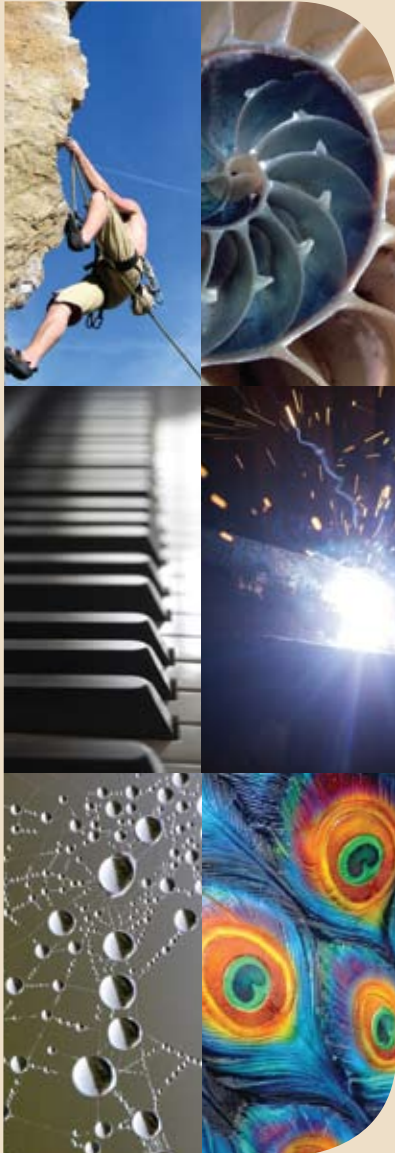


# BANKSETA



## A SETA you can BANK on 2009

*Delivery on the National  
Skills Development Strategy*

*Viability and relevance  
of the SETA*

*Alignment to the future in  
skills development*

*An efficient and effective  
administration system*

*Processes in accordance  
with legislation*



Copies of the BANKSETA corporate DVD 2009 available on request from [calcentre@bankseta.org.za](mailto:calcentre@bankseta.org.za)

*Improving lives, uplifting skills*

## Annual Report 2008/09



**labour**

Department:  
Labour  
REPUBLIC OF SOUTH AFRICA



## Mission Statement

“To support transformation and people development, and through partnerships to enable stakeholders to advance the national and global position of the broader banking and microfinance industry.”

## Values

- Celebrating diversity;
- Professionalism;
- Innovation;
- Team work;
- Customer focus;
- Respect; and
- Integrity.



labour

Department:  
Labour  
REPUBLIC OF SOUTH AFRICA



## Annual Report of the BANKSETA 2008/09

Copywriting:	Carol Butcher
Design, layout and printing:	Kashan Advertising
Photography:	Peter Morey
RP:	85/2009
ISBN:	978-0-621-38607-3

Department of Labour  
Laboria House  
Pretoria



**Minister MM Mdladlana, MP**  
*Minister of Labour*

Honourable Minister, it is with pleasure that we present to you the Annual Report of the BANKSETA for the period 1 April 2008 to 31 March 2009.



**Sipho Ngidi**  
*Chairman*

# Contents

Chairman's Report	2
Chief Executive Officer's Review	4
The BANKSETA Team	6
Delivery on the National Skills Development Strategy	8
Service Level Agreement (SLA)	8
Skills Development	8
Learnerships	10
Development Programmes	10
Education and Training Quality Assurance (ETQA) Projects	11
Provincial Footprint	11
Alignment to the Future in Skills Development	13
Quality Council for Trades and Occupations (QCTO) Pilot Project	13
Research	13
International Conference	13
Viability and Relevance of the BANKSETA	15
Customer Satisfaction Survey	15
Communication and Marketing	15
Small and Medium Enterprises (SME) Support	15
Relevance	15
An Efficient and Effective Administrative System	17
Guiding Principles	17
Governance	17
Administration	20
Human Resources	20
Balance Scorecard	20
Human Resource Policy	20
Training	21
BANKSETA Values	21
Processes in Accordance with Legislation	23
Annual Financial Statements	23
Education and Training Quality Assurance (ETQA)	23
Broad-based Black Economic Empowerment (BBBEE)	23
Annual Financial Statements	24
Statement of Responsibility	25
Auditor General's Report	26
Audit Committee Report	29
Accounting Authority's Report	30
Statement of Financial Performance	32
Statement of Financial Position	33
Statement of Changes in Net Assets	34
Cash Flow Statement	35
Accounting Policies to the Annual Financial Statements	36
Notes to the Annual Financial Statements	42
Appendices	67
Appendix A: Achievements against Service Level Agreement (SLA) targets	67
Appendix B: Registered BANKSETA Learnerships	69
Appendix C: Expenditure on Discretionary Sector Grant Projects	71
Appendix D: Staff Profile and Employment Equity	77
Appendix E: Staff Remuneration	78
Abbreviations	79

## Chairman's Report



Since its establishment in 2000, the BANKSETA has been widely regarded as one of the best Sector Education and Training Authorities (SETAs) in the country. It was very gratifying therefore, to be recognised by the Department of Labour (DoL) at the 2008 National Skills Conference as one of the top three SETAs in the country. Recognition was based on Service Level Agreement (SLA) targets entered into with the DoL for the financial year 1 April 2007 to 31 March 2008.

We acknowledge this position with pride, but at the same time, acknowledge that this is our rightful position. We intend to maintain this level of excellence so that we are an institution that is truly helpful in terms of improving skills levels within the sector. We strive, on an annual basis, to achieve all our SLA targets and the year under review was no exception.

An unqualified audit for the ninth year in succession points to the seriousness with which we view our mandate. It also reflects the commitment of Management and the BANKSETA Council to govern the affairs of the BANKSETA in a proper and professional manner.

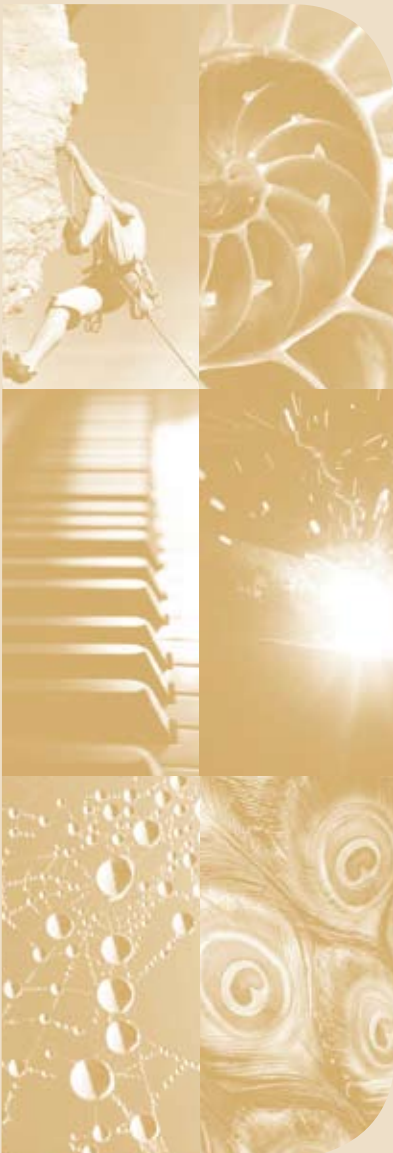
During the review period, BANKSETA Council was evaluated by the Institute of Directors (IoD). We wanted to understand how we shaped in terms of institutional norms and sought to benchmark our processes against industry in South Africa. We were impressed with the results, which were positive overall. Some pointers were provided to take the BANKSETA Council to the next level and these will be implemented.

Every Council member is of the opinion that all aspects of corporate governance have been respected by every member. However, we would like to review our Council on an annual basis, to gauge our progress.

We have maintained our international footprint. We have learnt a number of credible lessons from the International Executive Development Programme (IEDP): Canada and have sought to broaden that experience through our IEDP: UK and the international experience gained in India through the Women's Development Programme (WPD). As part of our international programmes, we believe it is very important to partner with local Universities as this develops capacity in South Africa and broadens the capacity of the country as a whole.

We occasionally lose Council members and this year was no exception: Business members, Lawrence Mlotshwa and Rais Pearson resigned. We will miss their input.

I will hand over the reins as Chairperson of the BANKSETA Council shortly after the election of South Africa's fourth democratically elected government. The incoming government will probably re-look at a number of offerings, including skills development. We would like to continue to be part of the debates around skills development to ensure that skills development takes centre stage.



---

I remain a committed member of the BANKSETA Council. I would like to take this opportunity to thank my fellow BANKSETA Council members for their outstanding contribution over the past year. They have prepared for meetings and applied themselves in an exemplary manner. I have always been very proud to head up a Council of this calibre.

In conclusion, I extend my appreciation to the DoL for its ongoing assistance and support over the past year.

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line and a small flourish.

**Sipho Ngidi**  
*Chairman*

## Chief Executive Officer's Review



The financial services sector is going through a very difficult time, globally. The resilience shown by South Africa's financial system can be attributed in part to investments made in human capital during the 'good times'.

Our current operating licence expires on 31 March 2010. As we approach the end of the National Skills Development Strategy II (NSDS II), it is opportune to review what we have done and to cast our eyes forward in terms of the future. Naturally, the world we are moving into will be different from the world we are in now, and the challenges that we will face in the next five years will be different from those that we have experienced over the past four years.

South Africa has a new president, and a new administration. There will be nuances in the way in which government views training and development. We believe, however, that the foundations that we have laid over the past nine years will serve us well going forward. Despite the challenges that we face, we remain the SETA our sector can bank on.

We have always enjoyed strong support from our sector and this has played a critical role in our ongoing success. Despite uncertainties surrounding the future SETA landscape, we have been able to attract and retain staff of a very high calibre. This too, has played an important role in our ongoing success.

The financial services sector remains the pre-eminent sector in South Africa and will continue to drive the country's economic growth. There is no escaping the fact that foreign investors are attracted to South Africa by the country's political stability and the sophistication and competence of this sector.

Transformation is the largest part of our mandate and to accelerate social transformation through skills development is one of our guiding principles. We have been tasked with making our sector more representative in terms of both race and gender. The work we have done in this regard, in partnership with our sector, shows that our sector can be transformed, without compromising quality or cost.

We have introduced a number of innovations, including investing in the training of accountants and supporting Centres of Excellence. The latter play an important role in assisting black students to improve the quality of their Senior Certificate passes in Mathematics, English and Accounting. Within the next ten years, project beneficiaries will be our employees, and possibly even managers in our sector. The BANKSETA, together with its stakeholders in the banking and microfinance sectors, recognises the long-term benefits that accrue from investing in these learners.

The operating environment will change, and prosperity and growth will return. It is imperative that the banking and microfinance sector continues to train employees, ensuring that when the tide turns, it is well positioned to take advantage of that growth.

The BANKSETA has become very good at nurturing and developing human capital and will remain at the forefront of human resource development within the sector.





The sector has shown its confidence in us in terms of supporting our re-licensing and we have every hope and belief that we will be re-licensed in our current format.

While SETAs are not universally popular, what we stand for as the BANKSETA cannot be disputed. The quality and calibre of people who have been developed through the BANKSETA's skills upliftment initiatives - current employees inside banks and microfinance institutions, from junior and middle management levels to executive levels - speaks for itself.

We have terminated our IEDP: Canada initiative, replacing this with a partnership with the Gordon Institute of Business Science (GIBS) and the Rotterdam School of Management (RSM) Erasmus University, in the Netherlands. This new partnership will reduce costs, without compromising quality. The Netherlands has strong historical ties with South Africa and our developmental agenda, in terms of transformation,

resonates well with the way in which the Dutch view the world. We have found partners who understand where we are coming from and where we want to go as a country.

I would like to thank the Chairman and the BANKSETA Council for their support and guidance throughout the past year. I would also like to thank the BANKSETA staff and management for their ongoing hard work, commitment and dedication. Your efforts are transforming the lives of countless South Africans.



**Max Makhubalo**  
*Chief Executive Officer*

## The BANKSETA Team



**Back row:** *Deerani Naidoo, Mirriam Chauke, Jollette le Roux, Madeleine Pelzer, Precious Sikhosana, Busisiwe Lubisi, Sharissa Naicker, Charmaine Janisch and Wendy Mtimkulu*

**Middle Row:** *Dimakatso Seete, Sharon Mokgwatlheng, Nobuzwe Mangcu, Ayanda Maki, Auma Nhane, Siphelo Ngcwangu, Mary Baloyi, Nyeko Mayimela and Caroline King*

**Front row:** *Christine Fritz, Kaamini Reddy, Trevor Rammitlwa, Max Makhubalo, Karen Hobbs, Paulette Bourne, Lynette Mentor and Dineo Mabena*

**Not pictured:** *Sandra Dunn, Daphne Hamilton, Paballo Phiri, Melanie Mulholland, Ernest Nkuna, Thamsanqa Malinga, Eva Tabane, Judith Matukane, Phumeza Dlungwana and Thandiwe Mgwaba*





# Delivering skills

**skill** /skɪl/ *n.* expertness, practised ability, facility in an action, dexterity or tact.

# Delivery on the National Skills Development Strategy

The BANKSETA's ninth year of operation (1 April 2008 to 31 March 2009) proved to be another very good year for the SETA. Most NSDS II targets were met or exceeded.

## Service Level Agreement (SLA)

SETAs are required, on an annual basis, to enter into an SLA with the DoL stating their contribution towards the overall achievement of NSDS targets in any particular year. Annual targets contribute towards the achievement of the five-year NSDS II targets.

The BANKSETA is very pleased to report that during the period under review, the BANKSETA over-achieved against most targets, effectively scoring 120% against most of the set targets and obtaining a five out of five rating overall in the following areas:

- An efficient and effective administrative system;
- Processes in accordance with legislation;
- Delivery on the NSDS;
- Alignment to the future in skills development; and
- The viability and relevance of the SETA.

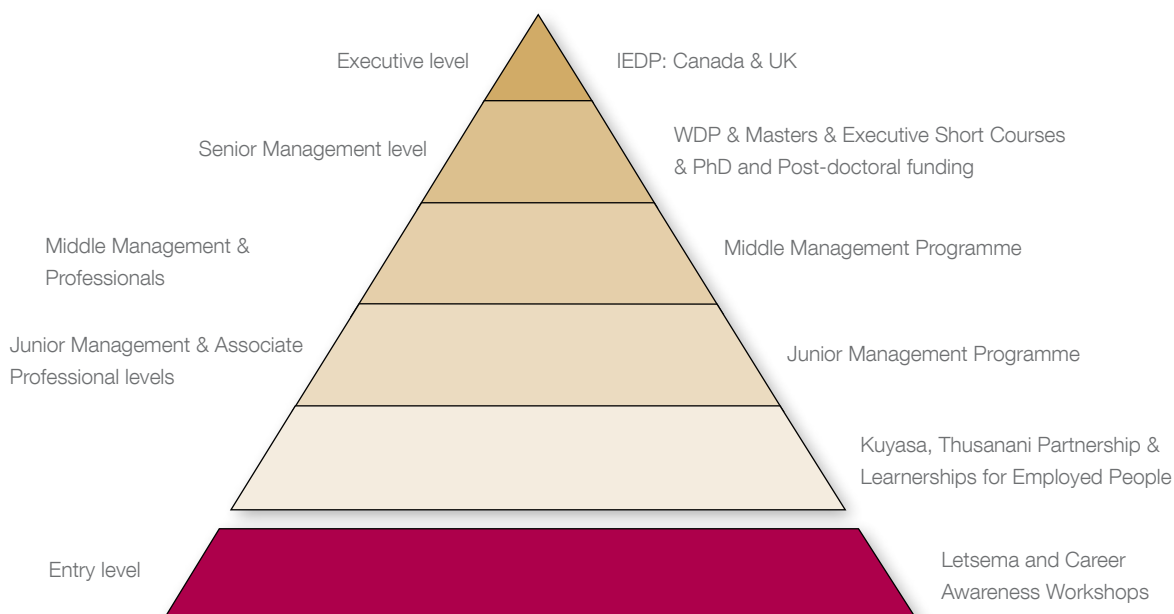
The BANKSETA has achieved, and in some instances exceeded most of its SLA targets by implementing a range of targeted, interventions, including Learnerships, Development Projects, Lifelong Learning interventions, Career Guidance Workshops, Career Days, New Venture Creation Initiatives, Bursaries, Training Voucher Schemes, and Centres of Excellence. These interventions have developed the skills of people within the sector, as well as people external to the banking sector. Details of some of the programmes appear in Figure 1 below.

Details of achievements against SLA targets appear in Appendix A on page 67 of this Report.

## Skills Development

Two sector information sessions were held with the sector, with the focus being on communicating the latest changes in legislation. Through these, detailed presentations and discussions were held on the amendments to the Skills Development Act, including an introduction to Quality Council for Trades and Occupations (QCTO) and the New National Qualifications Framework (NQF) Bill.

Figure 1: Skills upliftment product offerings





The BANKSETA also assisted stakeholder organisations with preparations towards the submission of their Workplace Skills Plans (WSP) and to this end many companies were able to submit their reports on time. The BANKSETA exceeded its target in terms of support for large and medium companies.

SETAs are required to update their Sector Skills Plans (SSPs) on an annual basis. Sufficient capacity has been developed to produce the SSP in-house. The SSP was disseminated broadly to around 600 stakeholders, including universities in South Africa.

Following an agreement with the Gauteng Department of Education through the Gauteng City Region Academy, the BANKSETA hosted twenty-three workshops for Life Orientation educators in high schools in the Gauteng province. The workshops were devised to empower educators to advise young people about careers in the banking sector. Other Career Guidance Workshops were held for Skills Development Facilitators (SDFs).

The BANKSETA also participated in the Cape Learning Festival. Career Days were held for learners in Mannenburg and Khayalitsha in the Western Cape. Career Days were also held in partnership with Junior Achievement South Africa (JASA) in Kimberley, Bisana and Lusikisiki.

An IT Career Day was held in partnership with Sayabona. This too, proved very successful.

Providing support for levy-paying Small and Medium Enterprises (SMEs) is often quite challenging. The BANKSETA was nevertheless able to make inroads. At no cost whatsoever

to registered BANKSETA SME stakeholders, half-day National Credit Act Workshops were offered in all nine provinces. Well supported, some 408 delegates in total attended.

Feedback from these workshops was very positive. One of the delegates wrote:

*"I would like to thank you all for enriching our minds about issues on the National Credit Act through the lifelong learning and would like to congratulate the team on a job well done. Thank you, BANKSETA, for welcoming us into your home; we feel part of the family now. I thank you."*

SMEs were also provided with support to complete their WSPs. A number of companies were visited including companies in KwaZulu-Natal and the Eastern Cape.

The BANKSETA also exceeded its target for supporting small Black Economic Empowerment (BEE) companies. Initiatives included the Building a Better Business Project. Ten SMEs in rural KwaZulu-Natal completed the Building a Better Business training. Participants included micro-lenders, a bridging finance company and debt collecting companies.

People in employment were supported through the BANKSETA's SME Training Voucher Scheme. Available to levy paying and non-levy paying SMEs registered with the BANKSETA, Training Vouchers were aligned to skills priority areas. SMEs were invited twice during the review period to make application and were able to apply for up to R10 000.00 in training vouchers per employee. Table 1 reflects details of the project.

*Table 1: Training Voucher Project 2008/09*

No. of applications	330 SME Applications	Total amount allocated – R3 749 161.00
No. of approved applications	307 SME Applications	Total amount allocated – R3 474 976.00
No. of vouchers issued	1619	R3 474 976.00
No. of vouchers redeemed	1428	R3 092 317.00
No. of training providers participating in 2008 project	113	



### Learnerships

The practical application of knowledge makes learnerships the preferred vehicle to transfer meaningful skills to both employed and unemployed learners.

Fifty-one learnerships were registered with the DoL to address the skills requirements for the broader banking and microfinance sector.

Details of learnerships appear in Appendix B on page 69 of this Report.

Since the year 2000, some 16 217 learners have been signed onto BANKSETA learnerships. Of these 7 989 were existing employees, and 8 228 were previously unemployed.

The BANKSETA's flagship Letsema and Kuyasa projects, targeting unemployed learners, have achieved a 75 - 85% employment rate since inception.

The Letsema Learnership has exceeded its ambitious target of equipping 5 000 unemployed learners with skills that will render them employable. This target was exceeded with the launch of Letsema VI. Some 5 206 learners in total have been signed onto the learnership.

The postgraduate Kuyasa Learnership has also proved very successful. One hundred and twenty-two learners graduated in March, bringing the total number of Kuyasa graduates to date to 402. Some 140 learners were enrolled onto the Kuyasa 2009 Programme.

Based on the success of the Thusanani Work Readiness Programme, Council approved funding for a second tranche of 100 learners. Seventy percent of learners who completed the first Thusanani Work Readiness Programme in June 2008 have already been placed in employment.

For the second year in succession, the BANKSETA funded learners on the Bridging the Gap Programme. Some 35 learners have graduated from the programme since its inception. Sixteen learners were accepted onto the Letsema VI Learnership, which commenced in February 2009.

### Development Programmes

Offered for four years in succession, the IEDP: Canada ended on a high note. The programme enabled over forty senior South African bankers to obtain international work experience. Candidates on the 2008 Programme researched three topics: *"How can banks become more innovative?"*; *"Paper to Plastic"*; and *"The hopping banker. Why are South African banks failing to bank their talent, and what can they do about it?"*

The programme has been replaced with the IEDP: Europe, offered in partnership with GIBS, University of Pretoria and the RSM, Erasmus University, in the Netherlands. The BANKSETA believes this programme is more appropriate in terms of the South African banking environment.

The IEDP: UK was offered for the second year in succession. Some 8 candidates participated in the programme. Candidates researched two topics: *"Public and private partnerships for infrastructure development in South Africa: a prerequisite for South Africa's sustainable growth"* and *"Leadership in turbulent times"*. Candidates on both programmes presented their business cases to a high-level panel of bankers in their host country and in South Africa.

Candidates on the 2008 WDP undertook a successful study tour to India, visiting leading companies in Mumbai and Bangalore. One of the highlights was a dinner hosted by the BANKSETA Chief Executive Officer (CEO), Max Makhubalo, with guests including the South African Consul General, Ms Busi Kuzwayo. The Closing Conference entitled *"The Future is Now"* was a resounding success. Candidates presented a business case for: *"Blue Ocean Strategy in Banking"*, and *"The exploration of banking possibilities in sub Saharan Africa"* and *"Leadership 2009 and beyond"*. This was the final WDP and future candidates will be integrated into the Junior and Middle Management Programme (JAMM) and the IEDP.

Launched in May 2008, JAMM is playing an important role in increasing the pipeline of managers at junior and middle management levels. Phase I of the programme has been completed successfully and 65 candidates have graduated from the programme. More than 400 candidates will complete the programme over an 18 month period.

The Masters' and Executive Courses were taken up by 17 employers with a total of 77 beneficiaries. This project shows an increase in participation from previous years.



Doctoral and post-doctoral research is very important in areas pertinent to the banking and microfinance sector. Recognising the importance thereof, the BANKSETA took a strategic decision to fund high level research in areas that support priority skills in the banking and microfinance sectors. The research findings will be shared with the sector.

### Education and Training Quality Assurance (ETQA)

The NSDS II requires SETAs to promote employability and sustainable livelihoods through skills development. SETAs are required to support non-levy paying enterprises, non-governmental organisations (NGOs), Community Based Organisations (CBOs) and community-based co-operatives with skills development initiatives. To achieve this objective, the BANKSETA funded a Financial Literacy Project in remote areas such as Disaneng, Kraaipan and Ingwavuma. Fourteen co-operative banks, 22 board members and 25 staff were trained. The project enabled the BANKSETA to exceed its NSDS target for co-operative banks.

A BANKSETA-funded new venture creation was launched in Hammersdale, Mandeni and Paarl. Thirty candidates participated in the programme. Three Further Education and Training (FET) Colleges, Umfolozi, Elangeni and Paarl, were involved in capacity building.

### Provincial Footprint

In terms of SLAs with the DoL, the BANKSETA is required to meet indicators for national roles. While the BANKSETA has always had provincial reach through its Letsema Learnerships, Career Awareness Projects and various other interventions, considerable inroads were made over the past 12 months to broaden and deepen the BANKSETA's provincial footprint.

In July 2008, a Provincial Liaison Specialist was appointed. This has provided the BANKSETA with a more formalised focus in the provinces. Undoubtedly one of the highlights in terms of extending the BANKSETA's provincial footprint was the launch on 19 May 2008 of the Thuthuka Resource Centre Project. The launch was attended by His Excellency, King Zwelonke Sigcawau and the then Minister of Labour, Minister Membathisi Mdladlana.

Institutes of Sectoral Excellence (ISOEs) have been established in Libode: Umtata Triset; and Bizana: Nompumalanga Special School and Lusikisiki College of Education. The project has been devised to improve the skills levels of educators in Mathematics, Accounting, English and Science.

During the period, 1 265 educators received subject specific educator training; 210 educators received classroom management and educator training; 54 educators received accredited mentorship educator training; and 30 educators received train-the-trainer training.

During the period under review the BANKSETA attended all the Provincial Skills Development Forums (PSDFs). The Premier's Office in the various provinces was contacted to ascertain how the BANKSETA can become involved in growth and development strategies at a provincial level.

The IEDP: Canada, IEDP: UK and the WDP have entrenched the BANKSETA's global footprint. Bankers, business people and academics from leading institutions have been very impressed with the calibre of South African bankers and have confirmed that our bankers are truly world-class.



# Future aligned

**align** /əˈlaɪn/ *v.tr.*

**1** put a straight line or bring into line.

**2** esp. *Polit.* (usu. foll. by *with*) bring into agreement or alliance with (a cause, policy, political party, etc.)



# Alignment to the Future in Skills Development

---

## Quality Council for Trades and Occupations (QCTO) Pilot Project

QCTO will be implemented in 2010. Seeking to ensure a seamless transition to the QCTO, the BANKSETA has launched a QCTO Pilot Project. Working in partnership with the Milpark Business School and the Institute of Bankers (IoB) the QCTO curriculum and qualification for the Bank Worker occupational award have already been developed.

## Research

Research plays a critical role in ensuring alignment to the future in skills development. Recognising this importance, the BANKSETA commissioned research resulting in a research Report entitled "Future Skills in the Banking Sector," which was presented to the sector in April 2008.

Having identified developments which are driving change in the banking and microfinance sector, and the resultant future skills needs, and disseminated this information broadly, the BANKSETA, together with the sector, training providers and institutions of Higher Education is able to pre-empt skills needs and ensure that the necessary skills are developed timeously to ensuring the sound functioning and continued competitiveness of the banking and microfinance sector in South Africa.

In addition, research was conducted to establish the top three scarce skills in banking. These were identified as Risk Management, Information Communications Technology (ICT), and Customer Relationship Management. Having identified scarce skills, in partnership with its sector, strategies can be devised to alleviate these skills shortages.

## International Conference

International Conferences play an important role in ensuring that the sector remains abreast of international best practice and trends and developments in banking internationally. The BANKSETA hosted its bi-annual International Conference in August 2008. Themed "*Globalisation and the Future of Banking*," senior financial sector managers and beneficiaries of BANKSETA programmes enjoyed outstanding presentations and stimulating discussions from both local and international experts in their fields. Highly relevant to the sector, the conference investigated future scenarios within the banking sector and also provided a global perspective on Human Resources Development within the sector. The research and benchmarking provided a contextual basis from which to determine what is relevant to the core of skills development across all banks.

# Significantly relevant

**relevant** /'relɪv(ə)nt/ *adj.* bearing on or having reference to the matter in hand.



# Viability and Relevance of the BANKSETA

## Customer Satisfaction Survey

Mention should be made of the annual Customer Satisfaction Survey which has been conducted since 2001. These surveys play an important role in monitoring whether the BANKSETA is perceived to be addressing sector needs, while at the same time meeting sector expectations in terms of customer service and delivery in every facet of the operation.

The overriding objective is to determine how satisfied customers are in terms of current levels of service. The research findings confirmed that service levels have remained constant over the past year.

- The BANKSETA achieved its highest ratings for industry knowledge, helpfulness, overall service and reliability;
- More than 60% of stakeholders said the BANKSETA was meeting their expectations;
- 29% of stakeholders said the BANKSETA exceeded their expectations;
- The number of customers using BANKSETA research has increased by 15%;
- 75% of stakeholders were interested in attending workshops where research was discussed in more detail; and
- The proportion of individuals who believe the range of learnerships meets company needs increased by 20%.

Responsive to skills needs within the banking and microfinance sector, the BANKSETA continues to devise innovative projects and interventions that meet the skills needs of the sector, enabling stakeholders to advance the national and global position of the broader banking and microfinance industry.

## Communication and Marketing

Communication and Marketing continue to play an important role in ensuring that all stakeholders, including the media are kept informed about BANKSETA's skills upliftment initiatives and achievements against NSDS targets. A high media profile, supported by a strong track record of delivery against NSDS targets, and strong corporate governance, has ensured that the BANKSETA has always been perceived as one of the top SETAs in the country and, therefore, a SETA that is sustainable. The notion of sustainability and viability is further enforced by the BANKSETA's impeccable record of nine unqualified audits in succession.

## Small and Medium Enterprises (SME) Support

In terms of the BANKSETA's relevance, it is important to recognise that a high proportion of member organisations are SMEs. Offered at no cost whatsoever to SMEs registered with the BANKSETA, lifelong learning initiatives, and Training Vouchers play an important role in ensuring that the skills levels of their employees remain at the cutting edge. For many SMEs in the sector this training would otherwise be unaffordable.


## Relevance

The banking and microfinance sector operates in a rapidly changing environment and the recent meltdown in global financial markets attests to this fact. For this reason, skills upliftment initiatives are closely monitored on an ongoing basis to ensure that they are relevant and continue to meet skills needs within the sector.

The BANKSETA only implements skills upliftment initiatives if a real need has been identified within the sector. At this juncture, a decision has not yet been taken to extend the Letsema Learnership beyond Letsema VI. A decision to either terminate or extend the initiative will be informed by an analysis of employment rates and careful analysis, together with the sector, as to whether this qualification is still applicable.

In a similar vein the BANKSETA commissioned a needs analysis to determine the impact and validity of current BANKSETA training interventions for the microfinance industry and to identify additional needs for training. The 2008 Microfinance Needs Analysis confirmed the sector's preference for short courses; the need to continue with the Training Voucher Scheme; and the need to prioritise training on the National Credit Act. Training interventions will continue to be offered in line with the sector's needs and preferences.





# Efficiently effective

**efficient** /ɪ'fɪl(ə)nt/ *adj.*

**1** productive with minimum waste or effort.

**2** (of a person) capable; acting effectively.

# An Efficient and Effective Administrative System

## Guiding Principles

By embracing its guiding principles, namely to leverage the Skills Levy Funds for the strategic benefit of the sector and the NSDS; be cost effective, placing value on the swift delivery of services at the lowest cost and co-source non-core delivery mechanisms; and employ leading edge technology and best business practices, the BANKSETA has created an efficient and effective administrative system.

## Governance

A strong BANKSETA Council plays a critical role in ensuring that the BANKSETA is an efficient and effective organisation, capable of delivering consistently against its NSDS II targets.

The BANKSETA is committed to principles and practices that will provide stakeholders with the assurance that the organisation is managed soundly and ethically. Its business and reporting are therefore undertaken in line with the Code of Corporate Practices and Conduct, as set out in the King II Report, the Public Finance Management Act (PFMA) (Act No. 1 of 1999) and the Skills Development Levies Act (Act No. 9 of 1999).

Council members are appointed in terms of the BANKSETA Constitution. Details of the members of the BANKSETA Council for the period under review and meetings attended appear in Tables 2 and 3 following.

Table 2: BANKSETA Council 2008/09

Council Member and Tenure	Constituency	Capacity	Gender	Race
Sipho Ngidi	Standard Bank of South Africa	Chairman Independent, non-executive member	Male	Black
Eugene Ebersohn	Sasbo	Deputy Chairman, Independent, non-executive member	Male	White
Hennie Ferreira	MFSA	Independent, non-executive member	Male	White
Vanessa Hattingh	Sasbo	Independent, non-executive member	Female	White
Francois Hugo	FirstRand	Independent, non-executive member	Male	White
Jenny Jetha	SA Reserve Bank	Independent, non-executive member	Female	Coloured
Modime Joe Kokela	Sasbo	Independent, non-executive member	Male	Black
Lawrence Mlotshwa/ Ronald Ramabulana	Absa	Independent, non-executive member	Male	Black
Isaac Ramputa	Sasbo	Independent, non-executive member	Male	Black
Ben Venter	Sasbo	Independent, non-executive member	Male	White
Eugene Zeeman	IBSA	Independent, non-executive member	Male	White
Shirley Zinn	Nedbank	Independent, non-executive member	Female	Coloured

## An Efficient and Effective Administrative System (continued)

Table 3: BANKSETA Council Meetings 2008/09

Council Member	23 May 2008	29 July 2008	17 September 2008	26 November 2008	28 January 2009	30 March 2009	Total
Sipho Ngidi – Standard Bank of South Africa	Present	Present	Present	Present	Present	Apology	5
Eugene Ebersohn – Sasbo	Present	Present	Present	Present	Present	Present	6
Hennie Ferreira – MFSA	Present	Present	Present	Present	Present	Apology	5
Vanessa Hattingh – Sasbo	Present	Apology	Present	Present	Present	Apology	4
Francois Hugo – FirstRand	-	-	-	Apology	Present	Present	2
Jenny Jetha – SA Reserve Bank	-	-	-	-	Apology	Present	1
Modime Joe Kokela – Sasbo	Present	Present	Present	Present	Present	Present	6
Lawrence Mlotshwa – Absa	Apology	Present	Present	Present	Resigned	Resigned	3
Rais Pearson – FirstRand	Present	Present	Present	Resigned	Resigned	Resigned	3
Ronald Ramabulana – Absa	-	-	-	-	Present	Apology	1
Eugene Zeeman – IBSA	Apology	Apology	Apology	Present	Present	Present	3
Shirley Zinn – Nedbank	Apology	Present	Apology	Apology	Present	Present	3
Isaac Ramputa – SASBO	Present	Present	Present	Present	Present	Present	6

An allowance of R800.00 per person, per meeting was paid to the nominating constituency as recompense for the time dedicated by their representatives to attend BANKSETA Council meetings. The allowance for the Chairman per meeting was R1 000.00 paid to the nominating constituency.

Three independent Committees serve to inform Council on matters relating to remuneration, finance and auditing. Details of meetings and Committee members appear in Tables 4, 5 and 6 following.

Table 4: BANKSETA Remuneration Committee Meetings 2008/09

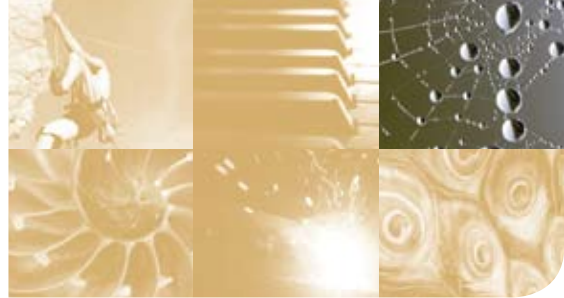
Committee Member	31 October 2008	4 March 2009	Total
Eugene Zeeman – IBSA	Present	Present	2
Ben Venter – Sasbo	Apology	Present	1
Lawrence Mlotshwa – Absa	Present	Resigned	1
Ronald Ramabulana – Absa	-	Present	1
Francois Hugo – FirstRand	-	Present	1

Table 5: BANKSETA Finance Committee Meetings 2008/09

Committee Member	16 May 2008	16 July 2008	2 September 2008	5 November 2008	21 January 2009	4 March 2009	Total
Eugene Ebersohn – Sasbo	Present	Present	Present	Present	Apologies	Present	5
Samantha Anthony – Sasbo	Present	Present	present	Present	Present	Apology	5
Paul Mogotsi – Nedbank	Apology	Present	Present	Present	Apology	Present	4
Buks Lottering – SA Reserve Bank	Present	present	Apologies	Present	Present	Present	5

Table 6: BANKSETA Audit Committee Meetings 2008/09

Committee Member	16 May 2008	16 July 2008	3 September 2008	5 November 2008	21 January 2009	4 March 2009	Total
Ben Venter – Sasbo	Present	Present	Present	Resigned	-	-	3
Eesa Kara – Nedbank	Apology	Apology	Resigned	-	-	-	0
Andries van der Merwe – Absa	Present	Present	Present	Apology	Present	Present	5
Hennie Ferreira – MFSA	-	-	-	Present	Present	Present	3
Leela Ramdhani – Nedbank	-	-	-	-	-	Apology	0
Marle van der Walt – Absa	-	-	-	-	-	Apology	0



## Council Members



**Siphon Ngidi**  
*Chairman*  
*Business (Standard Bank of South Africa)*



**Eugene Ebersohn**  
*Deputy Chairman*  
*Labour (Sasbo)*



**Hennie Ferreira**  
*Member*  
*Business (MFSA)*



**Modime Joe Kokela**  
*Member*  
*Labour (Sasbo)*



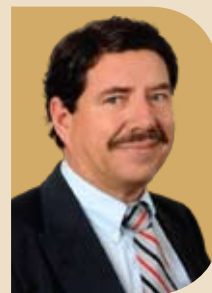
**Ronald Ramabulana**  
*Member*  
*Business (Absa)*



**Lawrence Mlotshwa**  
*Member*  
*Business (Absa)*



**Jenny Jeftha**  
*Member*  
*Business (SA Reserve Bank)*



**Eugene Zeeman**  
*Member*  
*Labour (IBSA)*



**Shirley Zinn**  
*Member*  
*Business (Nedbank)*



**Isaac Ramputa**  
*Member*  
*Labour (Sasbo)*



**Vanessa Hattingh**  
*Member*  
*Labour (Sasbo)*



**Ben Venter**  
*Member*  
*Labour (Sasbo)*



**Francois Hugo**  
*Member*  
*Business (FirstRand)*



## An Efficient and Effective Administrative System (continued)

### Administration

The BANKSETA's ability to process and effect mandatory grant payments timeously and efficiently would not have been possible without an efficient and an effective administrative system. During the year under review, a mandatory grant payment rate of 96.76% was achieved.

Mention should be made of the 19% increase in skills levies received during the period. Stakeholders are required to pay a 1% Skills Levy on their payrolls. Retrenchment packages increased the payrolls to the extent that they directly influenced the skills levy payout. This trend is not expected to continue and levy income is expected to decline in the year ahead.

Discretionary funds of 96% were allocated to different projects and 78% of those funds were spent. During the past financial year, project expenses increased by 33%. R98.8 million was spent on projects compared with R74 million in the previous year. The increase in spending can be attributed in part to the fact that many of the projects are reaching closure, in line with the BANKSETA's current operating licence, which expires on 31 March 2010. Details of expenditure on Discretionary Sector Grant Projects appear in Appendix C on page 71 of this Report.

In an effort to further streamline the administration and to improve the quality and risk management of projects, a consulting company was appointed to assist BANKSETA with the review of its projects methodology. This exercise will conclude in the next financial year.

According to the SDLA, 10% of funds may be used for administrative costs. The BANKSETA has operated within its 10% administration allocation, under-spending by some 23%. Some R24.8 million in total was spent on administration.

The SETA Management System continues to function well, with most stakeholders submitting their reports online. The quality of data submitted in WSP and Annual Training Reports has improved, and provides reliable data against which individual companies can benchmark themselves.

### Human Resources

The cornerstone of any efficient and effective administration system is made up of a full complement of qualified and committed staff members. As at 31 March 2009, the BANKSETA had a staff complement of 27.

During the 2008/09 financial year, the BANKSETA management team consisted of the CEO and six managers. The team was tasked with the implementation of strategies and policies outlined in the legislation and approved by the BANKSETA Council.

A number of changes occurred during the year which included retirement, resignation, re-deployment, promotion and the creation of new positions. During the period, there were nine exits. As at 31 March 2009, 27 of the 28 positions were filled (refer to Figure 2). The BANKSETA is comfortable with its employment equity profile. The complete staff profile appears as Appendix D on page 77 of this Report.

As part of its attraction and retention strategy, the BANKSETA benchmarks itself against other SETAs and the Financial Services Sector. Details of staff remuneration appear in Appendix E on page 78 of this Report.

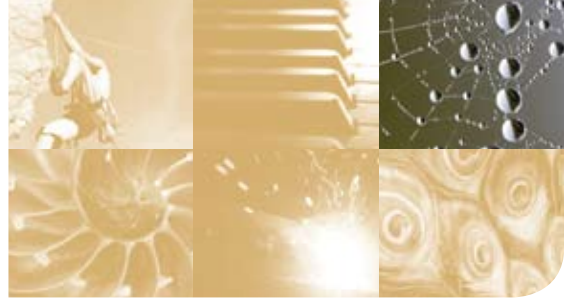
### Balanced Scorecard

The Balanced Scorecard System was introduced and implemented. Individual and departmental scorecards were developed to ensure symmetry between energy, resource spend and strategic objectives. Individual employees recognise that their daily activities contribute to the BANKSETA's overall performance, which leads to improved customer service, stakeholder alignment and employee empowerment.

### Human Resources Policy

The BANKSETA's Human Resources Policy was reviewed; this process is considered to be ongoing. Furthermore, the BANKSETA provided its staff members with the resources to enable them to work from a remote area, thereby increasing effectiveness.





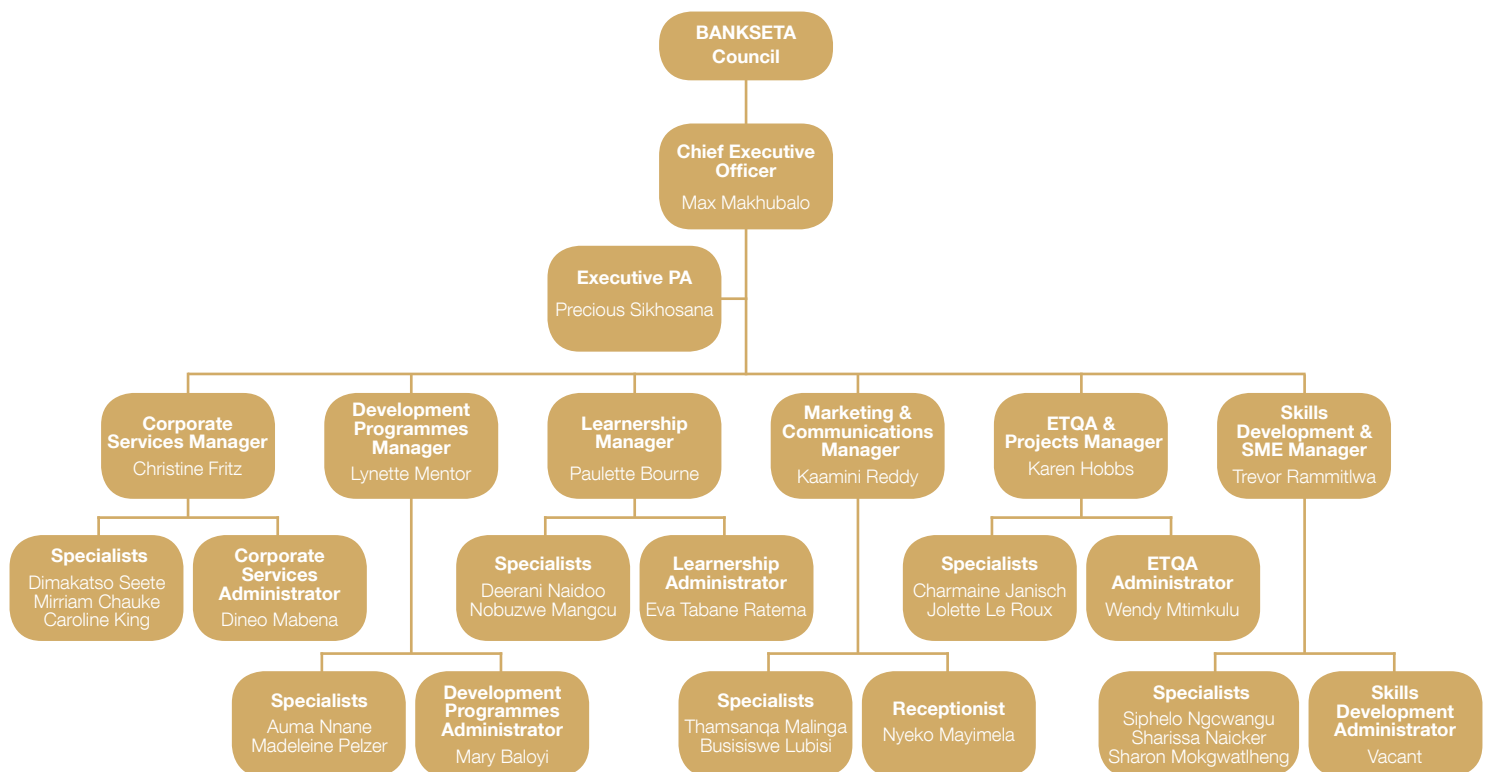
## Training

As an Investors in People (IIP) organisation, the BANKSETA is not only committed to uplifting skills within the sector but those of its employees as well. Some 3% of the operating budget of R36 million, was spent on training. This is significantly higher than the R253 000 spent on training in the previous year. One staff member commenced his doctoral studies and a further four staff members are studying towards Master's Degrees.

## BANKSETA Values

Values play an important role in driving performance and delivery within organisations and it is for this reason, that professionalism and customer focus are two of the BANKSETA's espoused values. During the period under review, the BANKSETA formalised its Values and drew up a Value proposition. A 360° assessment by peers, subordinates and external customers rated BANKSETA staff 4 out of 5 in terms of living these values.

Figure 2: BANKSETA organogram – 31 March 2009







# Legislatively impeccable

**impeccable** /ɪmˈpɛkəb(ə)l/ *adj.* (of behaviour, performance, etc.) faultless, exemplary.



# Processes in Accordance with Legislation

All operating and reporting complies with the PFMA as amended, the Skills Development Levies Act (SDLA) (Act No. 9 of 1999) as amended and the King II Report on Corporate Governance.

## Annual Financial Statements

On or before 31 May annually, the BANKSETA provides the Auditor-General with annual financial statements, as legislated by the PFMA. These annual financial statements are prepared in terms of Statements of Generally Accepted Accounting Practice (GAAP) and the PFMA, including any interpretations of such Statements issued by the Accounting Practices Board. The annual financial statements are approved by the Accounting Authority.

National Treasury has also required that the BANKSETA apply three effective standards of Generally Recognised Accounting Practice (GRAP). The Minister of Finance has, in terms of Section 91 of the PFMA, prescribed additional GRAP Standards which are effective for Public Entities listed in schedule 3a of the PFMA and are effective for periods beginning on or after 1 April 2009. These Standards are disclosed in the notes to the annual financial statements.

The annual financial statements are prepared in a format prescribed by the DoL to achieve consistency in presentation, as far as possible, with other SETAs. The annual financial statements are set out on pages 24 to 42 of this report.

No audit findings have been recorded.

## Education and Training Quality Assurance (ETQA)

The ETQA function is one of the most important roles that SETAs currently perform. Following the 2007 ETQA Audit, the South African Qualifications Authority (SAQA) raised some concerns about the way in which this function was being performed by the BANKSETA. During the period under review, BANKSETA ETQA has focused on ensuring that processes

are in accordance with legislation. A revised Performance Audit Development Plan has been submitted and SAQA has awarded the BANKSETA provisional accreditation. Evidence has been submitted for outstanding items from the 2007 Audit, which has resulted in many of the outstanding issues being closed.

## Broad-Based Black Economic Empowerment (BBBEE)

In terms of its procurement policy, the BANKSETA applies the Preferential Procurement Policy Framework Act (PPPFA), (Act No. 5 of 2000) as promulgated by National Treasury. The BANKSETA's procurement policy states that it will adhere as closely as possible to the directives contained in the Broad-based Black Economic Empowerment (BBBEE) Act, (Act No. 53 of 2003).

National Treasury, in collaboration with the Department of Trade and Industry (the dti), has commenced a process to align preferential procurement procedures with the BBBEE Act. The revision of preferential procurement legislation will include broadening the basis of evaluation beyond equity ownership and the promotion of the non-quantifiable Reconstruction and Development Programme goals. Bidders will also be able to earn preference points for other elements such as the number of specific designated representatives in management, transfer of skills, equity employment, indirect empowerment through the procurement of goods and services from specific designated enterprises and socio-economic development initiatives in terms of the BBBEE scorecard.

Until such time that the legislation has been reviewed, revised and promulgated, BANKSETA is obliged to apply the existing PPPFA principles. To this extent, preferential points must be calculated for acquisitions in excess of R30 000.00. During the 2008/09 financial year, BANKSETA spent R5 334 364.72 on historically disadvantaged individuals (HDIs).



# Annual Financial Statements

## Statement of Responsibility

The annual financial statements for the year ended 31 March 2009, set out on pages 24 to 42, were approved by the Accounting Authority on 20 May 2009 in terms of section 51 (1) (f) of the Public Finance Management Act (Act No.1 of 1999) as amended, and are signed on their behalf by:



**Max Makhubalo**  
*Chief Executive Officer*



**Sipho Ngidi**  
*Chairman*

# Auditor-General's Report

## Report of the Auditor-General to Parliament on the Financial Statements and Performance Information of the Banking Sector Education and Training Authority for the year ended 31 March 2009.

### Report on the Financial Statements

#### Introduction

1. I have audited the accompanying financial statements of the Banking Sector Education and Training Authority (BANKSETA) which comprise the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 32 to 66.

#### The accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) 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.

#### The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 14(6) (a) of the Skills Development Act, 1998 (Act No. 97 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the BANKSETA as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the PFMA.

#### Basis of accounting

8. Without qualifying my opinion, the public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.

### Other matters

Without qualifying my opinion, I draw attention to the following matters that relates to my responsibilities in the audit of the financial statements:

#### Re-licensing

9. SETA's were established for a five year period until 31 March 2010. BANKSETA has applied for the renewal of its certificate of establishment. It is expected that the legislated renewal process will be concluded by 31 March 2010.

#### Governance framework

10. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting authority and executive management and are reflected in the key governance responsibilities addressed below:

#### Key governance responsibilities

11. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	√	
<b>Quality of financial statements and related management information</b>			
2.	The financial statements were not subject to any material amendments resulting from the audit.	√	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	√	
<b>Timeliness of financial statements and management information</b>			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 55 of the PFMA.	√	
<b>Availability of key officials during audit</b>			
5.	Key officials were available throughout the audit process.	√	
<b>Development and compliance with risk management, effective internal control and governance practices</b>			
6.	Audit committee		
	• The public entity had an audit committee in operation throughout the financial year.	√	
	• The audit committee operates in accordance with approved, written terms of reference.	√	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8.	√	
7.	Internal audit		
	• The public entity had an internal audit function in operation throughout the financial year.	√	
	• The internal audit function operates in terms of an approved internal audit plan.	√	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.	√	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	√	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	√	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	√	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	√	
12.	Powers and duties have been assigned, as set out in section 56 of the PFMA.	√	
13.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	√	
14.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	√	
15.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the BANKSETA against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulation 30.1.	√	
16.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	√	

## Auditor-General's Report (continued)

12. The BANKSETA continued to comply with the legislation relating to governance matters and adopted and applied good governance practices throughout the year.

### Report on other Legal and Regulatory Requirements

#### Report on performance information

13. I have reviewed the performance information as set out on pages 67 to 68.

#### The accounting authority's responsibility for the performance information

14. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

#### The Auditor-General's responsibility

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

17. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

### Appreciation

18. The assistance rendered by the staff of the BANKSETA during the audit is sincerely appreciated.

*Auditor - General*

Pretoria

24 July 2009



*Auditing to build public confidence*



# Audit Committee Report

Report of the Audit Committee required in terms of Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act (Act No. 1 of 1999) as amended by Act No. 29 of 1999

The BANKSETA hereby presents the report for the financial year ended 31 March 2009.

## Introduction

The BANKSETA and its Council are committed to the highest standards of sound corporate governance principles and practices in South Africa. This is avouched for by its notably ethical behaviour and ongoing fine tuning of the prevailing corporate governance principles and practices. The Audit Committee's composition and activities are fully compliant with the requirements of the Public Finance Management Act and it endeavoured to exceed the requirements of the Act.

## Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and meets four times per annum as per its approved terms of reference. During the current financial year six meetings were held.

Name of Member	Number of Meetings Attended
Ben Venter – SASBO (Resigned 3 September 2008)	3
Eesa Kara – Nedbank (Resigned 3 September 2008)	0
Andries van der Merwe – Absa (Resigned 4 March 2009)	5
Hennie Ferreira – MFSA (Appointed 4 November 2008)	3
Leela Ramdhani – Nedbank (Appointed 17 May 2009)	1
Marle van der Walt – Absa (Appointed 17 May 2009)	1

At least one representative from the Auditor-General's office is present at all Audit Committee meetings, regardless of whether or not the agenda items directly concern the audit of the BANKSETA's Financial Statements.

## Audit Committee Responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter; has

regulated its affairs in compliance with this charter; and has discharged all its responsibilities as contained therein.

## The Effectiveness of Internal Control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matters of emphasis and management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the systems of internal control for the period under review were effective and efficient.

## Evaluation of Annual Financial Statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management's response thereto; and
- Reviewed changes in accounting policies and practices.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



**Hennie Ferreira**

*Chairman*

13 July 2009

# Accounting Authority's Report

## Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

### General Review of the State of Affairs

The Banking Sector Education and Training Authority (BANKSETA) is a Schedule 3A public entity established by the Minister of Labour on 20 March 2000, and subsequently re-established to 31 March 2010. The objective of the BANKSETA is to develop skills in and for the broader banking and Micro finance industries in South Africa. The following sectors fall within the scope of the BANKSETA:

- Central banking;
- Discount houses, commercial and other banking;
- Building Societies;
- Financial mediation;
- Lease financing;
- Securities dealings; and
- Activities ancillary to financial mediation.

The Mission of the BANKSETA is:

*"To support transformation and people development and through partnerships, to enable stakeholders to advance the national and global position of the broader banking and microfinance industry."*

The BANKSETA is therefore responsible for:

- The identification of priority skills in the sector;
- The distribution of mandatory grants to qualifying registered companies;
- The distribution of discretionary grants that will benefit the sector at large as well as individuals within the sector;
- The implementation of quality assurance processes that will enhance and ensure quality provision of training; and
- Supporting the implementation of applicable national strategic objectives as identified in the National Skills Development Strategy.

BANKSETA's 80% levy income increased by 14% from R288 929 million for the 2007/08 financial year to R329 331 million for the 2008/09 financial year. Changes in levy income relate to last year's provision for levies incorrectly received from Absa which was reversed in the current year

by SARS. The administration surplus is R13 million (2007/08: R9.8 million) and the actual administration levy income for the current financial year is R41 million (2007/08: R36 million).

As in all the previous financial periods, there was increased spending of R98.9 million on discretionary projects (2007/08: R74.3 million). The mandatory grant pay-out percentage was at 97% (2007/08: 96%).

All project related costs are directly allocated to projects and are not allocated to operational expenditure. BANKSETA has allocated approximately 96% (2007/08: 93%) of its available surplus funds as at 31 March 2009. The remainder of the available surpluses will be allocated during the 2009/10 financial year.

Refer to the Specimen annual financial statements for more detail.

### Payments and Remuneration

#### Members of the Accounting Authority

Note: The payments indicated below are paid to the nominating organisations and not to the individual representatives. All payments are in respect of Board meeting or Committee meeting attendance fees.

Name	Constituency	Rand
Sipho Ngidi	SBSA	5 000
Hennie Ferreira	MFSA	5 600
Francois Hugo/ Rais Pearson	FirstRand	3 200
Lawrence Mlotshwa	Absa	6 400
Sheila Motsepe	SA Reserve Bank	800
Shirley Zinn	Nedbank	2 400
Isaac Ramputa	SASBO	4 800
Eugene Ebersohn	SASBO	8 800
Vanessa Hattingh	SASBO	3 200
Modime Joe Kokela	SASBO	4 800
Ben Venter	SASBO	8 800
Eugene Zeeman	IBSA	4 800

#### The Chief Executive Officer

Due to the nature of the BANKSETA the Chief Executive Officer is also responsible for all financial matters.

## CEO Remuneration

Annual and Other Income	Rand (Pre-tax)	Notes
Pension	105 022.68	
Medical	21 402.00	
Base remuneration	851 075.28	Included as part of package (car and subsistence allowances)
Total guaranteed cost-to-company package	<b>977 499.96</b>	Benchmarked annually
Non-guaranteed (at risk) remuneration	351 900.00	The BANKSETA incentive scheme is benchmarked and negotiated annually. The incentive is dependent on personal performance, SETA core function (department) performance and the results of an external evaluation of SETA performance
Total guaranteed and non-guaranteed (at risk) remuneration	<b>1 329 399.96</b>	

## Business Address

### Physical address

BANKSETA  
Thornhill Office Park  
Block No. 15  
94 Bekker Road  
Midrand  
1685

### Postal Address

PO Box 11678  
Vorna Valley  
1686

Call Centre 086 102 0002  
Tel 011 805 9661  
Fax 011 805 8348  
Website [www.bankseta.org.za](http://www.bankseta.org.za)

## Events after the Balance Sheet Date

No events occurred subsequent to the balance sheet date and up to the date of approval of these financial statements that require any elaboration.

## Corporate Governance

In terms of the Skills Development Act, total administration costs may not exceed 10% of total levies received. It gives me great pleasure to report that total administration expenditure at the BANKSETA again ran below the allowed 10%. Our aim has always been to run the BANKSETA on a lean and efficient basis and I attribute the SETA's success in this regard to the quality of people in its employ, the quality of its HR practices and to its sound business model.

The BANKSETA has an independent Audit Committee, which is satisfied that the necessary checks and balances are in place. The Audit committee functions in line with the Audit Committee Charter and complies with principles of good corporate governance and with the requirements of the Public Finance Management Act. The functions of the Audit Committee include a review and an update of the risk analysis, by management and independently from internal audit. Also refer to the report of the Audit Committee for detail.

A materiality framework is in place and no incidents occurred during the year that required implementation of the policy developed in the materiality framework.



**Sipho Ngidi**

*Chairman*

13 July 2009

# Statement of Financial Performance

for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
<b>Revenue</b>			
Skills Development Levy: income from non-exchange transactions	2	329 331	288 929
Skills Development Levy: penalties and interest from non-exchange transactions		937	649
National Skills Fund income	14	-	20 259
Donations for special projects	15	23 884	8 638
Investment income	3	19 828	15 233
Other income	4	-	381
<b>Total revenue</b>		<b>373 980</b>	334 089
<b>Expenses</b>			
Employer grant and project expenses	5	(298 592)	(248 499)
Administration expenses	6	(28 211)	(26 952)
National Skills Fund expenses	14	-	(20 259)
Special project expenditure	15	(23 884)	(8 638)
<b>Total expenses</b>		<b>(350 687)</b>	(304 348)
<b>Net surplus for the year</b>	1	<b>23 293</b>	29 741

# Statement of Financial Position

as at 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	1 085	829
Intangible assets	8	22	30
<b>Current assets</b>			
Accounts receivable from non-exchange transactions	9	286	5 770
Other accounts receivable	10	491	572
Cash and cash equivalents	11	150 535	151 263
Donor funding receivable	15.2	302	-
Consumables		39	24
<b>Total assets</b>		<b>152 760</b>	<b>158 488</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	12	11 576	8 023
Trade and other payables from non-exchange transactions	13	21 808	54 060
National Skills Fund received in advance	14	-	78
Donor funding received in advance	15.1	2 278	2 522
<b>Total liabilities</b>		<b>35 662</b>	<b>64 683</b>
<b>Net Assets</b>		<b>117 098</b>	<b>93 805</b>
<b>Net Assets and Liabilities</b>			
<b>Funds and reserves</b>			
Administration reserve		1 106	859
Employer grant reserve		210	55
Discretionary reserve		115 782	92 891
<b>Total Funds and Reserves</b>		<b>117 098</b>	<b>93 805</b>

# Statement of Changes in Net Assets

for the year ended 31 March 2009

	Note	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	Unappropriated surplus R'000	Total R'000
<b>Balance at 31 March 2007</b>		698	102	63 264	-	64 064
Net surplus per statement of Financial performance		-	-	-	29 741	29 741
Allocation of unappropriated surplus		9 562	6 362	13 817	(29 741)	-
Excess reserves transferred to discretionary reserve		(9 401)	(6 409)	15 810	-	-
<b>Balance at 31 March 2008</b>		859	55	92 891	-	93 805
Net surplus per statement of financial performance		-	-	-	23 293	23 293
Allocation of unappropriated surplus	1	12 773	6 143	4 377	(23 293)	-
Excess reserves transferred to discretionary reserve		(12 526)	(5 988)	18 514	-	-
<b>Balance at 31 March 2009</b>		<b>1 106</b>	<b>210</b>	<b>115 782</b>	<b>-</b>	<b>117 098</b>

An amount of R1 106 000 (2007/08: R859 000) is retained in the administration reserve equal to the carrying value of property, plant and equipment, and intangible assets.

An amount of R210 000 (2007/08: R55 000) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date.

# Cash Flow Statement

for the year ended 31 March 2009

## Cash Flows from Operating Activities

### Operating activities

	Note	2008/09 R'000	2007/08 R'000
Cash receipts from stakeholders		335 714	302 558
Levies, interest and penalties received		320 117	321 958
Other cash receipts from stakeholders		15 597	(19 400)
Cash paid to stakeholders, suppliers and employees		(379 141)	(294 224)
Grants and project payments		(311 740)	(256 680)
Special projects		(23 962)	(28 897)
Compensation of employees		(10 989)	(12 518)
Payments to suppliers and other		(32 450)	3 871
Cash (utilised in)/generated from operations	17	(43 427)	8 334
Interest received	3	19 624	14 863
Grants, transfers and funds received	15 & 16	23 640	31 497
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(163)</b>	<b>54 694</b>

## Cash Flow from Investing Activities

Purchase of property, plant and equipment	7	(594)	(380)
Proceeds from disposal of property, plant and equipment		29	-
<b>Net cash outflow from investing activities</b>		<b>(565)</b>	<b>(380)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(728)</b>	<b>54 314</b>
<b>Cash and cash equivalents at beginning of year</b>	11	<b>151 263</b>	<b>96 949</b>
<b>Cash and cash equivalents at end of year</b>	11	<b>150 535</b>	<b>151 263</b>

# Accounting Policies to the Annual Financial Statements

for the year ended 31 March 2009

## 1 Basis of Preparation

The annual financial statements have been prepared on the historical cost basis, except where adjusted for present/fair values as required by the respective accounting standards. The annual financial statements have been prepared in accordance with Statements of General Accepted Accounting Practice (GAAP) and the Public Finance Management Act (PFMA) (Act No. 1 of 1999) as amended, including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP	Replaced Statement of GAAP
GRAP 1: Presentation of financial statements	AC101: Presentation of financial statements
GRAP 2: Cash flow statements	AC118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following significant changes in the presentation of the financial statements:

### 1.1 Terminology differences:

Standard of GRAP	Replaced Statement of GAAP
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit for the period	Profit/loss for the period
Accumulated surplus/deficit	Retained earnings
Contributions from owners	Share capital
Distributions to owners	Dividends
Reporting date	Balance sheet date

### 1.2 The cash flow statement can only be prepared in accordance with the direct method.

### 1.3 Specific information has been presented separately on the statement of financial position such as:

- (a) receivables from non-exchange transactions, including taxes and transfers;
- (b) taxes and transfers payable; and
- (c) trade and other payables from non-exchange transactions.

### 4. Amount and nature of any restrictions on cash balances is required.

Paragraph 11-15 of GRAP 1 has not been implemented as the budget reporting standard is in the process of being developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect fair presentation.

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

## 2 Currency

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

## 3 Revenue Recognition

### 3.1 Levy income

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

Skills Development Levy (SDL) transfers are recognised when it is probable that future economic benefits will flow to the BANKSETA and these benefits can be measured reliably. This occurs when the DoL either makes an allocation or payment, whichever comes first, to the BANKSETA, as required by Section 8 of the Skills Development Levies Act (Act No. 9 of 1999) as amended. The new policy is effective from 1 April 2007.

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (Act No. 9 of 1999) as amended, registered member



companies of the BANKSETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the DoL. 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 to the BANKSETA (net of the 20% contribution to the National Skills Fund). The BANKSETA was not in a position to verify that SARS has collected all potential skills levy income.

Levy income is recognised on the accrual basis.

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

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

### 3.2 Interest and penalties

Interest and penalties received on the skills development levy are recognised on the accrual basis.

### 3.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the BANKSETA as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue recognised.

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

### 3.4 Government grants and other donor income

Conditional government grants and other conditional donor funding received is recorded as deferred income when they become receivable and is then recognised as and when the conditions are met. Unconditional grants received are recognised when the amounts have been received.

### 3.5 Investment income

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

## 4 Grants and Project Expenditure

A registered employer may recover a maximum of 50% of its total levy payment as a mandatory employer grant (excluding interest and penalties) by complying with the grant criteria in accordance with the Skills Development Act, 1998 SETA Grant Regulations regarding monies received and related matters (The SETA Grant Regulations).

### Mandatory grants

Grants are equivalent to 50% of the total levies contributed by employers to the BANKSETA during the corresponding financial period.

### Discretionary project expenditure

A SETA may out of surplus monies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the BANKSETA Board. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by the BANKSETA.

Project expenditure comprises:

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

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

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

### Retrospective adjustments by SARS

The BANKSETA 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 BANKSETA is permitted

## Accounting Policies to the Annual Financial Statements (continued)

### 4 Grants and Project Expenditure (continued)

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.

### 5 Irregular and Fruitless and Wasteful Expenditure

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

- The PFMA; and
- The Skills Development Act (Act No. 97 of 1998) as amended.

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

All irregular and fruitless and wasteful expenditure is recognised against the respective class of expense in the period in which it is incurred.

### 6 Property, Plant and Equipment

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the cost of assets over their estimated useful life, using the straight line method.

The estimated useful life, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised.)

The gain or loss on disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating profit.

### 7 Intangible Assets

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

The estimated useful life, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised.)

The gain or loss on disposal of intangible asset is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating profit.

### 8 Leasing

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

Payments made under operating leases (leases other than finance 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.

### 9 Provisions

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

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

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

## 10 Grants and Projects

### Mandatory and discretionary grant payments

A liability is recognised for grant payments once the specific criteria set out in the SETA Grant Regulation have been complied with by member companies and it is probable that the BANKSETA will approve the payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

### Discretionary projects

Where a project has been approved, but has not been accrued for, it is disclosed as commitments in the notes to the financial statements.

## 11 Financial Instruments

### Recognition

Financial assets and financial liabilities are recognised on the BANKSETA's Statement of Financial Position when the BANKSETA becomes a party to the contractual provisions of the instrument.

### Financial assets

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

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

All financial assets of the BANKSETA were categorised as loans and receivables

### Loans and receivables

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

### 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 balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss 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.

### Financial liabilities

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

Account and other payables do not bear interest and are stated at their nominal value.

## Accounting Policies to the Annual Financial Statements (continued)

### 11 Financial Instruments (continued)

#### Financial liabilities at FVTPL

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

All financial liabilities of the BANKSETA were classified as other financial liabilities.

#### Other financial liabilities

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

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

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.

## 12 Reserves

Net assets is classified based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act (Act No. 97 of 1998) as amended as follows:

- Administration reserve;
- Employer grant reserve;
- Discretionary reserve; 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, for the purpose of:

	2008/09 %	2007/08 %
Administration costs of the BANKSETA	10	10
Employer Grant Fund Levy	50	50
Mandatory Workplace Skills Grant	50	50
Discretionary grants and projects	20	20
Received by the BANKSETA	80	80
Contribution to the National Skills Fund	20	20
	100	100

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund its administration costs.

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grant projects.

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are moved to the discretionary fund reserve. Provision is made in mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

## 13 Comparative figures

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

## 14 Taxation

No provision has been made for taxation, as the BANKSETA is exempt from income tax in terms of Section 10 of the Income Tax Act (Act No. 58 of 1962).

## 15 Consumable Inventory

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



# Notes to the Annual Financial Statements

for the year ended 31 March 2009

## 1 Allocation of Net Surplus for the Year to Reserves

	Total per statement of financial performance 2007/08 R'000	Total per statement of financial performance 2008/09 R'000	Administration reserve R'000
<b>Total revenue</b>	334 089	<b>373 980</b>	40 984
Skills development levy: income from non-exchange transactions			
Admin levy income (10%)	36 133	<b>40 984</b>	40 984
Grant levy income (70%)	252 796	<b>288 347</b>	-
Skills development levy: penalties and interest from non-exchange transactions	649	<b>937</b>	-
National Skills Fund income	20 259	-	-
Donations for special projects	8 638	<b>23 884</b>	-
Investment income	15 233	<b>19 828</b>	-
Other income	381	-	-
<b>Total expenses</b>	304 348	<b>350 687</b>	28 211
Administration expenses	26 952	<b>28 211</b>	28 211
National Skills Fund expenses	20 259	-	-
Special projects expenditure	8 638	<b>23 884</b>	-
Employer grants and project expenses	248 499	<b>298 592</b>	-
<b>Net surplus per Statement of Financial Performance allocated</b>	<b>29 741</b>	<b>23 293</b>	<b>12 773</b>

	Employer grants reserve	Discretionary reserve			Total discretionary
	Mandatory skills grant R'000	Discretionary grants R'000	Special projects R'000	Projects R'000	
	205 879	82 468	23 884	20 765	127 117
	-	-	-	-	-
	205 879	82 468	-	-	82 468
	-	-	-	937	937
	-	-	-	-	-
	-	-	23 884	-	23 884
	-	-	-	19 828	19 828
	-	-	-	-	-
	199 736	(26)	23 884	98 882	122 740
	-	-	-	-	-
	-	-	-	-	-
	-	-	23 884	-	23 884
	199 736	(26)	-	98 882	98 856
	6 143	82 494	-	(78 117)	4 377

## Notes to the Annual Financial Statements (continued)

### 2 Skills Development Levy Income from Non-exchange Revenue

The total levy income per the statement of financial performance is as follows:

Note	2008/09 R'000	2007/08 R'000
Levy income: Administration	40 984	36 133
Levies received	39 829	40 180
Levies received from SARS	39 803	40 210
Inter-SETA transfers in	32	13
Inter-SETA transfers out	(6)	(43)
Levies accrued	1 155	(4 047)
Levy income: Employer grants	205 879	180 574
Levies received	199 528	200 800
Levies received from SARS	199 399	200 948
Inter-SETA transfers in	161	67
Inter-SETA transfers out	(32)	(215)
Levies accrued	6 351	(20 226)
Levy income: Discretionary grants	82 468	72 222
Levies received	79 823	80 329
Levies received from SARS	79 772	80 389
Inter-SETA transfers in	64	27
Inter-SETA transfers out	(13)	(87)
Levies accrued	2 645	(8 107)
	329 331	288 929
3 Investment Income		
Interest income		
Bank deposits	19 624	14 863
Receivable	204	370
	19 828	15 233

#### 4 Other Income

Other income comprises:  
Insurance claim received

#### 5 Employer Grant and Project Expenses

Mandatory grants  
Disbursed  
Provisions and accruals  
Discretionary grants  
Disbursed  
Provisions and accruals  
Project expenditure  
Disbursed  
Provisions and accruals

5.1 Project expenditure consist of:  
Direct project costs

Note	2008/09 R'000	2007/08 R'000
	-	381
	199 736	174 212
	217 737	181 139
	(18 001)	(6 927)
	(26)	2
	(21)	104
	(5)	(102)
5.1	98 882	74 285
	94 023	75 438
	4 859	(1 153)
	298 592	248 499
	98 882	74 285
	98 882	74 285

## Notes to the Annual Financial Statements (continued)

### 6 Administration Expenses

	Note	2008/09 R'000	2007/08 R'000
Depreciation/amortisation		318	219
Operating lease rentals (minimum lease payments)		1 407	1 465
Buildings		1 254	1 258
Plant, machinery and equipment		153	207
Maintenance, repairs and running costs		34	46
Advertising, marketing and promotions, communication		2 137	1 391
Entertainment expenses		156	248
Consultancy and service provider fees		6 741	6 296
Legal fees		17	(9)
Cost of employment	6.1	10 989	12 518
Travel and subsistence		1 039	441
Staff training and development		677	295
Remuneration to members of the accounting authority		67	69
External auditor's remuneration - Audit fees		376	386
Bad debts written off		22	8
Allowance for doubtful debts		(1)	(4)
Other		4 231	3 583
Other administration expenses		2 663	2 047
Consulting fees		635	671
Printing and stationery		357	352
Internal audit fees		577	513
		<b>28 211</b>	<b>26 952</b>
<b>6.1 Cost of employment</b>			
Salaries and wages		9 768	11 356
Basic salaries		7 606	9 121
Performance awards		1 804	1 896
Temporary staff		89	252
Leave payments		269	87
Social contributions		1 221	1 162
Medical aid contributions		212	226
Pension contributions: defined contribution plans		973	903
UIF		36	33
		<b>10 989</b>	<b>12 518</b>
<b>Allocation of cost of employment</b>			
Administration expenses	6	10 989	12 518
		<b>10 989</b>	<b>12 518</b>
Average number of employees		28	24

Refer to the report by the accounting authority for disclosure concerning the emoluments of members of the accounting authority and the CEO.



## 7 Property, Plant and Equipment

### Year ended 31 March 2009

Computer equipment

Office furniture and fittings

Office equipment

Leasehold improvements

**Balance at end of period**

Made up as follows:

- Owned assets

Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
913	(556)	<b>357</b>
895	(408)	<b>487</b>
219	(78)	<b>141</b>
192	(92)	<b>100</b>
<b>2 219</b>	<b>(1 134)</b>	<b>1 085</b>
2 219	(1 134)	<b>1 085</b>

### Year ended 31 March 2008

Computer equipment

Office furniture and fittings

Office equipment

Leasehold improvements

Balance at end of period

Made up as follows:

- Owned assets

908	(614)	294
840	(366)	474
67	(56)	11
78	(28)	50
<b>1 893</b>	<b>(1 064)</b>	<b>829</b>
1 893	(1 064)	829

Carrying amount 2008 R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying amount 2009 R'000
----------------------------------	--------------------	--------------------	-----------------------	----------------------------------

### Movement summary 2009

Computer equipment

Office furniture and fittings

Office equipment

Leasehold improvements

**Balance at end of period**

294	187	(1)	(123)	<b>357</b>
474	125	(28)	(84)	<b>487</b>
11	152	-	(22)	<b>141</b>
50	114	-	(64)	<b>100</b>
<b>829</b>	<b>578</b>	<b>(29)</b>	<b>(294)</b>	<b>1 085</b>

Carrying amount 2007 R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying amount 2008 R'000
----------------------------------	--------------------	--------------------	-----------------------	----------------------------------

### Movement summary 2008

Computer equipment

Office furniture and fittings

Office equipment

Leasehold improvements

**Balance at end of period**

120	274	-	(100)	294
480	75	-	(81)	474
6	9	-	(4)	11
76	-	-	(26)	50
<b>682</b>	<b>358</b>	<b>-</b>	<b>(211)</b>	<b>829</b>

## Notes to the Annual Financial Statements (continued)

### 8 Intangible Assets

Year ended 31 March 2009

Application software

**Balance at end of period**

Made up as follows:

- Owned assets

Cost R'000	Accumulated amortisation R'000	Closing carrying amount R'000
---------------	--------------------------------------	--

95	(73)	<b>22</b>
95	(73)	<b>22</b>
95	(73)	<b>22</b>

Year ended 31 March 2008

Application software

**Balance at end of period**

Made up as follows:

- Owned assets

79	(49)	30
79	(49)	30
79	(49)	30

Movement summary 2009

Application software

Carrying amount 2007 R'000	Additions R'000	Disposals R'000	Amortisation R'000	Carrying amount 2009 R'000
30	16	-	(24)	<b>22</b>

Movement summary 2008

Application software

Carrying amount 2006 R'000	Additions R'000	Disposals R'000	Amortisation R'000	Carrying amount 2008 R'000
16	22	-	(8)	<b>30</b>

Application software complies with the definition of intangible assets, which is an identifiable non-monetary asset without physical substance.

The amortisation expense has been included in the line item 'depreciation/amortisation' in note 6, administration expenditure.

## 9 Accounts Receivable from Non-exchange Transactions

Skills development levy debtors
Admin levy debtors
Employer grant levy debtors
Discretionary grant debtors
Inter-SETA debtors
Employer receivables
Allowance for doubtful debts

Note	2008/09 R'000	2007/08 R'000
	-	1 391
	-	174
	-	869
	-	348
23	<b>106</b>	226
9.1	<b>186</b>	4 160
9.1	<b>(6)</b>	(7)
	<b>286</b>	5,770
	<b>186</b>	4 160
	<b>(6)</b>	(7)
	<b>180</b>	4 153

### 9.1 Employer receivable

Overpayment to employers
Allowance for doubtful debt

### Net effect of SARS retrospective adjustments on affected employers

R186 000 (2008: R4 160 000) was recognised as a receivable relating to the overpayment to the employer in earlier periods, and is based on the amount of such grant over payments. An amount of R8 000 (2008: R22 000) was written off as doubtful debt.

## 10 Other Accounts Receivable

Deposits
Prepaid expenses
Other receivables
Interest receivable
Other

	<b>142</b>	142
	<b>145</b>	41
	<b>204</b>	389
	<b>204</b>	371
	-	18
	<b>491</b>	572

## Notes to the Annual Financial Statements (continued)

### 11 Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in fixed deposits. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the statement of financial position as follows:

Note	2008/09 R'000	2007/08 R'000
Cash at bank and on hand	25 519	30 413
Cash at bank	25 514	30 408
Cash on hand	5	5
Short term investments	125 016	120 850
<b>Cash and cash equivalents at end of year</b>	<b>150 535</b>	<b>151 263</b>

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 was 11.55% (2008: 10.05%).

The Skills Development Act Regulations state that a SETA may, if not otherwise specified by the PFMA, invest the monies in accordance with the investment policy approved by the relevant SETA.

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, the SETA as a public entity that is listed in Schedule 3A of the Act must invest surplus funds with the Corporation for Public Deposits.

As the BANKSETA was exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits, surplus funds were invested in line with an investment policy as required by Treasury Regulation 31.3.5.

### 12 Trade and Other Payables from Exchange Transactions

Project creditors	9 554	4 695
Service provider fees outstanding	-	1 574
Sundry payables	2 023	1 754
Trade payables	775	517
Other accrued expenses	727	867
Leave Accrual*	520	371
	<b>11 576</b>	<b>8 023</b>

\* During the current financial year, Employee leave accrual was reclassified from Provisions to Accounts payable from exchange transactions. Employee leave accrual complies with the definition of accruals. Leave is calculated based on leave days outstanding at year end and the total cost of employment.

### 13 Trade and Other Payables from Non-exchange Transactions

	Note	2008/09 R'000	2007/08 R'000
Skills development grants payable - mandatory		<b>16 012</b>	33 484
SARS payable	13.1	<b>5 677</b>	15 827
Inter-SETA payables	23	<b>6</b>	162
Employer payables		<b>113</b>	4 588
		<b>21 808</b>	54 060

#### 13.1 SARS Payable

##### 2008/09

	Opening Balance	Change In Estimate	Addition	Closing Balance
Levies incorrectly received	<b>697</b>	<b>56</b>	<b>164</b>	<b>916</b>
Levies identified from variance report	<b>15 130</b>	<b>(10 369)</b>		<b>4 761</b>
	<b>15 827</b>	<b>(10 313)</b>	<b>164</b>	<b>5 677</b>

##### 2007/08

Levies incorrectly received	881	(347)	164	697
Levies identified from variance report	-	-	15 130	15 130
	881	(347)	15 294	15 827

An amount of R916 000 (2008: R697 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DoL, after being exempted from contributing skills development levies due to new legislation which came into effect 1 August 2005. An amount of R4 761 000 relates to skills development levies incorrectly received from registered employers.



## Notes to the Annual Financial Statements (continued)

### 14 National Skills Fund: Special Projects

Note	2008/09 R'000	2007/08 R'000
Opening balance	78	-
Received during the year	-	20 259
Letsema project	-	20 259
Interest received	-	78
Utilised and recognised as revenue-conditions met:	-	(20 259)
Training & development	-	(3 779)
Letsema IV project team cost	-	(16 480)
Repaid to NSF (Closure of projects)	(78)	-
<b>Closing balance</b>	-	78

During the current year conditional funds of R0 (2007/08: R20 259 000) were received from the NSF for the purposes of the Letsema Project. This amount was recognised as a liability until the conditions attached were met. During the year, R0 (2007/08: R20 259 000) eligible project special expenses were incurred and a corresponding amount was recognised as revenue. At year end, R0 (2007/08: R78 000) continues to be accounted for as a liability until the remaining conditions attached have been met.

### 15 Donor Funding Received in Advance

#### 15.1 Opening balance Absa

Received during the year	2 522	-
Absa Letsema project	22 133	11 067
Interest received	22 133	11 067
	1 205	93
Utilised and recognised as revenue-conditions met:	(23 582)	(8 638)
Letsema 5 training and development	(5 973)	(3 982)
Letsema 5 project cost	(17 307)	(4 656)
Letsema 6 project cost	(302)	-
<b>Closing balance</b>	2 278	2 522

During the year an amount of R22 133 000 (2008: R11 067 000) was received from Absa as support to the Letsema 5 project. Absa has also committed to support the Letsema 6 project.

#### 15.2 Opening balance Nedbank

Received during the year	-	-
Utilised and recognised as revenue-conditions met:	(302)	-
Letsema 6 project cost	(302)	-
<b>Closing balance</b>	(302)	-

Nedbank has committed to support the Letsema 6 project. Funding only received in April 2009.

## 16 Reconciliation of Net Cash Flow from Operating Activities to Net Surplus

	2008/09 R'000	2007/08 R'000
Net surplus as per statement of financial performance	23 293	29 741
Adjusted for non-cash items:		
Depreciation/amortisation	318	219
Bad debts written off	22	8
Allowance for doubtful debts	(1)	(4)
Special project income recognised	(23 640)	(28 897)
Adjusted for items separately disclosed		
Interest received	(19 828)	(15 233)
Adjusted for working capital changes:		
(Increase)/decrease in other receivables	(17)	126
Decrease in receivables from non-exchange transactions	5 463	12 473
(Decrease)/increase in payables	(29 022)	9 925
Increase in Consumables	(15)	(24)
<b>Cash (utilised in)/generated from operations</b>	<b>(43 427)</b>	<b>8 334</b>

## 17 Contingencies

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury should an application for retention of surplus funds be denied. BANKSETA submitted an application to the DoL for the retention of surplus funds. As in the previous year BANKSETA expects that National Treasury will approve the retention of surplus funds.

## Notes to the Annual Financial Statements (continued)

### 18 Commitments

#### 18.1 Discretionary reserve

Of the balance of R115 782 000 (2007/08: R92 891 000) available in the discretionary reserve at the end of March 2009, R116 290 000 has been approved and allocated for future projects and skills priorities as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the statement of financial performance, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury. At the time of compiling the financial statements, no reply had been received.

Indicator	Projects	Opening balance 2007/08 R'000	Approved by Accounting Authority R'000	Utilised R'000
<b>NSDS 1</b>				
	Project 57: liP implementation	234	(234)	-
	Project 97: Women's Development Programme	209	-	(139)
3.2	Project 134: BANKSETA: Village Banks shareholder consumer education	367	(89)	(278)
2.8	Project 142: Master bursary scheme (employed)	1 491	(751)	(85)
4.1	Project 149: Letsema 3	(70)	60	13
4.3	Project 151: New venture creation Skills Programme	342	(19)	(323)
5.3	Project 153: ETQA: External moderation	58	(24)	(34)
4.1	Project 163: Post Graduate L/S Prog for unemployed learners	74	(72)	(2)
2.8	Project 165: Women's Development Programme 2006	8 351	3 400	(4 855)
2.8	Project 166: SME Training Voucher Project 2006	1 595	(1 144)	(154)
3.2	Project 167: Corporate Governance Training for Co-operatives	159	(21)	(138)
1.2	Project 173: Career Awareness Project 2006/07	500	(436)	(64)
2.8	Project 178: IEDP: Canada	-	-	6
2.8	Project 179: CPD Workshop 2006	436	(58)	(378)
2.4	Project 180: SME Support: Building a better business (EC)	211	-	(211)
2.8	Project 181: 18.1 Leanerships Scarce Skills	(150)	-	150
2.8	Project 182: BANKSETA: Master & Executive Courses 2007	1 282	(340)	(854)
2.7	Project 184: ABET Support 2006	250	-	(162)
2.4	Project 185: BANKSETA: liP Implementation & Support	979	-	(421)
4.1	Project 186: Letsema 4	22 338	(2 716)	(17 877)
4.1	Project 187: 18.2 Leanerships Niche Scarce Skills	600	(450)	(150)
	Project 192: Lender Education	1 287	(280)	(1 007)
5.2	Project 193: PPP New Venture Creation Providers	200	(55)	(145)
5.1	Project 194: Centres of Excellence 2006/07	770	(85)	(300)
	Project 195: CEO Discretionary Grants Pool of Funds	-	-	-
4.1	Project 199: BANKSETA: 2007 Kuyasa	8 341	(192)	(7 848)
4.2	Project 200: BANKSETA: Microfinance Workplace Experience Grant	806	(275)	(531)
2.8	Project 202: BANKSETA: IEDP Prep Canada 2007	89	(80)	(9)
2.8	Project 203: BANKSETA: IEDP UK Benchmarking	171	(163)	(8)

	Opening balance 2008/09 R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000
-	-	-	-	-
70	(40)	(30)	-	-
-	-	-	-	-
655	(649)	(6)	-	-
3	(3)	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6 896	-	(4 910)	1 986	-
297	(293)	(4)	-	-
-	-	-	-	-
-	-	-	-	-
6	(6)	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
88	-	(88)	-	-
88	-	-	88	-
558	500	(626)	432	-
1 745	(1 694)	(51)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
385	-	(250)	135	-
-	-	-	-	-
301	(301)	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

## Notes to the Annual Financial Statements (continued)

### 18 Commitments (continued)

Indicator	Projects	Opening balance 2007/08 R'000	Approved by Accounting Authority R'000	Utilised R'000
2.8	Project 204: BANKSETA: ASTD Conference 2007	347	(391)	44
2.8	Project 205: BANKSETA: IEDP Canada 2007	5 728	(1 838)	(3 859)
2.8	Project 206: BANKSETA: IEDP UK 2007	5 400	(1 092)	(4 308)
2.8	Project 207: BANKSETA: Junior & Middle Management Dev Prog.	4 000	13 345	(1 637)
2.5	Project 208: BANKSETA: Building A Better Business (NW & WC)	900	-	(365)
4.1	Project 209: BANKSETA: Letsema 5	1 545	26 188	(7 288)
4.1	Project 210: BANKSETA: Kuyasa 2008	696	11 164	(2 769)
2.8	Project 211: BANKSETA: BANKSETA: IEDP UK 2008	-	5 400	(890)
2.8	Project 212: BANKSETA: SME Training Voucher Project 2007	-	5 875	(3 318)
4.1	Project 213: BANKSETA: Bridging Programme - Disabled Learners	-	561	(555)
5.1	Project 214: BANKSETA: Centre of Excellence 2008	-	5 980	(481)
2.8	Project 215: BANKSETA: Masters & Executive Courses 2008	-	1 900	(80)
5.3	Project 216: BANKSETA: ETQA: External Moderation	-	500	(183)
2.7	Project 217: BANKSETA: ABET Support 2007	-	350	(1)
1.2	Project 218: BANKSETA: Career Awareness 2007/08	-	488	(488)
2.8	Project 219: BANKSETA: Medium Company Voucher Project 2007	-	750	(148)
2.8	Project 220: BANKSETA: Lifelong Learning Workshops	-	317	(317)
1.1	Project 221: BANKSETA: Research: Future Skills in Banking	-	1 500	(801)
2.8	Project 222: BANKSETA: SME Lifelong Learning Workshops	-	1 290	(400)
1.1	Project 223: BANKSETA: Microfinance Skills Survey 2007	-	599	(599)
4.3	Project 224: BANKSETA: New Venture Creation Skills Programme	-	710	(69)
5.2	Project 225: BANKSETA: PPP New Venture Creation	-	200	-
3.2	Project 226: BANKSETA: Co-Operative Bank Staff Development	-	1 000	(384)
3.2	Project 227: BANKSETA: Co-Operative Banks Shareholder Cons Education	-	500	(321)
1.2	Project 229: BANKSETA: International Conference 2008 - Planning	-	2 000	(456)
2.8	Project 230: BANKSETA: Niche L-ships Scarce Skills (employed)	-	3 300	(3 300)
4.1	Project 231: BANKSETA: Niche L-ships Scarce Skills (unemployed)	-	1 845	(1 845)
4.2	Project 232: BANKSETA: CIDA Bursaries unemployed	-	1 500	(1 472)
4.2	Project 235: FASSET Partnership: Thusanani Programme	-	4 000	(1 141)
	Project 236: MFSA V.A.T Materials for Workshops	-	143	(143)
4.3	Project 237: BEE NVC Project	-	365	(23)
	Project 238: Introductory course in islamic banking	-	1 000	(6)
4.3	Project 239: NVC - Cipro registration	-	60	-
	Project 241: Financial education - Translations and reproducing	-	250	(35)
2.8	Project 242: BANKSETA IEDP Canada Prep 2008	-	5 000	(679)
1.1	Project 243: Needs Analysis - Management Development	-	400	-
1.1	Project 244: Microfinance Industry (MFI) Needs Analysis Project	-	310	-
2.5	Project 245: SME Building a Better Business	-	-	-
	Project 246: QCTO Pilot Project	-	-	-



	Opening balance 2008/09 R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000
-	-	-	-	-
31	(31)	-	-	-
-	-	-	-	-
15 708	5 963	(9 467)	12 204	
535	-	(269)	266	
20 445	-	(18 803)	1 642	
9 091	-	(8 459)	632	
4 510	(450)	(3 908)	152	
2 557	-	(85)	2 472	
6	(6)	-	-	
5 499	-	(1 693)	3 806	
1 820	-	(1 273)	547	
317	500	(347)	470	
349	(95)	(254)	-	
-	-	-	-	
602	-	(8)	594	
-	-	-	-	
699	(673)	(26)	-	
891	(128)	(762)	-	
-	-	-	-	
641	-	(480)	161	
200	-	(200)	-	
616	(229)	(387)	-	
179	(26)	(153)	-	
1 544	126	(1 670)	-	
-	-	-	-	
-	-	-	-	
28	-	(28)	-	
2 859	-	(2 841)	18	
-	-	-	-	
342	-	(336)	6	
994	-	-	994	
60	(2)	(58)	-	
215	-	-	215	
4 321	(450)	(3 707)	164	
400	38	(438)	-	
310	(59)	(251)	-	
-	900	(863)	37	
-	7 450	(211)	7 239	

## Notes to the Annual Financial Statements (continued)

### 18 Commitments (continued)

Indicator	Projects	Opening balance 2007/08 R'000	Approved by Accounting Authority R'000	Utilised R'000
4.1	Project 247: Learner Tracking	-	-	-
4.2	Project 248: FASSET Partnership: Thusanani	-	-	-
	Project 250: Risk Management Learnership	-	165	(165)
2.2	Project 251: SME Training Voucher Project 2008/09	-	-	-
1.2	Project 252: BANKSETA: Career Awareness 2008/09	-	-	-
1.1	Project 253: BANKSETA: Scarce Skills Research	-	-	-
2.8	Project 254: BANKSETA: Masters & Exec Short Courses	-	-	-
2.8	Project 255: BANKSETA: LLL Large & Medium 2008/09	-	-	-
2.8	Project 256: 18.1 Niche Learnerships - scarce skills	-	-	-
2.8	Project 257: 18.2 Niche Learnerships - scarce skills	-	-	-
2.7	Project 258: ABET Support 2008/09	-	-	-
4.2	Project 259: CIDA Bursaries (unemployed)	-	-	-
4.3	Project 260: NVC Programme 2008/09	-	-	-
5.2	Project 261: PPP New Venture Creation Provider 2009	-	-	-
4.1	Project 262: Kuyasa 2009	-	-	-
	Project 263: CEO Discretionary pool of funds	-	-	-
4.1	Project 264: Bridging Programme for Disabled Learners	-	-	-
4.1	Project 265: 18.2 Internships (employed)	-	-	-
	Project 266: International Learning Dev Conference	-	-	-
4.1	Project 267: Letsema 6	-	-	-
4.1	Project 269: Study to accommodate deaf in the workplace	-	-	-
5.1	Project 270: BANKSETA: Skills Resource Centre 2008/09	-	-	-
2.2	Project 271: SME Lifelong Learning Workshops 2008/09	-	-	-
5.1	Project 272: BANKSETA: IoB Center of Excellence	-	-	-
2.8	Project 273: Doctoral & Post Doctoral Funding	-	-	-
2.8	Project 274: EDP Planning 2009	-	-	-
2.8	Project 275: Project Evaluation & impact Studies	-	-	-
2.8	Project 276: Scarce Skills Analysis & Solutions	-	-	-
2.8	Project 277: Scarce Skills Funding	-	-	-
	Project 278: ICT Banking Support Technician Benchmar	-	-	-
	Project 279: SME Skills Dev Toolkit	-	-	-
5.1	Project 280: Centre of Excellence:Leadership Council	-	-	-
2.8	Project 281: FAIS Preparation	-	-	-
2.8	Project 282: FAIS	-	-	-
2.4	Project 283: Good Practice Awards 2009	-	-	-
	Project 284: Interbank Training Material Update	-	-	-
	Project 285: HIV/AIDS Training Support	-	-	-
2.5	Project 286: Co-Op banks IoB/SBSA 2008-9	-	-	-
	<b>Total project expenditure</b>	<b>69 536</b>	<b>91 610</b>	<b>(74 285)</b>

Opening balance 2008/09	Approved by Accounting Authority	Utilised	Total
R'000	R'000	R'000	R'000
-	300	(99)	201
-	4 400	(3 709)	691
-	-	-	-
-	3 000	(1 778)	1 222
-	1 000	(989)	11
-	1 300	(223)	1 077
-	6 000	(443)	5 557
-	358	(358)	-
-	4 000	(1 170)	2 830
-	3 700	(915)	2 785
-	550	(231)	319
-	1 500	(1 473)	27
-	700	(436)	264
-	200	(114)	86
-	11 272	(2 807)	8 465
-	713	-	713
-	1 000	(746)	254
-	300	-	300
-	500	(26)	474
-	46 383	(12 493)	33 890
-	300	(229)	71
-	5 815	-	5 815
-	1 200	(576)	624
-	1 500	(300)	1 200
-	1 930	(75)	1 855
-	3 000	(2 764)	236
-	2 000	(674)	1 326
-	4 000	-	4 000
-	4 000	(2 542)	1 458
-	2 000	(276)	1 724
-	1 500	-	1 500
-	400	(40)	360
-	400	(89)	311
-	150	-	150
-	400	-	400
-	700	-	700
-	1 000	-	1 000
-	500	(366)	134
86 861	128 313	(98 882)	116 290

## Notes to the Annual Financial Statements (continued)

### 18 Commitments (continued)

#### 18.2 Operating Leases

Total of future minimum lease payments under non-cancelable leases:

	2008/09 R'000	2007/08 R'000
Not later than one year	1 394	1 092
Later than one year and not later than five years	18	2 524
	<b>1 412</b>	<b>3 616</b>

Part of the operating lease above relates to building premises used for office accommodation. The lease agreement was entered into effective 1 August 2003 with a termination date of 31 March 2005. The lease was extended for five years until 31/03/2010. The rental and operational costs escalate annually on 1 April with 11%. Included in the operating lease note is the lease of the photocopy machine. The lease agreement was entered into effective 19 April 2005 with no escalation.

## 19 Material Losses Through Criminal Conduct, or Irregular and Fruitless and Wasteful Expenditure

To the best of our knowledge, no material losses through criminal conduct, or irregular, fruitless and wasteful expenditure were incurred during the year ended 31 March 2009.

## 20 Financial Instruments

In the course of the BANKSETA operations it is exposed to credit, liquidity and market risk. The BANKSETA has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

#### Interest rate risk

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

The BANKSETA's exposure to interest rate risk and the effective interest rates on financial instruments at statement of financial position date are as follows:

	Floating rate		Non-interest bearing		
	Amount R'000	Effective interest rate	Amount R'000	Weighted average period until maturity in years	Total R'000
Year ended 31 March 2009					
<b>Assets</b>					
Cash	150 535	11.55%	-	-	<b>150 535</b>
Accounts receivable from non-exchange transactions	-	-	286	-	<b>286</b>
Other accounts receivable	-	-	491	-	<b>491</b>
<b>Total financial assets</b>	<b>150 535</b>	<b>11.55%</b>	<b>777</b>	<b>-</b>	<b>151 312</b>
<b>Liabilities</b>					
Accounts payable	-	-	(11 576)	-	<b>(11 576)</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(11 576)</b>	<b>-</b>	<b>(11 576)</b>
Year ended 31 March 2008					
Total financial assets	151 263	10.05%	6 342	-	<b>157 605</b>
Total financial liabilities	-	-	(8 023)	-	<b>(8 023)</b>
	<b>151 263</b>	<b>10.05%</b>	<b>(1 681)</b>	<b>-</b>	<b>149 583</b>

Financial instruments have not been discounted as they will all be settled or recovered within 3 months. The effect of discounting was considered and found not to be material.

#### Credit risk

Financial assets, which potentially subject the BANKSETA to the risk of non performance by counter parties consist mainly of cash and cash equivalents and accounts receivable.

The BANKSETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The BANKSETA's exposure is continuously monitored by the accounting authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The BANKSETA's concentration of credit risk is limited to the banking industry in which the BANKSETA operates. No events occurred in the banking industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. The BANKSETA is exposed to a concentration of credit risk, as significant amounts is owed by the SARS. This concentration of risk is limited as SARS is a government entity with sound reputation. Accounts receivable are presented net of allowance for doubtful debt.

## Notes to the Annual Financial Statements (continued)

### 20 Financial Instruments (continued)

	2008/09		2007/08	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
<b>The ageing of other receivables:</b>				
Not past due	145	-	41	-
Past due 0 - 30 days	204	-	389	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-
<b>The ageing of cash and cash equivalents:</b>				
Not past due	150 535	-	151 263	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-

#### Liquidity risk

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

	Carrying Amount	Contractual Cash Flows	6 months or less	6-12 months	1-2 years	More than 2 years
<b>2008/09</b>						
Trade and other payables	(11 576)	(11 576)	(11 576)	-	-	-
<b>2007/08</b>						
Trade and other payables	(6 449)	(6 449)	(6 449)	-	-	-

In case of liquidity problems, funding resources might be available in terms of DoL and National Treasury approval for borrowing requirements in the open market.

#### Market risk

The BANKSETA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year that the BANKSETA are aware of.

#### Fair values

The BANKSETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instruments were carried at an amount in excess of its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

##### Cash and cash equivalents

Cash and cash equivalents comprise cash held by the BANKSETA and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.



#### *Accounts receivable*

The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the accounting authority based on prior experience. The carrying amount of these assets approximates their fair value.

#### *Accounts payable*

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

## 21 New Accounting Pronouncements

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

Effective date, commencing on or after		
<b>GRAP 9</b>	Revenue from Exchange Transactions	<b>1 April 2009</b>
<b>GRAP 12</b>	Inventories	<b>1 April 2009</b>
<b>GRAP 13</b>	Leases	<b>1 April 2009</b>
<b>GRAP 17</b>	Property Plant and Equipment	<b>1 April 2009</b>
<b>GRAP 100</b>	Non-current Assets held for Sale and Discontinued Operations	<b>1 April 2009</b>
<b>GRAP 102</b>	Intangible Assets	<b>1 April 2009</b>
<b>GRAP 24</b>	Presentation of Budget Information in Financial Statements	<b>Not yet effective</b>

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

#### **GRAP 9**

GRAP 9 - Revenue from Exchange Transactions. The Standard provides additional South African public sector specific examples of revenue transactions however it does not significantly differ from IAS 29 (AC 111) - Revenue. It is not expected that this Standard will significantly impact future disclosure due to the limited nature and volume of exchange transactions for which a SETA is expected to account.

#### **GRAP 12**

GRAP 12 - Inventories. The Standard provides additional guidance on the recognition and the initial measurement of inventories including recognising inventories acquired at no cost, or for nominal consideration, at fair value as at the date of acquisition. It is not expected that this Standard will significantly impact future disclosure due to the limited nature and volume of inventory for which a SETA is expected to account.

#### **GRAP 13**

GRAP 13 - Leases. The Standard clarifies that the leases standard should still be applied even where legislation may prohibit and entity from entering into certain types of lease agreements. It further adds an additional requirement to disclose the depreciation and finance charge relating to the leased asset under accounted for as a finance lease by the lessee.

#### **GRAP 17**

GRAP 17 - Property Plant and Equipment. On initial application the Standard requires that assets which were acquired at no cost, or for a nominal cost, is accounted for at its fair value as at the date of acquisition. This treatment is different to the current treatment which accounts for such assets at cost. We do not expect this to significantly impact the carrying value of assets.

## Notes to the Annual Financial Statements (continued)

### 21 New Accounting Pronouncements (continued)

#### **GRAP 100**

GRAP 100 - Non-current Assets held for Sale and Discontinued Operations. The Standard provides public sector specific examples and refer to non-cash-generating assets that are relevant to the public sector however it does not significantly differ from IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations. It is not expected that this Standard will significantly impact future disclosure due to the limited nature and volume of such transactions for which a SETA is expected to account.

#### **GRAP 102**

GRAP 102 - Intangible Assets. This standard is drawn primarily from the International Accounting Standard on Intangible Assets (IAS 38). The Standard does provide additional public sector specific examples it also expands the identifiability criterion in the definition of an intangible asset to include contractual rights arising from binding arrangements, and to exclude rights granted by statute. The Standard will also require where an intangible asset is acquired at no cost or for a nominal consideration, that its cost is recorded as its fair value as at the date it is acquired.

Guidance on web site costs, together with an appendix to illustrate the relevant accounting principles, has been included in this Standard from SIC Interpretation 32 Intangible Assets – Web Site Costs.

## 22 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the BANKSETA's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

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

#### **Useful life of property, plant and equipment**

The BANKSETA reviews the estimated useful life of property, plant and equipment at the end of each annual reporting period, refer note 7 for the carrying values of property, plant and equipment. The BANKSETA is currently established until 31 March 2010 and in terms of the Act read with Government Notice No. R.1082 of 7 September 1999 a SETA is required to apply to the Minister for a renewal of its certificate of establishment by 1 April 2009.

In the light of the requirement to apply for a renewal of a SETA's certificate of establishment, management was required to consider how it impacts the period over which assets are expected to be available for use by the BANKSETA. Management determined, consistent with the prior year, that the useful life of assets should not be limited by the BANKSETA's establishment until 31 March 2010. Managements determination of useful life also impacts the determination of the residual value of assets.

The BANKSETA has reviewed the residual values used for the purposes of depreciation calculations in light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values will be reviewed annually in the future.

The following period of useful life is used in the calculation of depreciation:

- Computer equipment 3 years
- Application software/Intangibles 2 years
- Office furniture and fittings 10 years
- Office equipment 5 years
- Leasehold improvements 3 years

## 23 Related Party Transactions

### Transactions with other SETAs

Inter-SETA transactions and balances arise due to the movement of employers from one SETA to another. No other transactions occurred during the year with other SETAs.

The balances at year-end included in receivables and payables are:

	Note	2008/09 R'000		2007/08 R'000	
		Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable
<b>Receivables</b>	9	<b>256</b>	<b>106</b>	107	226
FASSET		78	36	46	46
SERVICES SETA		178	70	48	167
W&R SETA		-	-	13	13
<b>Payables</b>	12	<b>51</b>	<b>6</b>	345	162
FASSET		30	1	248	65
INSETA		-	-	6	6
SERVICES SETA		-	-	14	14
CETA		-	-	43	43
W&R SETA		17	1	1	1
ISETT SETA		-	-	23	23
SASSETA		-	-	8	8
FOODBEV SETA		4	4	2	2
<b>Total</b>		<b>205</b>	<b>100</b>	(238)	64

## Notes to the Annual Financial Statements (continued)

### 23 Related Party Transactions (continued)

#### Transactions with other related parties

The BANKSETA has, in the normal course of its operations, entered into certain transactions with entities either related to the DoL or which had a nominated representative serving on the BANKSETA accounting authority.

Related party	Nature of relationship	Transaction type	2008/09 R'000		2007/08 R'000	
			Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable
Receivables						
NSF income	Related to DoL	Letsema Project	-	-	20 259	-
Absa Letsema	L Mlotshwa/ R Ramabulana (Authority member)	Letsema Project	23 582	-	8 638	-
Nedbank Letsema	S Zinn (Authority member)	Letsema Project	302	302	-	-
Payables						
NSF expense	Related to DoL	Letsema Project	-	-	20 259	-
NSF	Related to DoL	Repayment - Letsema Project and Special Project	-	-	-	(78)
Absa Letsema	L Mlotshwa (Authority member)	Letsema Project	1 300	-	8 638	(2 522)
FirstRand Bank	F Hugo (Authority members)	Discretionary Grant	1 221	(1 225)	1 334	(300)
Micro Finance South Africa	H Ferreira (Authority member)	Discretionary Grant	-	-	157	-
Absa	L Mlotshwa/ R Ramabulana (Authority member)	Discretionary Grant	-	-	1 783	-
Nedbank	S Zinn (Authority member)	Discretionary Grant	996	-	380	(300)
Standard Bank	S Ngidi (Chairman)	Discretionary Grant	442	-	300	-

The above transactions occurred under terms that were no less favourable than those available in similar arm's length dealings. The amounts outstanding are unsecured and will be settled in relation to NSF by incurring qualifying expenditure or in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debt in respect of the amounts owed by related parties.

# Appendix A

## Achievements against Service Level Agreement (SLA) Targets

No.	Success Indicator Description	SLA Target	Achievements	Percentage of target	Comments
<b>Prioritising and communicating critical skills for sustainable growth, development and equity</b>					
1.2	No. of SDF or Sector Specialists who carry out skills development facilitation in the sector trained in the use of the guide for the year	200	412	206.00%	
<b>Promoting and accelerating quality training for all in the workplace</b>					
2.1	No. of large firms received WSP/ATR grants for 2008/09 financial year	62	85	138.00%	
	No. of medium firms received WSP/ATR grants for 2008/09 financial year	21	29	138.09%	
2.2	No. of small levy paying firms supported by SETAs for 2008/09 financial year	220	230	104.54%	
2.5	No. of small BEE firms and BEE cooperatives supported by skills development	22	27	122.73%	
2.7 Registered	No. of workers that have registered ABET Level 1	10	49	490.00%	
	No. of workers that have registered ABET Level 2	10	73	730.00%	
	No. of workers that have registered ABET Level 3	10	51	510.00%	
	No. of workers that have registered ABET Level 4	20	29	145.00%	
2.7 Completed	No. of workers that have achieved ABET Level 1	7	20	285.71%	
	No. of workers that have achieved ABET Level 2	7	15	214.29%	
	No. of workers that have achieved ABET Level 3	7	8	114.29%	
	No. of workers that have achieved ABET Level 4	14	5	35.71%	
2.8 Registered	Total no of workers that have entered learning programmes	1000	1298	129.80%	
	Workers Entered Learnerships	200	676	338.00%	
	Workers Received Bursaries	0	50	0.00%	
	Workers Entered Unit Standard Based Skills Programmes	800	583	72.88%	
2.8 Completed	Total no of workers that have completed learning programmes	500	1533	306.60%	
	Workers Successfully Completed Learnerships	100	192	192.00%	
	Workers Successfully Completed Studies in Bursaries	0	32	0.00%	

## Appendix A: Achievements against Service Level Agreement Targets (continued)

No.	Success Indicator Description	SLA Target	Achievements	Percentage of target	Comments
	Workers Successfully Completed Unit Standard Based Skills Programmes	400	1399	349.75%	
<b>Promoting employability and sustainable livelihoods through skills development</b>					
3.2	No. of NLPEs, NGOs, CBOs, Co-ops supported by SETAs	135	229	169.63%	
<b>Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment</b>					
4.1 Entered	Total no of unemployed people that have entered learning programmes	740	1296	175.14%	
	Unemployed People Entered Learnerships	700	1273	181.86%	
	Unemployed People Entered Internships	20	5	25.00%	
	Unemployed People Entered Unit Standard Based Skills Programmes	20	18	90.00%	
4.1 Completed	Total no of unemployed people that have completed learning programmes	370	1025	277.03%	
	Unemployed People Successfully Completed Learnerships	350	995	284.29%	
	Unemployed People Successfully Completed Internships	10	0	0.00%	
	Unemployed People Successfully Completed Unit Standard Based Skills Programmes	10	30	300.00%	
4.2	No. of learners assisted to gain work experience	190	292	154.00%	
4.3	No. of young persons trained and mentored to form new ventures	20	44	220.00%	
	No. of new ventures that are in operation 12 months after completion of programme	14	14	100.00%	
<b>Improving the quality and relevance of provision</b>					
5.1	No. of Institutes of Sectoral or Occupational Excellence recognised and supported by SETA	1	3	300.00%	
5.2	No. of Institutions accredited to manage delivery of new venture creation qualification	1	3	300.00%	



## Appendix B

### Registered BANKSETA Learnerships as at 31 March 2009

	Registration Number	NQF Level	Title
1	02 Q 020021 24 126 3	3	Asset Based Finance Administration Learnership Level 3
2	02 Q 020008 29 120 4	4	Asset Based Finance Learnership Level 4
3	02 Q 020026 17 156 5	5	Asset Protection in Banking Learnership Level 5
4	02 Q 020042 00 360 6	6	Bachelor in Management Leadership Learnership Level 6
5	02 Q 020025 18 154 5	5	Banking Management Learnership Level 5
6	02 Q 020018 00 120 5	5	Business Analysis Learnership Level 5
7	02 Q 020014 00 120 5	5	Certificate in Management Leadership Learnership Level 5
8	02 Q 020017 15 135 4	4	Central Banking Security Learnership Level 4
9	02 Q 020037 18 158 5	5	Certificate in Banking: Risk Management Learnership Level 5
10	02 Q 020038 00 120 5	5	Change Management Learnership Level 5
11	02 Q 020027 29 168 5	5	Corporate Asset Based Finance Learnership Level 5
12	02 Q 020010 00 240 5	5	Credit Learnership Level 5
13	02 Q 020029 20 131 5	5	Customer Service Representative Learnership Level 5
14	02 Q 020040 00 240 5	5	Diploma in Business Analysis Learnership Level 5
15	02 Q 020031 00 240 5	5	Diploma in Management and Leadership Learnership Level 5
16	02 Q 020041 00 240 5	5	Diploma in Operations and Productivity Management Learnership
17	02 Q 020033 00 120 5	5	Fleet Management Learnership Level 5
18	02 Q 020019 00 120 5	5	HR Benefits in Banking Consulting Learnership Level 5
19	02 Q 020032 00 240 5	5	Human Resource in Banking Learnership Level 5
20	02 Q 020004 00 180 5	5	Information Technology in Business Level 5
21	02 Q 020011 00 120 6	6	Internal Audit Technician Learnership Level 6
22	02 Q 020022 23 120 4	4	Introduction to Micro Finance Supervision and Management Learnership Level 4
23	02 Q 020035 39 128 5	5	Investment Administration Learnership Level 5
24	02 Q 020023 00 120 5	5	Legal Recoveries Services Level 5
25	02 Q 020016 00 120 6	6	Management Development Learnership Level 6
26	02 Q 020012 30 120 3	3	Micro Lending Front Line Service Learnership Level 3
27	02 Q 020015 00 120 5	5	National Certificate in Banking Services Advice Level 5
28	02 Q 020043 27 123 4	4	National Certificate: Service Excellence at Personal and Business Banking Level 4
29	02 Q 020034 00 120 5	5	Operations and Productivity Management Learnership Level 5
30	02 Q 020039 00 120 5	5	Project Management Learnership Level 5
31	02 Q 020028 23 139 5	5	Relationship Manager Learnership Level 5
32	02 Q 020013 24 155 4	4	Retail Foreign Exchange Banking Learnership Level 4
33	02 Q 020024 00 120 5	5	Risk Management Learnership Level 5
34	02 Q 020036 18 201 5	5	Sales and Relationship Management Level 5
35	02 Q 020030 00 120 5	5	Small Business Services Learnership Level 5
36	02 Q 020007 00 120 5	4	Treasury Learnership Programme Level 5
37	02 Q 020052 23 140 4	4	National Certificate: Banking: Credit Analysis, Level 4
38	02 Q 020055 24 140 4	4	National Certificate: Banking: Credit and Risk Analysis, Level 4
39	02 Q 020048 41 120 3	3	National Certificate: Banking: Financial Services: Insurance (FAIS Fit and Proper) Level 3
40	02 Q 020051 27 120 5	5	National Certificate: Banking: Treasury and Global Markets, Level 5
41	02 Q 020044 00 120 5	5	Certificate: Bank Credit Level 5
42	02 Q 020054 25 120 3	3	National Certificate: Microfinance Level 3

## Appendix B: Registered BANKSETA Learnerships as at 31 March 2009 (continued)

	Registration Number	NQF Level	Title
43	02 Q 020046 08 121 6	6	National Certificate: Financial Markets and Instruments Level 6
44	02 Q 020050 00 120 5	5	Certificate Management Development Learnership Level 5
45	02 Q 020053 32 120 4	4	Essential Skills for Banking Level 4
46	02 Q 020047 00 120 5	5	Certificate in Financial Planning Level 5
47	02 Q 02004 500 240 5	5	Diploma: Advanced Business Management Level 5

### De-registered Learnerships

	Registration Number	NQF Level	Title
1	02 Q 020020 18 147 4	4	Asset Protection in Banking Level 4
2	02 Q 020005 14 181 4	4	Retail Banking - Credit Level 4
3	02 Q 020002 48 120 3	3	Entry Level Banking Learnership Level 3
4	02 Q 020009 00 120 5	5	Financial Services Co-operatives Banking Learnership Level 5

## Appendix C

### Expenditure on Discretionary Sector Grant Projects

Project Number	Project Title	Objective	RFP Number	Project Budget	Status
420.4710.239000	NVC - CIPRO registration	To assist the new ventures that have been sponsored by BANKSETA to obtain their CIPRO (DTI) registration. This registration was not specified as a requirement when the new landscape of NVCs was initiated.	B-0001830\01\08	R57 855.00	Completed
420.4710.240000	PPP NVC Providers 2008	Support and/or improve the capacity of training providers used for NVC. It will fund ten members of staff who will gain exposure and experience of NVCs to complement their academic qualifications.	B-0001829\01\08	R200 000.00	Closed
420.4710.241000	Financial Education - Translations & Reproducing M	Funding to translate financial education materials into South African languages as and when the need arises.	B-0001831\01\08	R250 000.00	In progress
420.4710.242000	IEDP:Canada 2008	To prepare for IEDP:Canada 2008. The pre-planning phase incorporates stakeholder meetings in March 2008 to secure host partners; as well as the selection of the successful candidates to be placed on the 2008 intervention.	B-0001245\01\08	R1 000 000.00	In progress
420.4710.243000	Needs Analysis - Management Development	To provide further clarification of the broader banking sector's management development skills needs. This needs analysis will inform the refinement of the BANKSETA's Management & Leadership programmes.	B-0001837\01\08	R400 000.00	Completed
420.4710.244000	MFI Needs Analysis Project	To determine the effectiveness and validity of existing skills programmes offered in the MFI as well as to develop a basis for a detailed needs analysis to identify future needs for development programmes specifically for the MFI employees in the broader banking and micro-finance sector.	B-0001853\01\08	R310 000.00	Completed
420.4710.245000	SME Building a Better Business 2008/09	To attract and retain SME participation. This approach integrated with mandatory skills planning and reporting will further increase the level of skills and knowledge within the SME environment of the banking sector.	B-0001900\01\09	R900 000.00	In progress
420.4710.246000	QCTO Pilot Project	This project supports the sector's transition from a SAQA-based to a QCTO-based system. The QCTO system is set to be implemented from April 2009 and will be fully operational in April 2010. This project will fund a generic curriculum and qualification for retail banking, a base for a centralised assessment platform and a blue print for implementation in other areas.	B-0001918\01\09	R7 450 000.00	In progress

## Appendix C: Expenditure on Discretionary Sector Grant Projects (continued)

Project Number	Project Title	Objective	RFP Number	Project Budget	Status
420.4710.247000	Learner Tracking	To fund the tracking of learners who have completed learnerships. Their employment status will be determined.	B-0001988\01\09	R300 000.00	In progress
420.4710.248000	Thusanani programme 2008/09	The project aims to recruit and select a second group of 100 unemployed learners to start a 12 week work readiness programme in August 2008.	B-0001989\01\09	R4 400 000.00	In progress
420.4710.249000	Innovative Solutions for SMEs	The aim of this project is to provide an innovative solution to reach SMEs in rural and outlying areas in South Africa by offering a mechanism to deliver existing skills programmes, training and development to SME employees in the broader banking and microfinance sector.	B-0001919\01\09	R1 100 000.00	In progress
420.4710.250000	Risk Management Learnership	To fund 11 unemployed learners (per the NSDS equity requirements) on a learnership which specifically addresses scarce and critical skills in the broader banking and microfinance sector.	B-0001925\01\09	R165 000.00	Completed
420.4710.251000	SME Training Voucher Project 2008/09	The overall objective is to retain and attract SME participation; and this approach integrates with mandatory Skills Planning and reporting processes thereby further increasing the level of skills and knowledge within the SME environment of the banking sector.	B-0001924\01\09	R3 000 000.00	In progress
420.4710.252000	Career Awareness 2008/09	The aim of this project is to fund the dissemination of a career guide on the various careers (linked to critical and scarce skills) in the banking/microfinance industry. This effort will promote the broader industry as an employer of choice.	B-0002043\01\09	R1 000 000.00	In progress
420.4710.253000	Scarce Skills Research	The aim of this project is to follow-up on critical, scarce and future skills research already conducted in the Banking and Micro Finance Sector.	B-0002044\01\09	R1 300 000.00	In progress
420.4710.254000	Masters and Executive Short Courses 2009	To fund the development of HDI candidates to access Masters degrees and other Executive Short Courses. Funding is specific to local HET institutions on a per-annum demand basis.	B-0002048\01\09	R6 000 000.00	In progress
420.4710.255000	Life Long Learning - Large and Medium 2008/09	This project will provide continuous professional development/life long learning initiatives to Medium and Large Employers in the Banking and Micro Finance Sector.	B-0002045\01\09	R1 000 000.00	In progress

Project Number	Project Title	Objective	RFP Number	Project Budget	Status
420.4710.256000	18.1 Niche Learnerships - scarce skills	The aim of this project is to fund unemployed learners in scarce skills within the broader Banking and Microfinance sector (in support of NSDS success factor 4.1).	B-0001990\01\09	R4 000 000.00	In progress
420.4710.257000	18.2 Niche Learnerships - scarce skills	The aim of the project is to fund employed learners in scarce skills within the broader Banking and Microfinance Sector (in support of NSDS success indicator 2.8); and is in line with the BANKSETA Learnership Funding Policy to develop unemployed people by means of learnerships in areas identified as scarce or critical skills.	B-0001991\01\09	R3 700 000.00	In progress
420.4710.258000	ABET Support 2008/09	This project will provide ABET to employees in the banking sector.	B-0002046\01\09	R550 000.00	In progress
420.4710.259000	CIDA Bursaries (unemployed)	To provide bursaries for 190 students from HDI groups to attend the 2 <sup>nd</sup> year of a 4 year programme at the CIDA Foundations College.	B-0001992\01\09	R1 500 000.00	In progress
420.4710.260000	NVC Programme 2008/09	The purpose of this project is to fund NVC Learnerships.	B-0002112\01\09	R700 000.00	In progress
420.4710.261000	PPP New Venture Creation Provider 2009	To support and/or improve the capacity of training providers used for NVC.	B-0002170\01\09	R200 000.00	In progress
420.4710.262000	Kuyasa 2009	The aim of this project is to fund the participation of learners in the Post-Graduate Learnership for unemployed youth as well as to afford the successful organisations' applicants the opportunity to gain practical skills within participating host.	B-0001993\01\09	R11 271 779.73	In progress
420.4710.263000	CEO Discretionary Pool of funds	The aim of this project is to mandate the BANKSETA CEO to approve ad hoc projects with budgets of less than R400,000 based on the merit and feasibility of each project.	B-0001997\01\09	R2 062 500.00	In progress
420.4710.264000	Bridging Programme for Disabled Learners	This project aims to recruit 30 learners with disabilities for a bridging programme to allow them access to learnerships or employment and the intervention is specifically designed to allow the identified candidates to meet the selection criteria of the banking and micro finance sector for future recruitment.	B-0001963\01\09	R1 000 000.00	In progress

## Appendix C: Expenditure on Discretionary Sector Grant Projects (continued)

Project Number	Project Title	Objective	RFP Number	Project Budget	Status
420.4710.265000	18.2 Internships (unemployed)	This project is in line with the BANKSETA Internship Funding Policy to develop unemployed people by means of internships. It provides qualifying employers with a grant of R15 000 (VAT inclusive) per learner.	B-0001994\01\09	R300 000.00	In progress
420.4710.266000	International Learning Dev Conference (ASTD 2009)	To fund the advance planning and booking processes for the attendance of sector representatives at the 2008/09 ASTD Conference.	B-0002107\01\09	R500 000.00	In progress
420.4710.267000	Letsema 6	To fund the participation of learners in the Financial Service Advice Learnership as part of the Letsema project.	B-0001995\01\09	R46 383 033.06	In progress
420.4710.268000	Impact Assessment Financial Literacy radio programme	Project cancelled.	B-0002000\01\09	-	closed
420.4710.269000	Study to accommodate deaf employees in the workplace	To conduct a study on accommodating the Deaf in the workplace and share best practice with the banking and microfinance sector.	B-0002026\01\09	R300 000.00	In progress
420.4710.270000	Skills Resource Centre 2008/09	The aim of this project is to fund the establishment of South African Centres of Excellence for the broader banking sector.	B-0002219\01\09	R1 450 000.00	In progress
420.4710.271000	SME Lifelong Learning Workshops 2008/09	The objective of these initiatives is to build capacity as well as to enable and support BANKSETA registered SMEs through the delivery of structured information sharing workshops to practically understand the impact on small businesses.	B-0002086\01\09	R1 200 000.00	In progress
420.4710.272000	IoB Centre of Excellence	The aim of this project is to fund the establishment of South African Centres of Excellence (CoE) for the broader banking sector. This project is dedicated to the IoB deliverables as a CoE for the broader banking and microfinance sector.	B-0002028\01\09	R1 500 000.00	In progress
420.4710.273000	Doctoral and Post-Doctoral Funding	To fund Doctoral and Post-Doctoral tuition at HET institutions once research proposals are accepted.	B-0002059\01\09	R1 500 000.00	In progress
420.4710.274000	IEDP Planning 2009	Preparatory budget required for set-up costs related to running two IEDP in 2009.	B-0002051\01\09	R3 000 000.00	In progress



Project Number	Project Title	Objective	RFP Number	Project Budget	Status
420.4710.275000	Project Evaluation & Impact Studies	To fund the review of the overall BANKSETA projects methodology and to refine an evaluations framework for all projects. Projects that have not had impact assessments done will be evaluated.	B-0002060\01\09	R2 000 000.00	In progress
420.4710.276000	Scarce Skills Analysis and Solutions	To do an analysis and determine competencies and desired outcomes for the following scarce skills: a) Risk Management, b) ICT and c) Sales and Relationship Management. In addition the project will make recommendations to meet the requirements identified through the analysis and fund implementation of the recommendations.	B-0002108\01\09	R4 000 000.00	In progress
420.4710.277000	Scarce Skills Funding	To provide full funding to employers for learnerships for existing employees or new entrants in one or more of the following areas: a) Risk Management, b) ICT, and c) Relationship Management and d) TOPP Programme.	B-0002109\01\09	R4 000 000.00	In progress
420.4710.278000	ICT Banking Support Technician Benchmarking	To identify international models and skills development best practices in the production of ICT skills especially in scarce skills areas identified in the South African banking sector. The project findings will propose a solution towards addressing ICT scarce skills in the broader Banking and Microfinance sector.	B-0002110\01\09	R2 000 000.00	In progress
420.4710.279000	SME Skills Development Toolkit	To put in place a toolkit that supports the skills development and business performance improvement of microfinance institutions especially in outlying areas.	B-0002111\01\09	R1 500 000.00	In progress
420.4710.280000	Leadership Council	The aim of this project is to fund a panel of leadership experts to give input to our strategy for leadership development in the sector that will ultimately benefit South Africa.	B-0002097\01\09	R400 000.00	In progress
420.4710.281000	FAIS Preparation	This project will fund mainly the preparation and planning activities of the FAIS project for roll-out in the next financial year (as provided for in the 2009/10 Business Plan).	B-0002139\01\09	R400 000.00	In progress
420.4710.282000	FAIS Conference	In order to assist the sector to comply with Fit & Proper requirements as regulated by the Act, the Financial Services Board and IoB intend to present a FAIS awareness conference at the end of March 2009.	B-0002191\01\09	R150 000.00	Completed

## Appendix C: Expenditure on Discretionary Sector Grant Projects (continued)

Project Number	Project Title	Objective	RFP Number	Project Budget	Status
420.4710.283000	Good Practice Awards 2009	To fund the awarding of at least 500 companies the "Good Practice in Skills Development" recognition in order to meet success indicator 2.4 of NSDS II by March 2010.	B-0002221\01\09	R399 600.00	In progress
420.4710.284000	Interbank Training Material Update	The purpose of this project is to fund the update of the BANKSETA owned Training Material developed previously through the Interbank Training Material development project.	B-0002230\01\09	R1 000 000.00	In progress
420.4710.285000	HIV/AIDS Training Support	The funding will capacitate HIV/AIDS Training in the banking and microfinance sector.	B-0002222\01\09	R1 000 000.00	In progress
420.4710.286000	Co-Operative Banks IoB/ SBSA 2008-9	To fund the training and development of staff and boards of the existing co-operative banks, and develop sound programmes for this purpose by means of a joint venture between National Treasury, BANKSETA, Standard Bank and IoB.	B-0002220\01\09	R500 484.00	In progress

## Appendix D

### Staff Profile and Employment Equity (as at 31 March 2009)

Staff member	Position	Female				Male				Appointments	Exits
		B	C	I	W	B	C	I	W		
Max Makhubalo	CEO					√				1 April 2007	
Sandra Dunn	Deputy CEO		√							1 April 2000	30 September 2008
Daphne Hamilton	ETQA & IIP Manager				√					1 April 2000	4 July 2008
Karen Hobbs	ETQA Manager				√					1 September 2008	
Paballo Phiri	ETQA Specialist	√								01 April 2008	30 September 2008
Jollette le Roux	ETQA Specialist				√					15 December 2008	
Charmaine Janisch	ETQA Specialist				√					5 January 2009	
Melanie Mulholland	SME Manager				√					1 January 2001	31 May 2008
Trevor Rammitlwa	Skills Development Manager					√				1 August 2000	
Lynette Mentor	Development Programmes Manager		√							2 December 2005	
Mary Baloyi	Development Programmes Administrator	√								5 May 2008	
Kaamini Reddy	Marketing & Communications Manager			√						1 November 2006	
Christine Fritz	Corporate Services Manager				√					1 August 2001	
Auma Nnane	Development Programmes Specialist	√								15 August 2005	
Madeleine Pelzer	Development Programmes Specialist				√					2 February 2009	
Ayanda Maki	Skills Development Specialist	√								3 December 2007	
Siphelo Ngcwangu	Skills Development Research Specialist					√				5 May 2008	
Busisiwe Lubisi	Marketing & Communications Specialist	√								7 February 2005	
Ernest Nkuna	Marketing & Communications Specialist					√				1 April 2008	23 June 2008
Thamsanqa Malinga	Marketing & Communications Specialist					√				1 September 2008	
Dimakatso Seete	Corporate Services Specialist HR	√								1 October 2008	
Caroline King	Provincial Liaison Specialist	√								2 February 2004	
Deerani Naidoo	Learnerships Specialist			√						9 February 2007	
Nobuzwe Mangcu	Learnerships Specialist	√								1 March 2009	
Dineo Mabena	Corporate Services Administrator	√								1 October 2005	
Eva Tabane	Learnerships Administrator	√								22 February 2005	
Judith Matukane	PA to CEO	√								18 June 2007	31 August 2008
Precious Sikhosana	PA to CEO	√								1 October 2008	
Miriam Chauque	Corporate Services Specialist - Finance	√								1 August 2004	
Paulette Bourne	Learnerships Manager		√							1 January 2006	
Phumeza Dlungwana	SME Administrator	√								1 July 2007	19 December 2008
Sharissa Naicker	Skills Development Specialist			√						22 January 2007	
Sharon Mokgwatlheng	SME Specialist	√								1 February 2007	
Wendy Mtimkulu	ETQA Administrator	√								21 September 2001	31 March 2009
Thandiwe Mgwaba	Skills Development Administrator	√								23 March 2004	23 April 2008
Nyeko Mayimela	Receptionist	√								7 July 2008	

## Appendix E

Staff Remuneration Table as at 31 March 2009

Job Title	Paterson Grading System	Guaranteed Cost to Company R
CEO	E band	977 500 – 1 214 100
Managers	D band	460 000 – 543 000
Specialists	C band	160 000 – 340 000
Administrators	B band	102 000 – 158 000

# Abbreviations

ABET	Adult Basic Education and Training
ASTD	American Society for Training and Development
BBBEE	Broad-based Black Economic Empowerment
BEE	Black Economic Empowerment
CBO	Community Based Organisations
CEO	Chief Executive Officer
COE	Centres of Excellence
DoL	Department of Labour
ETQA	Education and Training Quality Assurance
FET	Further Education and Training
FVTPL	Fair value through profit or loss
GAAP	Generally Accepted Accounting Practice
GIBS	Gordon Institute of Business Science
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
ICT	Information Communications Technology
IEDP	International Executive Development Programme
liP	Investors in People
IoB	Institute of Bankers
IoD	Institute of Directors
ISOE	Institutes of Sectoral Excellence
JASA	Junior Achievement South Africa
JAMM	Junior and Middle Management Programme
MFI	Microfinance Industry
NGO	Non-Governmental Organisations
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NQF	National Qualifications Framework
NVC	New Venture Creation
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
PSDF	Provincial Skills Development Forum
QCTO	Quality Council for Trades and Occupations
RSM	Rotterdam School of Management
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SDF	Skills Development Facilitators
SDLA	Skills Development and Levies Act
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SSP	Sector Skills Plan
WDP	Women's Development Programme
WSP	Workplace Skills Plan

## BANKSETA

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