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## MINUTES OF THE MICT SETA ANNUAL GENERAL MEETING OF 2023/2024 HELD AT THE VENUE, MELROSE ARCH, ON FRIDAY, 8th NOVEMBER 2024, AT 17:00

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### ATTENDANCE REGISTER PER APPENDIX A

#### Board Members, DHET, ARC Members and NSA

Mr Simphiwe Thobela	Chairperson
Mr Sipho Zwane	Member (SAECO Chairperson)
Ms Rochelle Blaauw	Member (FinRemco Chairperson)
Mr Sontaga Mantlhakga	Member (GovCo Chairperson)
Mr Loyiso Tyira	Member (ICT SteerCom Chairperson)
Ms Ntombikayise Khumalo	Member
Mr Jabu Langa	Member
Mr Thabo Mofokeng	Member
Mr Viwe James	Member
Mr Tebogo Mamorobela	Member
Ms Nozibele Mlambo	Member
Ms Nomonde Gongxeka-Seopa	Member
Mr Ayanda Mqela	Member
Mr Suleman Badat	Chairperson: Audit & Risk Committee [joined virtually]
Mr Gideon Labane	Member: Audit and Risk Committee
Ms Lindiwe Nkosi	Member: Audit and Risk Committee [joined virtually]
Mr Zukile Mvalo	DHET (Deputy Director-General) [joined virtually]
DR Charles Nwaila	NSA
Ms Zamahlangu Mditshwa	AGSA
Mr Rienk Grobler	AGSA

#### Management

Mr Matome Madibana	Chief Executive Officer
Mr Mthenjwa Mseleku	Chief Financial Officer
Mr Moloti Nkune	Chief Information Officer
Ms Natalie Nelson	Senior Manager: ETQA
Ms Sanele Baloyi	Senior Manager: Monitoring & Evaluation
Mr Ernest Nemugavhini	Senior Manager: Learning Programmes
Ms Gugu Sema	Senior Manager: 4IR
Ms Bontle Mokoena	Senior Manager: SSP
Mr Absalom Mahlangu	Senior Manager: Corporate Services
Ms Feziwe Mbatha	Manager: Internal Audit
Ms Nomagugu Mlawe	Manager: Legal and Compliance
Ms Nthabeleng Ngoepe	Specialist: Risk & Compliance
Ms Rochelle Vetman	Manager: OCEO
Mr George Tsebe	Personal Assistant to the CEO



## Board Secretary Office

Ms Nokwanda Qezu  
Ms Unathi Bangani  
Ms Zine Vena

Board Secretary  
Assistant Board Secretary  
Administrator: Board Secretary

## ACRONYMS

Acronym	Description
4IR	Fourth Industrial Revolution
AA	Accounting Authority
CEO	Chief Executive Officer
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
ASM: CS	Acting Senior Manager: Corporate Services
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BUSA	Business Unity South Africa
BS	Board Secretary
BSC	Bid Specification Committee
CBO	Community-Based Organisations
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CS	Committee Secretary
CWU	Communication Workers' Union
DEPACU	Democratic Postal and Communications Union
DG	Discretionary Grant
DG	Director General
DPSA	Department of Public Service and Administration
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee
FINREMCO	Finance and Remuneration Committee
FY	Financial Year
GOVCO	Governance and Strategy Committee
IA	Internal Audit(or)
ICT	Information and Communications Technology
ICTCOM	ICT Steering Committee
ICTSMMEC	ICT SMME Chamber
ILO	International Labour Organisation



ITA	Information Technology Association
LPD	Learning Programmes Division
M&E	Monitoring and Evaluation
MG	Mandatory Grant
MICT SETA	Media, Information and Communication Technologies Sector Education and Training Authority
MIE	Managed Integrity Evaluation
MST	Microsoft Teams
NGO	Non-Governmental Organisation
NSF	National Skills Fund
NT	National Treasury
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PY	Prior Year
Q	Quarter
RFQ	Request for Quotation
RMC	Risk Management Committee
SCM	<i>Supply Chain Management</i>
SDL	Skills Development Levies
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium and Micro-Enterprise
SAECO	Social and Ethics Committee
ToR	Terms of Reference
UIF	Unemployment Insurance Fund
YTD	Year to Date



## **1. OPENING AND WELCOME**

Mr Simphiwe Thobela, the Chairperson of the MICT SETA Accounting Authority (AA) welcomed all present to the AGM convened in terms of the notice dated 09 October 2024. The meeting was presented in a hybrid format, allowing for participation by stakeholders, both in person and online via the YouTube platform.

## **2. INTRODUCTION OF THE PROCEEDINGS**

The Order of Proceedings was outlined by the Programme Directors, Mr Langa and Ms Natalie Nelson including the presentation of Safety and Emergency Procedures of the venue.

## **3. ADOPTION OF THE NOTICE CONVENING THE AGM, QUORUM AND APOLOGIES**

The Notice convening the AGM dated 9<sup>th</sup> October 2024 and an erratum that was issued to amend the commencement time (from 14h00 - 17h00 to 17h00 - 20h00) dated 16<sup>th</sup> October 2024 in accordance with clause 14(1) (3) of the MICT SETA Constitution was read by the Board Secretary.

The quorum for convening the AGM was duly constituted (all AA Members attended in person however Messrs Tyira and Mqela and Ms Mlambo joined the meeting later). The following was noted:

- An apology was received from the Honorable Minister Dr Nobuhle Pamela Nkabane who could not attend due to prior commitments however the Deputy Director-General, Mr Zukile Mvalo joined online representing the Minister.
- Two ARC Members Mr Suleman Badat (Chairperson) and Ms Lindiwe Nkosi joined the AGM online.



#### **4. MINISTER'S ADDRESS BY MR ZUKILE MVALO**

The Ministers 'address was unfortunately not delivered as the venue experienced technical issues for Mr Mvalo to address the however he was able to follow the proceedings of the AGM.

#### **5. NATIONAL SKILLS AUTHORITY (NSA) CHAIRPERSON'S ADDRESS**

Dr Charles Nwaila, Chairperson of NSA delivered his address and the following was highlighted:

- a. The World Economic Forum Survey - The Future of Jobs Report, which brought together the perspective of 803 companies – collectively employing more than 11.3 million workers – across 27 industry clusters and 45 economies from all world regions including South Africa noting impact on jobs, skills, and the workforce transformation strategies for the 2023-2027 timeframe.
- b. Technology adoption would remain a key driver of business transformation in the next five years. Over 85% of organisations surveyed identified increased adoption of new and frontier technologies and broadening digital access as the trends most likely to drive transformation in their organization.
- c. The ongoing impact of the COVID-19 pandemic increased geopolitical divisions and demographic dividends in developing and emerging economies were ranked lower as drivers of business evolution by respondents.
- d. The MICT SETA has a catalytic role to play within the skills development landscape towards the digital transformation in South Africa. In the 2022/23 Annual Report the Chairperson of MICT SETA reported that "the Board approved the integrated digital skills strategy which is now in full swing". This is commendable work, but the real test would be in the implementation of strategies and plans.
- e. The MICT SETA must strive for more partnerships, collaborations and to adopt an inclusive approach that involves all vulnerable groups, in that way no one would be left behind.



- f. The NSA' mandate, which is monitoring, and evaluation has noted that MICT SETA has made great strides in achieving its targets over the years. However, the NSA cannot ignore its legal obligation to probe any reported allegations or failures in governance within the SETA.
- g. NSA is empowered by section 5 (1)(d) of the Skills Development Act to conduct an investigation. A task team was established to deal with the matter. However, the MICT SETA performance remains notable and commendable. MICT SETA is amongst the top 10 SETAs that are consistent and best performing in terms of the NSA analysis.
- h. Over the past 3 years MICT SETA has maintained a clean audit and achieved above 90% of the set targets which is commendable and encouraged the current Board members to leave a positive and a progressive legacy.
- i. In closing, Dr Nwaila quoted the 36<sup>th</sup> former president of America Lyndon Johnson's notion to build "A Great Society" for American people and encouraged the MICT SETA to aspire to build a great South African society, indicating that these aspirations must be underpinned by the following: attitude amongst others; patriotism; commitment; integrity, diligence; perseverance; and grit. Further Dr Nwaila indicated that working together can make South Africa a better place for everyone and for future generations.

## **6. AUDITOR GENERAL SOUTH AFRICA REPRESENTATIVE (OVERVIEW ON ENHANCING GOVERNANCE AND COMPLIANCE THROUGH THE SHARED SERVICES MODEL)**

Ms Zamahlangu Mditshwa, Deputy Business Unit Leader at AGSA provided an overview on governance and compliance and highlighted the following:

- a. The key challenge of unemployment rate sitting at 33.5% with young graduates identified taking a big percentage of unemployment.
- b. The PSET system aims to enhance access to higher education and skills training, by focusing on inclusivity and relevance to the job market and seeking to





- equip individuals with the skills needed for employment, ultimately contributing to economic growth and social equity.
- c. The prior year's recommendations and commitment included the following: synchronized strategic planning and coordination within the PSET environment; implementation of an integrated system; alignment of academic focus to labour market needs.
- d. The MICT SETA is the relevant SETA when it comes to the integrated systems. The shared services model offers a pathway to enhance governance and compliance in the sector by promoting efficiency, consistency and accountability. Although there are challenges, a well implemented shared services framework can improve operational effectiveness, allowing PSET institutions to focus more on their educational mission and less on administrative burden.
- e. An audit of the Integrated Learner Management System (ILMS) was conducted and the following key risks were identified, which MICT SETA has made progress in address them:
- LMS Project governance documentation does not incorporate other SETAs.
  - There is no integration with other systems such as the Department of Home Affairs and NSFAS in terms of skills development and funding of critical skills.
  - There is a lack of skilled cloud security resources or personnel.
  - Lack of involvement with other SETAs in testing the system.
- f. Key recommendations:
- Involvement of other SETAs with regard to testing to ensure that it meets the requirements and functions of the sector as a whole.
  - DHET to issue a directive on the implementation of the ILMS by all the SETAs.

## **7. CHAIRPERSON'S OVERVIEW AND REPORT ON ACCOUNTING AUTHORITY AFFAIRS**

The Chairperson presented an overview of the SETA over the past five (5) years and highlighted the following:



- a. In the past 5 years, MICT SETA has demonstrated a notable improvement in financial management and operational performance that effectively addresses historical challenges with clean audit outcomes. For the 2023/24 financial year, MICT SETA obtained an unqualified audit outcome without findings which echoes the MICT SETA's sound financial management.
- b. In 2020 MICT SETA was faced with significant challenges with a balance of R150 million irregular expenditure which has been reduced to R0.00 in the current FY.
- c. In 2020/21 financial year, MICT SETA achieved 75% of its Annual Performance Plan targets, 90% in 2021/22, 95% in 2022/23 and 94% in 2023/24 FY. The significant improvement on the performance of MICT SETA was commendable and the Chairperson encouraged Stakeholders to continue working hard and supporting the MICT SETA.
- d. Expressed gratitude to the AGSA for the confirmation of the effectiveness of the MICT SETA's internal controls, also acknowledging the Internal Audit function, Risk Management function and the Legal and Compliance function. The unyielding dedication to transparency and accountability has been pivotal to obtaining the unqualified audit outcome.
- e. MICT SETA has diverse Management team with 50% being women and 50% men. MICT SETA's efforts to transforming the industry and leading the sector by ensuring that the workforce is not only capable and competitive, but also ready to meet the demands of the ever-evolving economy, by focusing on the development of future ready skills, reduce skills gap, foster employability, entrepreneurship, and ultimately contribute to improved economic growth and active beneficiary participation.
- f. MICT SETA had made significant strides in addressing the skills gap through collaboration with over 20 TVET Colleges, established 4IR Learning Labs offering learners access to in demand skills and ensuring that learning programmes meet industry standards and providing workplace based learning





- opportunities and bridging the gap between academia and industry. MICT SETA developed several qualifications that respond to 4IR. A Rural Development Strategy and Digital Strategy were developed and being implemented with the focus on improving access to MICT SETA programmes across the country in townships and rural areas. Female participation in rural areas was at 40% which is concerning, 55% male and 5% people living with disabilities.
- g. MICT has recently launched a Research Chair Symposium to highlight the robust partnerships with Universities and TVET Colleges.
  - h. MICT SETA's commitment to foster innovation is evident through the significant investment of R38 million budget to support PhD and Masters' candidates, there are approximately 475 candidates across various institutions of higher learning funded by MICT SETA.
  - i. The MICT SETA in collaboration with the Tshwane University of Technology (TUT) developed the integrated Learner Management System (LMS).
  - j. Appreciation for continued support was also extended to the UIF, NSF and FASSET for a meaningful and mutually beneficial public partnerships.
  - k. Encouraged participation and proper preparation and training of learners in preparation for the World Skills Competition. Extended appreciation to industry partners who assisted in training learners for the World Skills Competition, especially those who worked *pro bono*.
  - l. Extended gratitude to everyone who attended the AGM and those who attended virtually, MICT SETA Management and employees for the commitment, dedication, passion, unwavering commitment, daily efforts, and perseverance that drives MICT SETA forward.
  - m. extended gratitude to the Minister and his Deputies, DHET Officials, for support and guidance and to the Board and ARC members for their leadership and commitment for excellence.



## 8. CHIEF EXECUTIVE OFFICER'S OVERVIEW

The CEO Overview highlighted the following, amongst others:

- a. The MICT SETA achieved 94% of its APP targets, MICT SETA strives for excellence and always on an upward trajectory year on year performance.
- b. The collaborative efforts of the Stakeholders in ensuring that MICT SETA achieved its targets is commendable.
- c. The MICT SETA aligns its priorities with the National Skills Development Economic Reconstruction and Recovery Plan and its Skills Development Strategy which is aligned to the SLA signed with DHET annually.

The CEO thanked all Stakeholders and partners of the MICT SETA for attending the AGM.

## 9. CHIEF FINANCIAL OFFICER'S OVERVIEW

The CFO presented the audited 2023/24 Annual Financial Statements (AFS) for the year ended 31 March 2024 highlighting the following:

- a. Skills Development Levy Revenue was R917 million with a 6% growth. Funding of approximately 17 000 learners.
- b. MICT SETA had a total assets of R798 million in its books.
- c. Intangible assets have decreased by 44% compared to prior year due to correctional adjustments relating to RLP systems.
- d. The accounts receivables from non-exchange transactions had a decrease of 59% due to SARS adjustment to the employee grants receivables.
- e. Irregular expenditure decreased by 100% from prior year. Overall liabilities have increased by almost 12% due to deferred revenue.
- f. Net assets position increased by 19.16% due to discretionary grants reserves. Revenue comprises of SDL income at 95% and the Finance Revenue at 5% for the current FY, increase of 6%. The overall financial viability was favourable, with a current ratio of 4.9:1.



- g. The split in relation to the expenditure, discretionary grants consist of 69%, mandatory grants 19% and administration expenditure at 12% of the R1.1 billion.
- h. There has been a decrease of about 6% in relation to the discretionary grant expenditure compared to prior year, mainly due to restructuring of SLAs and Stakeholders who did not pay stipends to the learners on time. Urged all Stakeholders to ensure that learners are paid on time.
- i. Stakeholders were urged to utilise the ILMS system for all submissions to ensure a smooth-running payment system.

## **10. PROPOSED 2025/26 ANNUAL BUDGET AND BUSINESS PLAN**

The CFO presented the 2025/26 MICT SETA budget of R1.594 billion as follows:

- a. MICT SETA has budgeted to receive R1.212 billion on Skills Development Levy (SDL) Revenue for 2024/25 financial year.
- b. 80% or R1.271 billion is estimated to be received from employers in 2025/26 financial year.
- c. 15% or R250.814 million is estimated to come from approved cash surpluses.
- d. 5% or R73 million is estimated to be received from other income such as investment revenue, special projects etc.
- e. The 2025/26 budget estimates is subject to approval by the Minister.

## **11. REPORT OF THE ARC 2023/24 FY**

Mr Labane, Member of the Audit and Risk Committee presented the Audit and Risk Committee Report and highlighted the following:

- a. The ARC composition (5 members: 3 external independent members and 2 members of the Board). The ARC is therefore properly constituted and has complied with its mandate arising from section 51(1)(a)(ii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and Treasury Regulation 27.1.



- b. The adequacy, reliability and accuracy of financial information was reviewed quarterly during the period under review. The ARC was overall satisfied with the performance of the Finance function and the CFO for the period under review.
- c. ARC provided assurance on the quality of financial reporting by reviewing the draft Annual Financial Statements and the Annual Report.
- d. The ARC was satisfied with the overall risk management function, noting the achievement of level 5 risk maturity in line with the National Treasury's Risk Maturity Assessment which is a sub-set of its Financial Management Capability Maturity Model. Furthermore, recommendations were made to Management to enhance the capacity within the Risk function.
- e. The ARC was satisfied that Internal Audit performed its duties in accordance with the approved Internal Audit Plan, this also included the performance evaluation of the Internal Audit Function and its Internal Audit Manager.
- f. The ARC concurs and accepts the External Auditors opinion regarding the AFS, the audit outcome was an unqualified opinion with no findings. The opinion provides assurance to Stakeholders that all money received and spent by the MICT SETA was accurately and completely accounted for in line with the applicable laws and regulations.

## 12. REPORT OF THE SAECO

Mr Sipho Zwane, the Chairperson of SAECO, presented the SAECO Report and highlighted the following:

- a. The Social and Ethics Committee is founded on the values of sound corporate governance practices. It performs an oversight function to ensure that the SETA is equipped and on track to deliver on its ethical, social, and governance outcomes.



- b. The Committee operates in terms of the Standard Constitution read with clause 2(2) in Annexure 5 of the MICT SETA Constitution and King IV, Principle 8, par. 68 – 70.
- c. The functions of the Committee include but are not limited to monitoring of key activities, bearing in mind any legal requirements or prevailing codes of best practice, regarding matters relating to Social, Governance and Economic development. Good corporate citizenship, including the MICT SETA's promotion of equality, prevention of unfair discrimination, and curb corruption.
- d. Monitoring compliance with the relevant Legislation, Codes of Best Practice, King IV and Legal Requirements.

### **13. REPORT OF THE AGSA 2023/24 FY**

AGSA Senior Manager, Mr Rienk Grobler presented the audit report, and the following was highlighted:

- a. The MICT SETA has managed to maintain an unqualified audit opinion without findings on compliance, laws and regulations for the 2023/24 financial year. The AGSA observed that MICT SETA cares about its audit opinion and willing to go an extra mile and put it the extra work.
- b. While the AGSA eagerly awaits the complete roll-out of the ILMS, the AGSA has noted the following data analytics:
  - Levy income has been increasing on an annual basis.
  - 93% of learners trained were in the age group between 16 and 35, which means that the youth is benefiting.
  - MICT SETA needs to focus on aligning top skills development with scarce skills as per SSP to alleviate unemployment and increase employability of learners that are being trained.
  - MICT SETA needs to analyse the impact of training initiatives to establish the number of learners employed after training, what they were trained on and whether the skills that they were trained on are in demand or not. Also



establish if double dipping is not another root cause or if SP's are keeping the same learners on their data base. (ILMS system will assist in this regard).

- Training conducted must be aligned to industry needs, and there must be a job waiting for each learner trained.
- Expressed gratitude to Management, the Board and ARC for the support and playing their significant parts in the audit process.

#### 14. STAKEHOLDER ENGAGEMENT

The Stakeholders sought clarity on specific matters that were accordingly responded to by the MICT SETA. Stakeholders commended the work of the MICT SETA and congratulated the SETA on the clean audit outcome.

#### 15. PASSING OF RESOLUTIONS

##### a. Confirmation of Minutes

###### **Resolution: 2024/11-01**

The **Minutes of the meeting** held on the **27 October 2023** were confirmed and adopted.

*Mr Tyira moved for adoption of the minutes, seconded by Ms Mlambo.*

##### b. Audited Annual Financial Statements (AFS) for the year 2023/2024

###### **Resolution: 2024/11-02**

**IT WAS RESOLVED THAT** the Annual Financial Statements for the year 2023/2024 be adopted.

*Mr James moved for the adoption of the AFS for the year 2023/24, seconded by Ms Khumalo.*

##### c. Annual Report for the year 2023/24

###### **Resolution: 2024/11-03**

**IT WAS RESOLVED THAT** the Annual Report for the year 2023/24 be adopted.





*Mr Mantlhakga moved for the adoption of the 2023/24 Annual Report, seconded by Ms Gongxeka-Seopa.*

- d. Auditor General' Report for the year 2023/2024

**Resolution: 2024/11-04**

**IT WAS RESOLVED THAT** the Auditor General Report for the year 2023/24 be adopted.

*Mr Mamorobela moved for the adoption of the Auditor General Report for the year 2023/24, Mr Mofokeng seconded.*

- e. Proposed 2025/26 Annual Budget

**Resolution: 2024/11/05**

**IT WAS RESOLVED THAT** the Proposed 2025/26 Annual Budget be adopted.

*Mr Mqela moved for the adoption of the Proposed 2025/26 Annual Budget for the, Ms Gongxeka-Seopa seconded.*

## 16. CLOSURE

The Chairperson thanked everyone for their attendance and closed the AGM at 21h30.

**Approved and adopted as a true reflection of the discussions during the meeting.**

**Board Secretariat**

Mr S. Thobela CD(SA)

**Chairperson of the Accounting Authority**

29 January 2025

Date

29 January 2025

Date