON-EXECUTIVE MEMBERS

The MICT SETA has, in the normal course of its operations, entered into certain transactions with entities which had a nominated representative or director serving on the MICT SETA Accounting Authority/Board.

	Transactions		Balances	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
TYPE OF TRANSACTION				
ADMINISTRATION EXPENDITURE				
CWU Commission an Promotional Items	-	(64)	-	-
MANDATORY (EMPLOYER) GRANTS EXPENDITURE				
Broadband Infraco	(207)	(186)	-	-
• Mr L Tyira				
Tata Consultancy Services	(246)	-	-	-
• Ms R Blaauw				
DISCRETIONARY GRANTS EXPENDITURE				
South African Mobile Devices Distributors and Repairers Association (a)				
• Mr L Tyira				
DISCRETIONARY GRANTS EXPENDITURE				
South African Mobile Devices Distributors and Repairers Association (a)	(6,718)	(5,668)	(1,698)	(1,058)
• Mr L Tyira				
Broadband Infranco	(67)	(381)	-	(67)
• Mr L Tyira				
Tata Consultancy Services	(1,616)	-	-	-
• Ms R Blaauw				
Democratic Postal and Communications Union	(2,800)	-	(1,050)	-
• Mr S Zwane				
Communications Workers Union	(1,960)	(2,695)	(2,152)	-
• Ms N Khumalo				
• Mr T Mamorobela				
• Mr S Mantlhakga				
South African Postal Workers Union	(3,150)	(2,800)	(1,505)	-
• Mr J Langa				
	(16,764)	(11,794)	(6,405)	(1,125)

24. EVENTS AFTER THE REPORTING DATE

The MICT SETA appointed Mr Mahlangu as Senior Manager: Corporate Services in May 2024 following the departure of Mr Mogashoa who resigned in November 2023.

	2024 R'000	2023 R'000
Fruitless and wasteful expenditure identified - current	125	1

Fruitless and wasteful expenditure is presented inclusive of VAT

The fruitless and wasteful expenditure identified in the current year amounted to R 0.124 million. R 0.007 million relating to traffic fines as well as incremental costs resulting from Employees having missed their flights, these amounts have been recovered in full. R 0,040 million results from payment made to service provider for deceased learners. The R0.040 million was recovered in full. the remainder of the fruitless and wasteful expenditure relates to R 0.032 million from a Cyber Phishing attack and R 0.045 million that was incurred as a result of an unprocessed resignation, these amounts are in the process of recovery over a period.

Additional disclosure on the Fruitless and Wasteful Expenditure will be included in the Annual Report in line with Instruction Note 4 of 2022/23 (PFMA Compliance and Reporting Framework)

26. IRREGULAR EXPENDITURE

Add: Irregular Expenditure - current	-	1,339
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Irregular expenditure is presented inclusive of VAT

During the year 2023/24 National Treasury deferred the condonation/approval of Irregular expenditure identified by management in the prior years to the Accounting Authority as per provisions in section 57 of the PFMA. R 3.1 million was subsequently approved for removal by the Accounting Authority in line with the provisions.

There are no incidents of irregular expenditure identified in the current year and no incidents are pending investigation or confirmation.

Additional disclosure on the Irregular Expenditure will be included in the Annual Report in line with Instruction Note 4 of 2022/23 (PFMA Compliance and Reporting Framework).

27. BUDGET DIFFERENCES

SKILLS DEVELOPMENT LEVY: INCOME FROM NON-EXCHANGE TRANSACTIONS

The year to date Skills Development Levy income received from DHET is R 1.146 million for the financial year. This is R 8.02 million below the approved budget of R 154 million, the budget considered inflationary increase of 7%, the SDL income is above prior year actuals by 1% which is within reasonable range. The SDL Interest and Penalties amounted to R 8.8 million, which is above the approved budget R 7.8 million.

FINANCE REVENUE

Finance revenue comprises of interest received from investments and bank balances, the variance is R 5.14 million (10.70%) above approved budget due to larger cash balances resulting from increased revenue as well as the increase in the repo rate.

MANDATORY AND DISCRETIONARY GRANT EXPENDITURE

Mandatory grant expenditure is 15.80% below the year to date approved budget of R 245.43 million due to some employers' WSP applications not being approved as a result of incomplete submissions. The expenditure is 8.85% above prior year actuals due to increase levies in current year and thus increased payout to employers.

Discretionary grant expenditure is below budget by 37.98% due to the budget figure having been amended to include the approval of the prior year surplus. The actual expenditure is below prior year actuals by 5.46%, this can be attributed to the restructure of the Discretionary Grant funding agreement with Service Provider in the current year in order to avoid non payment of stipends to learners by service providers. The discretionary expenditure includes project administration costs directly linked to Learning Programmes

27. BUDGET DIFFERENCES (CONTINUED)

ADMINISTRATION EXPENDITURE

Administration expenditure for 2023/24 is 14.34% below the budget due to cost containment measures implemented. The actual is 9.94% above prior year actuals due to increased salary costs on filling up of some strategic positions and ICT projects as a result of additional innovation programmes adopted by the organisation. Major variance of administration expenditure are indicated below.

DESCRIPTION	Original budget R '000	Final budget R '000	Actual expenditure R '000	Difference R '000
Compensation of employees	-	78,320	66,321	(11,999)
Legal fees	-	2,000	773	(1,227)
Consulting fees	-	1,000	1,250	250
Repairs and maintenance	-	788	209	(579)
ICT support costs	-	15,114	17,549	2,436
Building rentals	-	10,331	7,077	(3,254)
Marketing and advertising	-	5,450	4,080	(1,370)
Investigations	-	-	523	523
Depreciation & amortisation	-	8,637	4,064	(4,573)
External audit fees	-	4,237	4,276	39
Remuneration to board and sub-committees	-	10,397	8,008	(2,389)
Research	-	3,000	974	(2,026)
	-	139,274	115,104	(24,169)

28. PRIOR-YEAR ADJUSTMENTS

During the 2024 financial period, it was identified that Discretionary Grants expenditure amounting to R13 million was not recognised in the statement of financial performance for the year ended 31 March 2023 due to how MICT SETA assessed the obligation in Discretionary Grants expenditure. In the prior years, MICT SETA assessed its obligation for the Discretionary Grants expenditure transactions once all deliverables per Annexure A of the contract were met, this approach was informed by the nature of the Discretionary Grants expenditure which entails the intensive verification process of all supporting documentation. As part of the improvement in the SETA's business processes, in the current year MICT SETA assessed its obligation for the Discretionary Grants expenditure transactions on the basis of the site visit report approved by the SETA officials.

The amount of R 6 million relates to the Discretionary Grants liability that was recognised in the 2019/20 financial year, as a result of these transactions having been found to be awarded irregularly, MICT SETA did not settle the obligation. During the 2024 financial period, it was identified that the de-recognition of the liability should have been effected in the prior years.

The re-statement of these transactions was done retrospectively, inline with GRAP 3. Below are the transactions and balances that were restated.

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023	As previously reported R '000	Prior year adjustments R '000	Restated R '000
Increase in accounts payable from non-exchange transactions	97,570	6,529	104,099
Decrease in net assets /accumulated surplus	542,772	(6,529)	536,243
	640,342	-	640,342

28. PRIOR-YEAR ADJUSTMENTS (CONTINUED)

STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023	As previously reported R '000	Prior year adjustments R '000	Restated R '000
Increase in discretionary grants expenditure	771,573	12,137	783,710
Decrease in net assets /accumulated surplus	22,948	(12,137)	10,811
	794,521	-	794,521

29. SEGMENT INFORMATION

GENERAL INFORMATION

The entity is organised and reports to management on the basis of three major functional areas being: administration, discretionary and mandatory grants. The segments were organised around the type of levies received in terms of the Skills Development Act. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The comparative figures on the Segment's note were updated to show the split between the administration cost and the project administration costs that are directly linked to Learning Programmes in line with the utilization of the 7.5% Project administration cost as set out in the SETA Grant Regulations. This disclosure is done to enhance the usefulness and fair presentation of the Annual Financial Statements.

SEGMENT SURPLUS OR DEFICIT, ASSETS AND LIABILITIES

2024 REVENUE	Administration R '000	Mandatory R '000	Discretionary R '000	Total R '000
Revenue from non-exchange transactions				
Skills Development Levy: Income	150,519	286,781	709,654	1,146,954
Skills Development Levy: Interest and penalties	-	-	8,808	8,808
Other revenue - grants received	215	-	-	215
Revenue from exchange transactions				
Interest income	-	-	53,242	53,242
Other income	871	-	-	871
NSF income	-	-	1,775	1,775
FASSET income	-	-	1,134	1,134
Total segment revenue	151,605	286,781	774,613	1,212,999
Entity's revenue				1,212,999

29. SEGMENT INFORMATION (CONTINUED)

2024 EXPENDITURE	Administration R'000	Mandatory R'000	Discretionary R'000	Total R'000
Depreciation and amortisation	66,321	-	29,442	95,763
Other administration expenses	4,064	-	-	4,064
Employer grant and project expense	66,384	-	2,999	69,383
NSF expense	-	206,650	731,473	938,123
FASSET expense	-	-	1,775	1,775
UIF expense	-	-	1,134	1,134
Total segment expenditure	136,769	206,650	766,823	1,110,242
Total segmental surplus/(deficit)	14,836	80,131	7,790	102,757

ASSETS

Non-current assets	11,664	-	-	11,664
Consumables	300	-	-	300
Accounts receivable from exchange transactions	4,687	-	-	4,687
Accounts receivable from non-exchange transactions	-	772	-	772
Total segment assets	16,651	772	-	17,423

Cash and cash equivalents

781,360

Total assets as per Statement of financial Position

798,783

LIABILITIES

Accounts payable from exchange transactions	12,036	-	-	12,036
Accounts payable from non-exchange transaction	-	31,921	63,117	95,038
Provisions	12,958	16,242	-	29,200
Deferred Revenue	-	-	23,510	23,510
Total segment liabilities	24,994	48,163	86,627	159,784
Total liabilities as per Statement of financial Position				159,784

2023

REVENUE	Administration R'000	Mandatory R'000	Discretionary R'000	Total R'000
Revenue from non-exchange transactions				
Revenue from non-exchange transactions	-	-	-	-
Skills Development Levy: Income	143,549	267,150	676,500	1,087,199
Skills Development Levy: Interest and penalties	-	-	8,808	8,808
Other revenue - grants received	176	-	-	176
Revenue from exchange transactions				
Interest income	-	-	34,089	34,089
Other income	66	-	-	66
UIF income	-	-	9,097	9,097
Total segment revenue	143,791	267,150	728,494	1,139,435
Entity's revenue				1,139,435

29. SEGMENT INFORMATION (CONTINUED)

2023 EXPENDITURE	Administration R'000	Mandatory R'000	Discretionary R'000	Total R'000
Cost of employment	57,762	-	22,982	80,744
Depreciation and amortisation	6,969	-	-	6,969
Other administration expenses	58,444	-	1,308	59,752
Employer grant and project expenses	-	188,352	783,710	972,062
UIF expenditure	-	-	9,097	9,097
Total segment expenditure	123,175	188,352	817,097	1,128,624
Total segmental surplus	20,616	78,798	(88,603)	10,811

ASSETS

Non-current assets	11,466	-	-	11,466
Consumables	238	-	-	238
Accounts receivable from exchange transactions	4,378	-	-	4,378
Accounts receivable from non-exchange transactions	-	1,900	-	1,900
Total segment assets	16,082	1,900	-	17,982

Cash and cash equivalents

661,155.

Total assets as per Statement of financial Position

679,137

LIABILITIES

Accounts payable from exchange transactions	10,848	-	-	10,848
Accounts payable from non-exchange transactions	-	36,297	67,802	104,099
Deferred revenue	-	-	3,000	3,000
Provisions	8,483	16,464	-	24,947
Total segment liabilities	19,331	52,761	70,802	142,894
Total liabilities as per Statement of financial Position				142,894

MICT SETA REGIONAL OFFICES

KwaZulu-Natal, Durban

Durban Bay House

4th Floor | 333 Anton Lembede Street

PO Box 763 | Durban | 4000

Tel: 031 307 7248

North West, Satellite Office, Klerksdorp | Vuselela TVET College

Jourberton Centre For Engineering Studies

11900 5th Street | Jourberton Township

Tel: 010 003 5506

Western Cape, Cape Town

The Boulevard Office Park Block F, Ground Floor

Searle Street |

Woodstock | Cape Town

Tel: 021 461 3926

Fax: 021 461 3939

Eastern Cape, East London

12 Esplanade

Quigney

East London

Eastern Cape

Tel: 043 726 0763

Fax: 043 726 0709



MICTSETA

Media, Information And
Communication Technologies
Sector Education And Training Authority

SHAPING SKILLS, PIONEERING INDUSTRIES, EMPOWERING FUTURES



**Head Office
Midrand**

Block 2, Level 3 West
Gallagher House
Gallagher Convention Centre
19 Richards Drive
Halfway House
Midrand
1685



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