



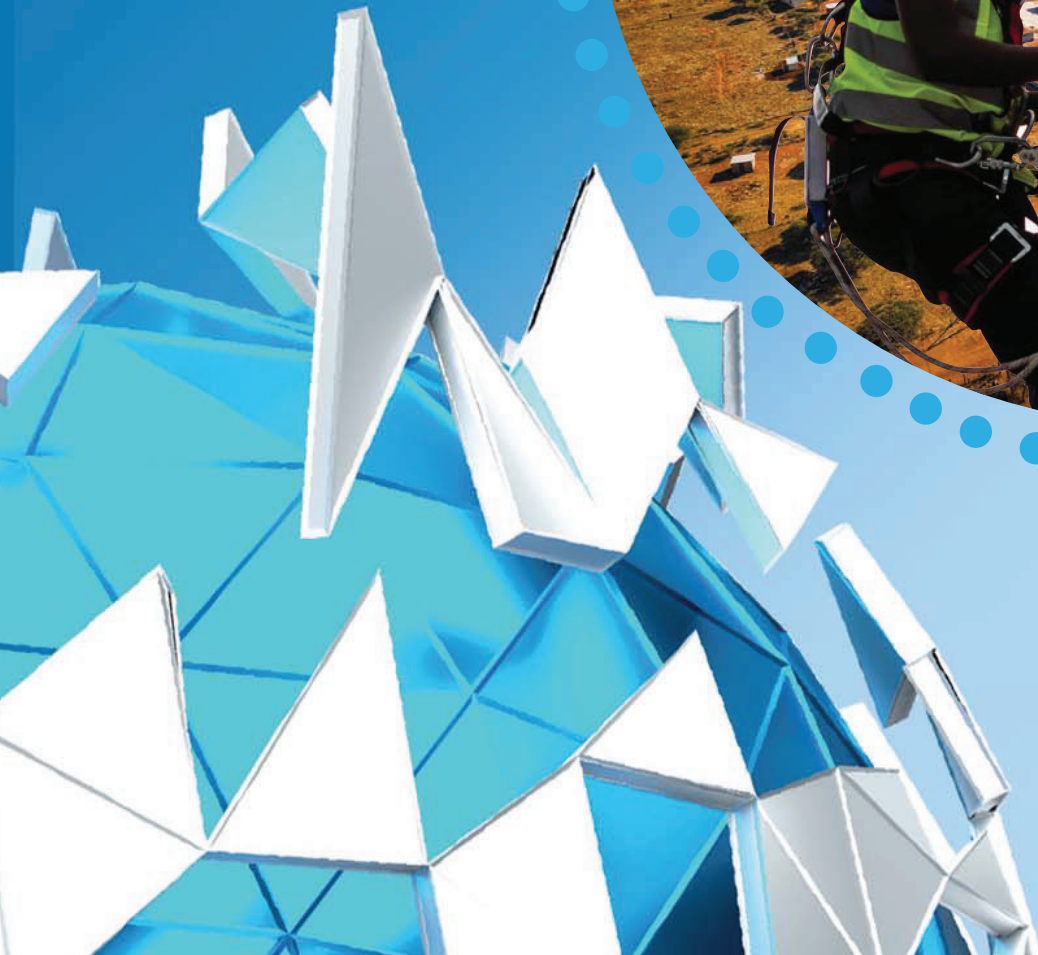
MICTSETA

Media, Information And
Communication Technologies
Sector Education And Training Authority

SHAPING SKILLS, PIONEERING INDUSTRIES, EMPOWERING FUTURE

ANNUAL REPORT

2024/25





SEARCH

ANALYSIS

SCAN

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A person wearing a VR headset is shown from the chest up, smiling. The background is a dark blue overlay featuring architectural blueprints with room numbers like 202, 203, 210, 211, 206, 204c, 204a, 202, 200, and 20. A dotted line of small circles connects two large concentric circles, one on the left and one on the right, passing through the person's head. A circular digital interface with concentric rings is visible near the person's mouth.

PART A | GENERAL INFORMATION

1.1 MICT SETA GENERAL INFORMATION

REGISTERED NAME:	Media, Information and Communication Technologies Sector Education and Training Authority
REGISTRATION NUMBER:	SETA Number 12
PHYSICAL ADDRESS:	Block 2, Level 3, West Wing, Gallagher Convention Centre, 19 Richards Drive, Midrand
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BANKERS INFORMATION:	South African Reserve Bank of SA (CPD): PO Box 427, Pretoria, 0001 First National Bank: Carlswald, Postnet Suite 94, Private Bag X121, Halfway House, 1685 First National Bank: Enterprise Road, FNB Building, 2nd Floor, Fairland, 2170
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BOARD SECRETARY E-MAIL:	Kwanda.Qezu@mict.org.za
TELEPHONE NUMBER:	+27 10 055 7949

1.2 LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution	LPD	Learning Programmes Division
AET	Adult Education and Training	MICT	Media, Information and Communication Technologies
AI	Artificial Intelligence	MTSF	Medium-Term Strategic Framework
ARC	Audit and Risk Committee	MTDP	Medium-Term Development Plan
B-BBEE	Broad-Based Black Economic Empowerment	NEMISA	National Electronic Media Institute of South Africa
CEO	Chief Executive Officer	NDP	National Development Plan
CET	Community Education and Training	NFVF	National Film and Video Foundation
CFO	Chief Financial Officer	NGO	Non-Governmental Organisation
CIO	Chief Information Officer	NSA	National Skills Accord
CompTIA	The Computing Technology Industry Association	NSI	National System of Innovation
DCDT	Department of Communications and Digital Technologies	NSDP	National Skills Development Plan
DG	Discretionary Grants	OLA	Operational Level Agreement
DHET	Department of Higher Education and Training	OQSF	Occupational Qualification Sub-Framework Policy
DPME	Department of Planning, Monitoring and Evaluation	NSDS	National Skills Development Strategy
DST	Department of Science and Technology	NSF	National Skills Fund
DUT	Durban University of Technology	AGSA	Auditor-General of South Africa
EE	Employment Equity	NQF	National Qualifications Framework
ETDP	Education, Training and Development Practices	PFMA	Public Finance Management Act
ETQA	Education and Training Quality Assurance	PICC	Presidential Infrastructure Coordinating Commission
EXCO	Executive Committee	PIVOTAL	Professional, Vocational, Technical and Academic Learning
FET	Further Education and Training	QCTO	Quality Council for Trades and Occupations
FINREMCO	Finance and Remuneration Committee	QMS	Quality Management Systems
GOVCO	Governance and Strategy Committee	SAECO	Social and Ethics Committee
GNU	Government of National Unity	SAQA	South African Qualifications Authority
GRAP	Generally Recognised Account Practice	SARS	South African Revenue Services
HET	Higher Education and Training	SCM	Supply Chain Management
HEI	Higher Education Institution	SD	Skills Development
HR	Human Resources	SDA	Skills Development Act
HRDS	Human Resources Development Strategy	SDL	Skills Development Levy
ICITP	Institute of Chartered IT Professionals	SDLA	Skills Development Levies Act
ICT	Information and Communication Technologies	SETA	Sector Education and Training Authority
ICTCOM	Information and Communication Technologies Committee	SIPs	Strategic Integrated Projects
IDSS	Integrated Digital Skills Strategy	SLA	Service Level Agreement
IESBA	International Ethics Standards Board for Accountants	SMME	Small, Medium and Micro Enterprises
IIA, SA	Institute of Internal Auditors	SSP	Sector Skills Plan
IMS	Information Management System	TIA	Technology Innovation Agency
IoT	Internet of Things	TVET	Technical Vocational Education and Training (previously known as FET colleges)
IPAP	Industrial Policy Action Plan	UIF	Unemployment Insurance Fund
IRBA	Independent Regulatory Board for Auditors	UJ	University of Johannesburg
ISA	International Standards of Auditing	VUT	Vaal University of Technology
ISOE	Institute of Sectoral or Occupational Excellence	W&RSETA	Wholesale and Retail Sector Education and Training Authority
IT	Information Technology	WSP	Workplace Skills Plan
OHSA	Occupational Health and Safety Act		
SIC	Standard Industrial Classification		

1.3 FOREWORD BY THE CHAIRPERSON

1.3.1 INTRODUCTION

I had the privilege and honour to serve as the MICT SETA Board Chairperson for the past five years. I am proud to have served with such an outstanding team ensuring the fulfillment of the MICT SETA vision and mission. Our time has been fulfilling and I am satisfied with the progress we have made, visionary stewardship and dedication to building a digitally empowered, future-ready workforce. Our commitment to shaping a responsive SETA has laid a strong foundation upon which the new Board will continue to accelerate inclusive digital transformation across the Media, Information and Communication Technologies sector.

Our efforts continue to be guided and strengthened by the oversight of the Department of Higher Education and Training (DHET) under the guidance of Honourable Buti Manamela and his Deputy Ministers, Honourable Dr. Nomusa Dube-Ncube and Dr Mimmy Gondwe. We also acknowledge the critical role of the Portfolio Committee on Higher Education and Training in shaping policy, addressing national skills priorities, and promoting good governance across the Post-School Education and Training (PSET) system landscape. The oversight of the Auditor-General of South Africa (AGSA) remains instrumental in holding the SETA accountable for the responsible use of public funds, regulatory compliance, and the integrity of our financial reporting. This governance ecosystem reinforces public trust and underpins the SETA's ability to deliver on its mandate.

1.3.2. HIGH-LEVEL OVERVIEW OF STRATEGY AND SECTOR PERFORMANCE

During the 2024/25 reporting period, the MICT SETA demonstrated a strategic transition towards a more agile, inclusive, and demand-driven approach to skills development. Out of 69 planned targets, the organisation successfully achieved 66, resulting in a 96% accomplishment rate for the year. This outcome underscores the strength of its governance practices.

Grounded in the eight strategic priorities set out in the 2020-2025 Strategic Plan, our delivery model has evolved to meet both persistent sectoral challenges and emerging industry needs.



Mr Simphiwe Thobela
Chairperson of the Board

CREDIBLE LABOUR MARKET INFORMATION

A critical area of impact has been the strengthening of labour market intelligence. The SETA has maintained a data-driven approach to skills planning by producing credible Sector Skills Plans (SSPs), which now include sub-sector and provincial insights. This more granular view has allowed us to design interventions that are not only nationally relevant but regionally responsive, particularly in underserved areas.

ENABLEMENT OF THE FOURTH INDUSTRIAL REVOLUTION (4IR)

In line with our commitment to enabling the Fourth Industrial Revolution (4IR), the SETA has implemented transformative initiatives in partnership with academic institutions and stakeholders from the private sector. These partnerships enabled the introduction of groundbreaking programmes which include the launch of the Integrated Learner Management System (ILMS), educator upskilling initiatives, and new occupational qualifications focused on digital and emerging technologies. These interventions are central to repositioning the MICT sector as a core contributor to South Africa's digital economy.

INCREASED ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES

The transition to occupational qualifications has also gained momentum. Historical qualifications have been realigned into fit-for-purpose occupational standards under the Occupational Qualifications Sub-Framework (OQSF). The SETA, in its role as both Development and Quality Partner, has ensured a robust accreditation and assessment framework across all subsectors. The availability of accredited Skills Development Providers, EISA Centres, and Subject Matter Experts has created a well-functioning ecosystem for the effective rollout of occupational learning.

Performance in occupationally directed programmes has seen sustained improvement. Enhancements in programme implementation and stipend administration have led to greater learner retention and successful programme completions. These gains are substantiated by the 2024 tracer study, which confirm improved learner outcomes and higher transition rates into work or entrepreneurship.

SUPPORT FOR AGILE AND DEMAND-LED SKILLS DEVELOPMENT

The SETA continues to support agile, flexible and demand-led skills development. This shift, shaped by economic recovery needs post-COVID-19, reflects our response to changing labour market dynamics and the need to rapidly reskill and upskill talent across the sector. The Board adoption of the eight strategic priorities for 2020-2025 strategic planning period embed agility into programme design, with a strong emphasis on entrepreneurship, innovation and business incubation.

SUPPORT FOR SMMEs, ENTREPRENEURSHIP, AND COMMUNITY-BASED ORGANISATIONS

Our support for SMMEs, cooperatives, and community-based organisations has matured into a core pillar of our development model. Skills interventions have not only enabled enterprise formation but have positioned beneficiaries to move from job-seeking to job-creation, particularly in technology-enabled micro-enterprises within the MICT sector.

INCREASED SKILLS DEVELOPMENT FOR RURAL AND MARGINALISED COMMUNITIES

Notably, the SETA's Rural Development Strategy continues to yield strong results. By exceeding project targets and strengthening partnerships in remote areas, the MICT SETA has increased access to learning and employment opportunities for youth in rural villages and townships. These efforts were amplified by the inclusion of digital literacy in school-focused initiatives, following insights from stakeholder consultations.

In response to identified skills shortages in telecommunications and infrastructure maintenance, the SETA also initiated a feasibility study to assess the introduction of an Artisan Development Programme. The positive findings of this study will inform new programme offerings in the upcoming planning cycle.

With the conclusion of the 2024/25 financial year, the Cabinet-approved Medium-Term Development Plan (2024–2029) provides a forward-looking framework for scaled impact. The focus areas of digital integration, rural inclusion, and industry alignment; signal a maturing SETA that is both responsive and anticipatory in delivering on its mandate.

In sum, the SETA's strategic posture has evolved from recovery to transformation. Despite the external challenges of the past five years, including levy disruptions and sectoral realignments; the organisation has recalibrated its priorities to meet current

realities while laying the groundwork for long-term, sustainable sector development.

1.3.3 STRATEGIC PARTNERSHIPS

Strategic partnerships are at the heart of the MICT SETA's delivery model. These collaborations enable us to leverage resources, expertise, and innovation to build a future-ready workforce equipped for the digital economy.

We have partnered with higher education institutions, private sector leaders, and industry bodies to align learning pathways with labour market needs. Notable collaborations include:

- *Universities:* Partnerships with the University of Johannesburg and Tshwane University of Technology under the 4IR Research Chairs programme.
- *Certification Bodies:* Dual-certification initiatives with The Computing Technology Industry Association (CompTIA) and Institute of Chartered IT Professionals (ICITP), recognising both formal learning and professional competencies.
- *Media Sector:* Internships with the National Film and Video Foundation (NFVF), South African Broadcasting Corporation (SABC), and the Association for Communication and Advertising to promote workplace readiness in media.
- *TVET Graduate Employability:* Collaborations with Digital Council, Greyscale, Lubanzi ICT, Kayise IT and Forge Academy to equip youth with practical skills in fibre, IoT, Robotic Processing Automation, software development, and mobile repairs.

SYSTEMIC COLLABORATION

We've initiated Memorandum of Agreement (MoAs) with 10 SETAs, DHET, and the QCTO to scale our flagship programme of the Integrated Learner Management System which shall serve as a backbone of ICT Shared Services within the PSET system. Out of the 12 MoAs issued, three (3) were concluded and signed with DHET, CATHSSETA, and FASSET. The ILMS provides a platform of collaboration, improvement in SETA governance and improved integration of the Parties. Onboarding of these institutions has already commenced and this process enables us to pilot the system with the few Parties which will enable us to prepare for full rollout to all Parties from the next financial year. We anticipate that additional SETAs will join this programme in the foreseeable future.

Through a variety of learning programmes including internships, learnerships, work-integrated learning, short courses, and bursaries, we provided learners with hands-on experience and practical skills. These partnerships are not transactional; they are transformative. They demonstrate our commitment to a skills development system that is agile, inclusive, and aligned with the demands of a rapidly evolving digital world.

1.3.4 STRATEGIC FOCUS OVER THE MEDIUM TO LONG TERM

The MICT SETA enters the next planning cycle with a sharpened focus on integrated, technology-driven solutions to address persistent skills mismatches. Anchored by the approved Medium-Term Development Plan (2024 - 2029), the organisation will deepen regional impact through the implementation of mini-SSPs, expand learning pathways via a proposed Artisan Development Programme, and support entrepreneurship by enrolling TVET learners that require an additional six months to complete their workplace requirement and qualifications.

To improve organisation efficiencies, we have initiated a project of modelling and re-engineering of MICT SETA business processes. This project aims to identify bottlenecks and wastage in the execution of the SETA's processes.

In parallel, the SETA aims to conclude and transition into other key innovation platforms developed by other universities, including an e-Recruitment System by Vaal University of Technology, a Data Lake by the Durban University of Technology, and an internal Intranet platform by University of Johannesburg). The DHET College and SETA Times website with University of Limpopo) is currently undergoing final testing prior to going live. The deployment of a new Enterprise Resource Planning (ERP) system will further modernise internal operations, enabling seamless service delivery, improved data integrity, and greater institutional efficiency.

1.3.5 CHALLENGES FACED BY THE BOARD

The term of office of the Board expired on 31 March 2025 leaving the SETAs with no oversight over their functioning as the Board is the primary governing and accountability body responsible for strategic direction and ensuring alignment with National Skills Development priorities.

As an interim measure, the CEOs of SETAs have been designated to fulfill the responsibilities of the Accounting Authority for their respective SETAs, in accordance with a directive issued by the former Minister of the Department of Higher Education and Training, Dr. Nobuhle Nkabane. After receiving approval from National Treasury, However, this interim appointment which became effective from 22 May 2025 for a duration of three (3) months, or until the new Accounting Authority is appointed, whichever occurs first ended on 21 August 2025, leaving the SETAs with a governance vacuum. The continued delays in the appointment of SETA Boards creates voids in accountability, poor governance and inadequate monitoring of SETAs performance.

1.3.6 THE YEAR AHEAD

In the year ahead, the SETA will enter a new strategic planning and annual performance cycle that will shape the trajectory

of the organisation over the coming period. The priority of the new Board will be to align the SETA's programmes and initiatives with sectoral needs while strengthening the impact of the skills development mandate. The new Board will continue to position the MICT SETA at the forefront of the digital economy by anticipating emerging trends in the Fourth Industrial Revolution, fostering innovation, and expanding opportunities for beneficiaries to participate meaningfully in the economy. Central to this will be deepening stakeholder collaboration, enhancing governance and service delivery, and ensuring that planning translates into tangible outcomes that uplift communities and drive inclusive growth.

1.3.7 ACKNOWLEDGEMENTS AND CONCLUSION

My sincere appreciation is extended to the Executive Authority, DHET, under the leadership of the Honourable Buti Manamela and the Deputy Ministers Honourable Dr Nomusa Dube-Ncube and Dr Mimmy Gondwe for entrusting the MICT SETA with the critical responsibility of shaping the future of skills development within the Media, Information and Communication Technologies (MICT) sector. I am grateful for the opportunity to lead this great organisation for these past five years and I am honored to pass the baton over to the new Board.

Let me once again take this opportunity to extend words of gratitude to all who supported the SETA during our term. To my fellow Board members - thank you for your team spirit and your commitment and support. To our employees - our GameChangers - your commitment to excellence continues to inspire, together, the new Board will ensure that the MICT SETA is not only responsive but transformative in addressing South Africa's evolving skills landscape.

As we close the chapter on this reporting period, we are reminded that our work is not only about compliance, but mostly about impact. The SETA's mandate to deliver Cutting-edge future skills, is a national imperative. It calls for governance that is bold, leadership that is visionary, and partnerships that are rooted in shared value.

With the foundation that has been laid, the SETA will remain steadfast in its mission to develop a digitally empowered workforce and ensure that the MICT sector plays a catalytic role in advancing South Africa's inclusive digital economy.

Thank you



MR MATOME MADIBANA
ACCOUNTING AUTHORITY
21 AUGUST 2025

1.4 OVERVIEW OF THE CHIEF EXECUTIVE OFFICER

1.4.1 INTRODUCTION

The MICT SETA's mission remains steadfast in enhancing skills development within South Africa's Media and ICT sectors, aligning with the National Development Plan (NDP), National Skills Development Plan (NSDP) and the Economic Reconstruction and Recovery Plan (ERRP).

In 2024, we have continued to expand our Rural Development Strategy, to ensure that ICT skills reach the underserved communities and enhance employability and create entrepreneurial opportunities for marginalised communities. Our adoption of the Triple Helix Model of Innovation has been pivotal, fostering partnerships between industry, academia, and government to bridge the skills gap and adapt to technological advancements.

We have placed a strong emphasis on digital skills massification and the development of 4IR-aligned qualifications, equipping thousands of young South Africans for the digital economy. Targeted programmes have empowered women, youth, and persons living with disabilities, promoting inclusivity and employment equity. By investing in Small, Medium, and Micro Enterprises (SMMEs), we have strengthened economic growth and innovation.

The MICT SETA has seen a 9% growth rate in the number of levy-paying companies and a 24% increase in the number of employees in the sector. This growth underscores the rapid expansion of the sub-sectors and the need for robust, targeted, and relevant skills development interventions.

Through the Sector Skills Planning (SSP) division, we have been able to receive and assess sectoral data (sound Labour Market intelligence), enabling the crafting of sectoral priority skills and occupations. This ensures that there are qualifications, skills development providers, and ETD Practitioners readily available to develop these skills, which addresses the skills mismatch and meeting industry demands.

Our partnerships with various institutions have extended our reach, particularly in rural areas, resulting in a significant impact. Despite our efforts, learners from rural areas still face higher unemployment rates, highlighting the need for additional support and targeted interventions.



Mr Matome Madibana
Chief Executive Officer

Despite capacity constraints due to the legislated 10.5% administration fee, we have managed to bridge gaps through the onboarding of Fixed Term Contractors within a reasonable threshold so that priority skills in the sector are not compromised. However, this is a short-term solution, and we are exploring long-term strategies to ensure sustainable growth and institutional memory.

In terms of governance, we have established robust units for Risk and Compliance, Internal Audit, and Legal and Compliance, creating three layers of assurance within the organisation. This strengthens our institution and limits risk exposure and vulnerability to fraud in the age of AI (Artificial Intelligence). Our stakeholder engagement plan ensures that all MICT stakeholders are informed and involved, with annual roadshows and capacity building sessions hosted across the organisation.

As we look to the future, the MICT SETA is poised to amplify its influence and footprint in the evolving digital age. With the right strategies and partnerships, we are confident that our collaborative, inclusive, and innovative approaches will continue to drive impactful skills development, ensuring a skilled and inclusive future for South Africa.

1.4.2 ACHIEVEMENTS AND INITIATIVES

Since the beginning of the strategic cycle, the MICT SETA has made significant strides in delivering impactful skills development interventions that empower diverse groups across the country. Through a strong focus on inclusivity, we have prioritised access for youth, women, persons with disabilities, and individuals from rural communities affirming our commitment to leaving no one behind in the digital economy.

The 2024/25 financial year further demonstrated the organisation's ability to sustain momentum in expanding access to learning opportunities and aligning skills provision with industry needs. Programmes in key growth areas such as broadcasting, digital content creation, and software development received targeted support through the delivery of occupational qualifications and strategic workplace integration, ensuring that our interventions remain relevant and responsive to the evolving demands of the sector.

We also saw growing absorption rates from the Tracer Study that was conducted in 2024 with 60% of learners from the 2021/22 cohort finding employment post-completion. The tracer studies further confirm a positive correlation between programme participation and long-term employability, a testament to the quality and relevance of our interventions. The outcome of the 2025 study for the 2022/23 cohort is being finalised.

In the 2024/25 financial year, the MICT SETA strengthened its impact through dynamic partnerships with government departments, tertiary institutions, private skills development providers, digital innovation hubs, and provincial entities. These strategic collaborations enabled the successful rollout of 4IR-aligned programmes, rural development interventions, and enterprise development support that resulted in tangible outcomes including learner placement, business registration, and curriculum transformation.

Our achievements underscored a deepened focus on innovation, inclusion, and excellence highlighted as follows:

- Rural digital transformation continued to be a key priority, with targeted interventions rolled out through the organisation's rural development strategy. These efforts have enabled greater digital inclusion and access to skills development opportunities in historically underserved communities, contributing meaningfully to economic participation at grassroots level.
- MICT SETA also expanded its support to small businesses and community enterprises by fostering entrepreneurship and enterprise development. Through strategic initiatives, SMMEs, cooperatives, and emerging entrepreneurs were empowered with relevant skills and tools to grow, sustain, and innovate within the digital economy.
- We hosted national and regional stakeholder roadshows, reaffirming transparency and fostering meaningful dialogue.
- In strengthening public sector collaboration, the SETA successfully implemented high-impact special projects in partnership with various government entities such as Unemployment Insurance Fund (UIF), National Skills Fund (NSF), and FASSET. These partnerships played a critical role in extending learning opportunities to a broader base of

beneficiaries, while reinforcing a shared commitment to inclusive, sector-relevant skills development.

- We successfully developed and realigned **57** 4IR qualifications in areas such as Artificial Intelligence, Cybersecurity, Data Science, Robotic Processing Automation, Internet of Things and Mobile repairs through strategic partnerships with institutions like UJ, ICT SMME Chamber, AWS, Skills-lab M-lab, Pumelela Consulting and Department of Communications and Digital Technologies and QCTO.
- Upskilled and re-skilled TVET College lectures with 4IR skills.
- Collaborated with various industry strategic partners to deliver 4IR/future skills, partners such as National Electronic Media Institute of South Africa (NEMISA), M-Lab, Moja Centres, Greyscale, Trailblazer, CXI-Africa, The Innovation Hub, and The Data Science.
- The rollout of the Integrated Learner Management System (LMS) is in progress. Implementation remains at over 90% in automation of MICT SETA processes to enable programme rollout, certification, and validation across our programmes. The rollout of the system to other Parties such as DHET and SETAs has also commenced following a modular approach. Once the rollout is complete, the system will enable an integrated PSET system to achieve value for money by reducing duplication of efforts in learner funding and ICT investments.
- In order to provide 4IR future skills to jobless youth, particularly in underdeveloped provinces, collaborations were established with TVET and Community Education and Training Colleges Living Labs, 4IR Community Centres, and Digital Hubs. Some of the programmes implemented were Mobile Repairs, Internet of Things, 3D Printing, Software Development, Optic Fibre and Cybersecurity programmes.

STRATEGIC INITIATIVES: DIGITAL TRANSFORMATION AND SECTORAL TRANSITIONS

The MICT SETA's Integrated Digital Skills Strategy (IDSS) is central to our future-facing strategy. In 2024/25, we intensified implementation of the Triple Helix Model of Innovation, integrating academia, industry, and government to drive scalable 4IR innovations.

In partnership with higher education institutions, we fostered and supported research and innovation through the established 4IR Research Chairs. These efforts directly support the aspirations of the Science, Technology, and Innovation White Paper and IPR Act of 2008 by facilitating commercialisation pathways through SMMEs and the NSDP objective to expand science, technology and innovation outputs by increasing research and development spending.

The transition from historical to occupational qualifications was proactively managed to ensure alignment with national policy directives and industry needs. Throughout the strategic cycle,

MICT SETA engaged a wide range of stakeholders to support the migration process, strengthening the relevance, quality, and responsiveness of qualifications offered across the sector. The ETQA function also facilitated the registration of over 3000 assessors and moderators, ensuring a smooth Recognition of Prior Learning (RPL) process, and expanded assessment centre capacity nationwide.

1.4.3 ORGANISATIONAL PERFORMANCE

As we reflect on the 2024/25 financial year, it is important to acknowledge the transformative journey undertaken over the past five years, an era defined by strategic investment, innovation, inclusive growth, and sector-wide impact. During this period, the MICT SETA has consistently expanded its reach through high-impact learning programmes that have empowered both unemployed and employed individuals, with deliberate efforts to prioritise women, youth, people living with disabilities, and rural communities.

These sustained interventions have not only addressed critical skills gaps but have also reinforced the organisation's mandate to drive inclusive economic participation. Our investment in bursaries, learnerships, internships, and workplace skills programmes, has laid a strong foundation for a more digitally skilled and resilient workforce, positioning the MICT SETA as a key enabler of transformation in South Africa's media and ICT sectors.

MICT SETA has consistently attained performance levels over 90%, demonstrating improved organisational execution and efficiency. In the current reporting period, the SETA achieved 96% of its planned targets (66 out of 69), falling short on just 4%. The SETA has devised tangible strategies to overcome underperformance observed in the three output indicators during the 2025/26 financial year.

The MICT SETA recorded two Clean Audit Outcomes consecutively in 2022/23 and 2023/24 with an unqualified audit opinion raised by the Auditor-General of South Africa in 2024/25, affirming our unwavering commitment to financial discipline, ethical governance, and transparency. We've strengthened our internal control systems and aligned supply chain processes to enhance agility and compliance.

GOVERNANCE AND OPERATIONAL EFFICIENCY

Our governance model is built on the principles of accountability and performance. The successful roll-out of the M&E Framework, Strategic Balanced Scorecard, and onsite verification tools have helped improve the reliability of data and informed performance tracking across all strategic programmes.

MICT SETA remains committed to operational excellence through continuous innovation in service delivery. In 2024/25, we deepened our digital transformation journey by enhancing internal systems, improving turnaround times, and ensuring greater accessibility for our stakeholders. Our investments in ICT infrastructure, automated reporting, and business intelligence tools have ensured that operational processes are agile, compliant, and aligned to stakeholder expectations. The suite of ICT projects designed to enhance internal efficiency, improve stakeholder responsiveness, prevent cyberattacks, and support data-driven decision-making include:

a) Data Lake Project in partnership with Durban University of Technology (DUT)

The Data Lake Project represents a major milestone in MICT SETA's digital transformation strategy and commitment to data-informed decision-making. As a centralised business intelligence system, the system will consolidate and organise data from multiple sources; ranging from semi-structured to fully structured systems, into a single, usable framework. Once fully implemented, this innovation will enable management and the MICT SETA to access, analyse, and report on real-time performance metrics with accuracy and agility.

Importantly, the system will allow for detailed reporting across the learner value chain, from individual learner profiles and enrolment records, to certification and performance tracking. By providing accurate insights into programme delivery and learner progress, the platform will further enhance accountability, support strategic planning, and empower divisional teams with the tools they need to drive performance. The Data Lake will advance the organisation's capability to make informed, evidence-based decisions that benefit both internal efficiency and external programme outcomes.

b) Smart Boardrooms project

The Smart Boardrooms Project enhances meetings efficiency and experience. The system enables automated boardroom bookings via email, providing instant availability updates and eliminating scheduling conflicts. Each boardroom is equipped with advanced video conferencing facilities, which support integrated collaboration with regional teams and external stakeholders. This initiative not only streamlines internal processes but also extends operational connectivity to the broader stakeholder environment, enabling real-time, coordinated engagements across the organisation.

c) E-recruitment platform in partnership with Vaal University of Technology (VUT)

As part of our commitment to modernising organisational processes and enhancing transparency, the MICT SETA is introducing an e-Recruitment Platform to streamline talent acquisition and automate recruitment processes to shorten turnaround times in talent sourcing. The platform will enable a seamless, centralised process for advertising vacancies,

receiving applications, and conducting shortlisting activities. It promotes equitable access to opportunities while reducing administrative inefficiencies. By digitising the recruitment workflow, the organisation aims to have improved turnaround times, enhanced compliance with governance requirements, and to create a more efficient user experience for both applicants and internal HR personnel. This initiative reflects our ongoing efforts to build a high-performance organisation by leveraging technology to attract and retain top talent across the sector.

d) Digital Career Portal

In pursuit of our mandate to broaden access to career-related information and skills development opportunities, we are finalising the development of a Digital Career Portal designed to serve as an integrated platform for learners, educators, and job seekers. The portal will host career resources, occupational profiles, training pathways, and opportunities linked to 4IR-aligned qualifications. In addition, this platform will support career decision-making by offering reliable and sector-specific content tailored to South Africa's media and ICT landscape. By providing a one-stop career development interface, the portal strengthens stakeholder engagement, empowers youth with relevant information, and reinforces the organisation's role in guiding the next generation of talent into meaningful economic participation.

e) Intranet Development in Collaboration with the University of Johannesburg (UJ)

To enhance internal communication, knowledge management, and operational efficiency, the MICT SETA has initiated the development of a modern intranet solution in collaboration with the UJ. The intranet is being designed to serve as a digital backbone for the organisation, improving information flow, document management, and staff collaboration. This platform will provide secure, real time access to internal resources, corporate communications, and strategic dashboards that support decision-making at all levels. This initiative will simplify daily workflows, reduce email dependence, and promote a culture of transparency and connectedness among employees. Ultimately, the intranet will contribute to a more agile, informed, and high performing internal environment, supporting the delivery of quality services to external stakeholders.

As we transition into the new strategic planning cycle (2025 - 2030), our focus is resolute:

- Scale adoption of 4IR technologies and digital content development in underserved communities.
- Develop professional digital qualifications for the future economy.
- Deepen industry partnerships and expand TVET-university-SETA linkages.

- Continue promoting innovation through SMME-led commercialisation and research-led incubation models.
- Maintain clean governance, enhance M&E systems, and build internal capacity.

1.4.4 STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

The entity received R 1.21 billion in skills development levies income, a marginal increase from the previous year's R 1.15 billion. The 5.51% growth can be attributed to the improved economy within the sector, surpassing initial expectations. Furthermore, the entity realised R 34.02 million and R 12.29 million from the National Skills Fund (NSF) and FASSET respectively. Furthermore, R 44.63 million has been released to the Statement of Financial Performance for the National Skills Fund (NSF) and the Financial & Accounting Sector Education (FASSET). The partnership with the NSF seeks to address shortage of skills through Learnerships, while the collaboration with FASSET seeks to address digital skills within the sector. The funding will be utilised to train unemployed learners through short programmes and skills Programmes.

EXPENDITURE

Mandatory Grants disbursed amounted to R 222.38 million, reflecting a 7.61% increase from the R 206.65 million spent in the prior year. The payout ratio for the current year stands at 73%.

The Discretionary Grant expenditure for the current year is R 850.64 million, marking a slight decrease of 5.38% compared to the previous year. The decrease is attributable to a change in the business process for accounting for Discretionary Grant expenditure from recognising it at the point when the verification report is signed by both parties to when the services are rendered, in order to align with Generally Accepted Accounting Practice (GRAP). This change resulted in the restatement of the comparative figures by R135.1 million.

Expenditure on administration was R176.91 million, an increase of 25.9% compared to the previous financial year. The entity's administration expenditure is 1.19% of the SDL income, which is above the threshold of 10.5% as required by the regulation. This mainly attributable to ICT special projects. The Minister approved the request for the entity to exceed 10.5% as a result of the investment on 4IR and Digitization

IRREGULAR EXPENDITURE

Irregular Expenditure identified in the current financial year was R 284K resulting from a contract that was varied without following the Supply Chain Management prescripts. Irregular Expenditure of R R1.6 million from prior years was subsequently approved for removal by the Accounting Authority in line with the provisions. The SETA is in the process of seeking condonation of the irregular expenditure.

1.4.5 OTHER MATTERS

The entity has a committed balance of R 493.88 million at the end of the 2024/25 financial year, reflecting an increase of 6.53% compared to the previous year's balance restated of R 463.60 million. The increase is due to an increase in new contracts awarded compared to new contracts awarded in the prior year as well as the change in the business process for Discretionary grant expenditure as reported in Note 28 of the Annual Financial Statements.

AUDIT REPORTING MATTERS

I am also proud to report that the MICT SETA has achieved an Unqualified Audit opinion for the 2024/25 financial year. This accomplishment reflects our commitment to the highest standards of governance, transparency, and financial management. It underscores our dedication to accountability and reinforces the trust placed in us by our stakeholders. The unqualified audit does not only highlight our efficient use of resources but also strengthens our resolve to continue delivering impactful skills development initiatives that drive economic growth and transformation within the sectors we serve.

POST BALANCE SHEET EVENTS

The MICT SETA Accounting Authority's term ended on the 31st of March 2025. The Department of Higher Education and Training is in the process of appointing new Accounting Authority members for the next term.

ECONOMIC VIABILITY

The MICT SETA remains economically viable despite room for improvement in broadening the levy income base. No policy reforms must be undertaken since financial viability is not at risk.

REQUEST FOR ROLL OVER OF FUNDS

MICT SETA had a cash surplus of R 578.79 million at the end of the 2024/25 financial year. The entity has requested a rollover into the 2025/26 financial year for discretionary projects to which we have already committed and are legally obliged to fulfil these commitments.

CONCLUDED UNSOLICITED BID PROPOSALS

There were no concluded unsolicited bids proposals.

1.4.6 EVENTS AFTER THE REPORTING PERIOD

The MICT SETA Accounting Authority was appointed on the 1st April 2020 for a period of 5 years to serve on the Board whose term ended on the 31st of March 2025. The Department of Higher Education and Training is in the process of appoint the new Accounting Authority.

OUTLOOK/PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

The 10.5% administrative cost restriction remains a challenge for the SETA, and we recognise the limitations it imposes on our ability to fully support and manage our day-to-day operations, particularly effective and sound Monitoring and Evaluation of all projects as timeously as we should. We continue to explore alternative funding sources, such as strategic partnerships, and sponsorships, to supplement our resources. Additionally, we have optimised our resource allocation by prioritising critical areas that directly impact our mandate and the effectiveness of our programs. The SETA will continue to pursue meaningful and strategic partnerships with industry stakeholders, educational institutions, and other relevant organisations.

The forming of Private Public Partnerships still plays a critical role as well as the implementation of the Triple Helix Model of innovation. These partnerships will not only help us navigate the financial constraints but also enhance the quality and relevance of our training programs. By aligning these partnerships with our mandate, we can ensure that our initiatives are sustainable, impactful, and responsive to the needs of the industry and learners.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

There are no discontinued activities or activities that need to be discontinued.

NEW OR PROPOSED KEY ACTIVITIES

The full integration of the Integrated Learner Management System is still underway to increase efficiency in the management of learning programmes.

1.4.7 SUPPLY CHAIN MANAGEMENT

The SETA upheld strong governance principles through transparent procurement and contract management. Major contracts above R10 million were adjudicated through competitive processes, aligned to National Treasury regulations. Furthermore, we attained three Clean Audit outcomes from the Auditor-General during this strategic period (2020-2025) reflecting our commitment to governance, accountability, and ethical leadership. The current financial year emulated this outcome through obtaining an unqualified audit opinion for 2024/2025.

ALL CONCLUDED UNSOLICITED BID PROPOSALS FOR THE YEAR UNDER REVIEW

There were no concluded unsolicited bids proposals.

SCM PROCESSES IN PLACE

There are SCM process in place, namely RFQ process, Bid Process, and Contract management in line with SCM policy and National Treasury Transcripts.

1.4.8 CHALLENGES EXPERIENCED AND HOW THEY WILL BE RESOLVED

During the reporting period, the organisation faced challenges in demand planning, acquisition processes, and contract management, partly influenced by the expiry of the ERP system contract. While these pressures created delays and inefficiencies, they also served as a catalyst for strengthening governance and building institutional resilience.

To further support efficiency, the tender process for the new ERP system is already at an advanced stage. A contract extension has been secured to ensure a seamless migration and implementation process, mitigating any risks of disruption to operations.

ACKNOWLEDGEMENT/S OR APPRECIATION

The MICT SETA enters its next chapter, not only as a responsive skills development authority but as a forward-looking enabler of inclusive growth. We remain steadfast in our mission to champion transformation, unlock human potential, and foster partnerships that elevate South Africa's media and ICT landscape.

The successes of the 2024/25 financial year reflect not only institutional resilience but the unwavering commitment of our stakeholders, governance structures, and the MICT SETA team. I express sincere appreciation to the Executive Authority: Department of Higher Education and Training, the Accounting Authority, the Audit and Risk Committee and other

organisational sub-committee structures, AGSA, National Skills Authority, the Portfolio Committee on Higher Education, and all our stakeholders and partners.

I also commend the SETA's dedicated employees: our "Game Changers", whose efforts have built a future-ready SETA with integrity, purpose, and impact.

Together, we have laid the foundation for a digitally inclusive South Africa, where every learner is empowered to thrive, and every initiative is a step closer to realising our vision of *cutting-edge future skills* for a transformed society.



MR MATOME MADIBANA

CHIEF EXECUTIVE OFFICER

21 AUGUST 2025

1.5 STATEMENT OF RESPONSIBILITY

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

- All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.
- The Audited Annual Financial Statements (Part F) have been prepared in accordance with the SA GRAP standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the Human Resources information and the Annual Financial Statements.
- The Auditor-General of South Africa is engaged to express an independent opinion on the Annual Financial Statements.
- In our opinion, the Annual Report fairly reflects the operations, the performance information, governance, Human Resources information and the financial affairs of the entity for the financial year ended 31 March 2025.

Yours faithfully

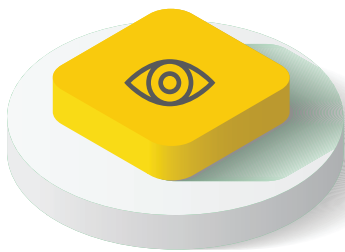


MR MATOME MADIBANA
CHIEF EXECUTIVE OFFICER
21 AUGUST 2025



MR MATOME MADIBANA
ACCOUNTING AUTHORITY
21 AUGUST 2025

1.6 STRATEGIC OVERVIEW



VISION

Cutting-edge future skills.



MISSION

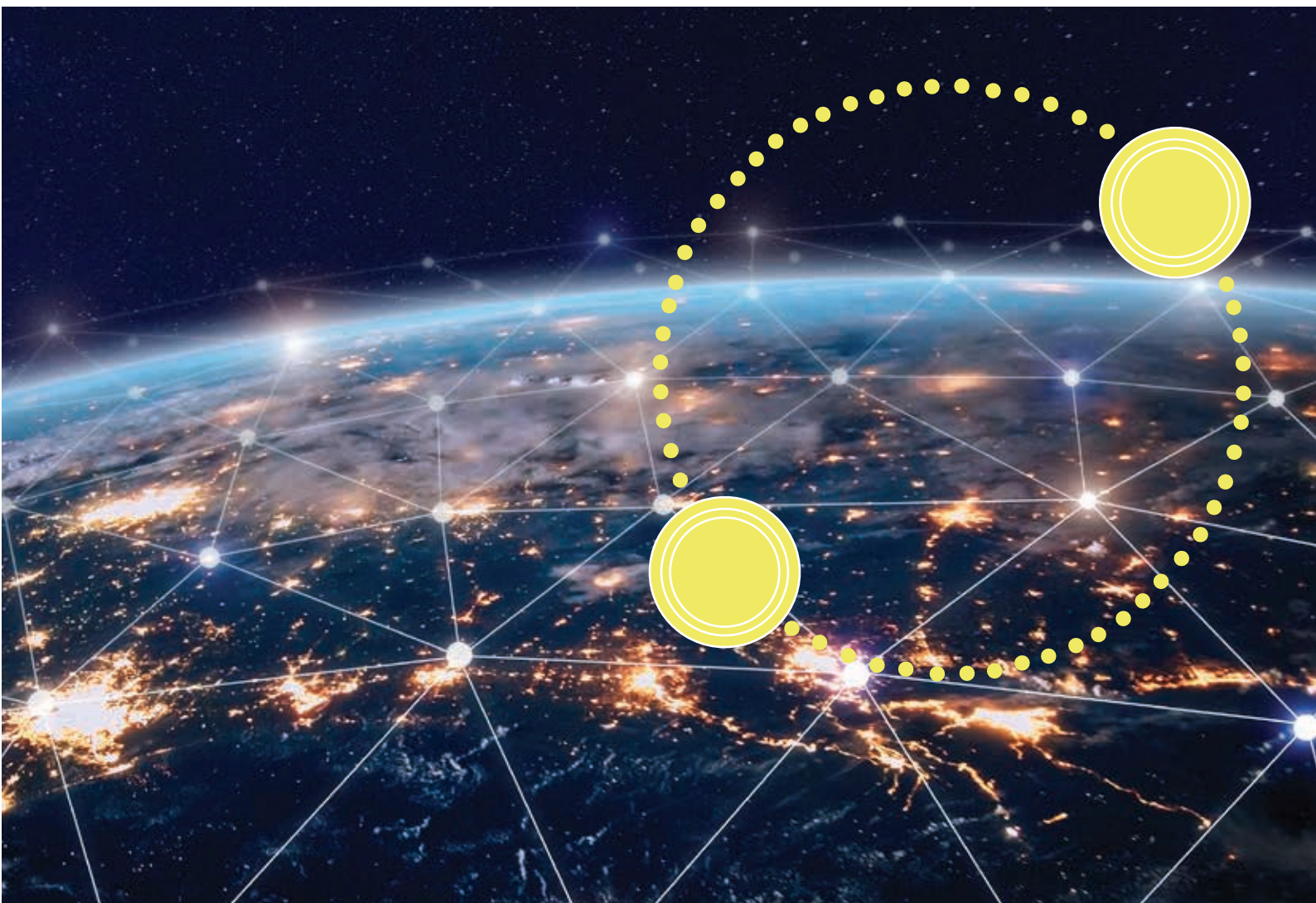
To strategically lead the MICT sector skills development system in support of meaningful economic participation of our beneficiaries, for improved socio-economic conditions.



VALUES

Our values are:

- Customer Centricity
- Ethical
- Innovative
- Committed
- Meritocracy
- Collaborative



1.7 LEGISLATIVE AND OTHER MANDATES

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

1.7.1 CONSTITUTIONAL MANDATES

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

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

1.7.2 LEGISLATIVE AND POLICY MANDATES

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

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

Name of legislation	Mandate
Skills Development Act (SDA) 1998 (Act No. 97 of 1998) as amended	To support skills development within MICT SETA sector by: • Implementing its Sector Skills Plan. • Promoting Learnerships in each of its sub-sectors. • Performing the functions of an Education and Training Quality Assurance Body. • Liaising with the National Skills Authority on skills development matters. • Concluding a Service Level Agreement with the Director-General of the Department of Higher Education and Training in terms of section 10A of the Act. • Promoting the national standard established in terms of section 30B of the Act; and • Submitting budgets, reports and financial information that are required in terms of the Public Finance Management Act, 1999 to the Director-General of the Department of Higher Education and Training.
MICT SETA Constitution	To facilitate the involvement of line function government departments in SETA activities and promote SMME training to enable them to qualify for public contracts. Furthermore, perform any duties imposed by the Act and to actively pursue concrete measures to achieve the objectives of all applicable Act.
Skills Development Levies Act (SDLA), 1999 (Act No. 09 of 1999)	The Skills Development Levies Act requires the MICT SETA to use all monies received in terms of the Skills Development Levies Act to administer the activities of the SETA.

Name of legislation	Mandate
Funding Regulations published in the Government Gazette, No. 35940, 3 December 2012 regarding Monies Received by a SETA and Related Matters	Comply with Government Gazette, No. 35940 Regulations when administering all levies received from employers falling within its sector in the following manner: Total levies received by a SETA: 80% • Mandatory grants: 20% • Discretionary Grants: 49.5% • Administration: 10.5%
The National Qualifications Framework Act (NQF), (Act No. 67 of 2008)	The objectives of the NQF are to create a single integrated national framework for learning achievements; facilitate access, mobility and progression within education, training, and career paths; enhance the quality of education and training; accelerate the redress of past unfair discrimination in education, training, and employment opportunities.
Public Finance Management Act (PFMA) (Act No. 29 of 1999)	Requires all public entities to ensure financial prudence and good governance. Furthermore, that all revenue, expenditure, budget preparations, assets, and liabilities entrusted to the SETA are managed efficiently and effectively. Furthermore, to ensure compliance with the PFMA by establishing banking accounts, use all monies received in terms of the Skills Development Levies Act to: • Administer the activities of the SETA. • Pay employers their mandatory grants. • Implement its SSP and APP as contemplated in the Treasury Regulations issued in terms of the Public Finance Management Act, through the allocation of the discretionary grants; and • Transfer any unclaimed mandatory funds and any interest earned thereon each financial year into the discretionary fund.
Employment Equity Act (EE), 1998 (Act No. 55, 1998)	The main purpose of the Employment Equity Act is to achieve equality in the workplace by promoting equal opportunity and fair treatment through the elimination of unfair discrimination, implementing positive measures (affirmative action) to ensure the equitable representation of black people, women, and people living with disabilities at all levels in the workplace.
Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017	The purpose of the Preferential Procurement Policy Framework Act is to promote an inclusive economy and to ensure that Small, Medium and Micro enterprises are afforded more opportunities in government procurement. When a National, Provincial or Local government body, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective, according to Section 217 of the Constitution of the Republic of South Africa. Additionally, it mandates the need to implement a Procurement Policy that will safeguard or advance persons or categories of persons disadvantaged by unfair discrimination, as well as provide for categories of preference in contract allocation.
Broad Based Black Economic Empowerment.	The Broad-Based Black Economic Empowerment (B-BBEE) protocol has an important influence on the MICT sector. The Broad-Based Codes of Good Practice were launched in 2007 and provided a framework for measurement of B-BBEE in terms of the BEE Act 53 of 2003. Although the 2007 codes encouraged voluntary compliance with B-BBEE, the current codes are punitive in nature. The codes, which came into effect in 2015, provide some guidance in dealing with various elements. Skills Development has been classified as a priority element and thus the measurement principles cannot be deviated from, and yet the sector (e.g. through a revised ICT charter) can adjust targets and weightings.

1.8 OTHER LEGISLATIVE FRAMEWORKS

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

1.8.1 NATIONAL DEVELOPMENT PLAN (NDP)

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

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

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

1.8.2 NATIONAL DEVELOPMENT PLAN FIVE YEAR IMPLEMENTATION PLAN: MTSF

The NDP five-year implementation plan promotes the Medium-Term Strategic Framework (MTSF) which is a prioritisation framework to focus the government's efforts on a set of manageable programmes and provides guidance regarding the allocation of resources across all spheres of government.

In contributing to the MTSF, the MICT SETA will continue to prioritise specific NDP targets when allocating resources at its disposal.

1.8.3 MONITORING FRAMEWORK FOR NDP FIVE YEAR IMPLEMENTATION PLAN

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

1.8.4 INDUSTRIAL POLICY ACTION PLAN (IPAP)

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

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

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

1.8.5 STRATEGIC INTEGRATED PROJECTS (SIPS)

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

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

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

1.8.6 PROVINCIAL AND LOCAL GOVERNMENT PLANS

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

1.8.7 WHITE PAPER ON POST SCHOOLING EDUCATION AND TRAINING

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

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

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

1.8.8 NATIONAL INTEGRATED ICT POLICY REVIEW REPORT.

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

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

All the aforementioned points are highlighted in SA Connect, which provides for interventions within the basic education and post-school sectors, in government and adult e-literacy as well as youth development and sectoral programmes. The MICT SETA, in developing learning programmes, will align to the goals of this plan, with emphasis on advocating the creation of an inclusive, dynamic, and connected information society and a vibrant knowledge economy. Through continued championing of skills development interventions, the SETA will contribute to expanding the national system of ICT research, development, and innovation.

1.8.9 POLICY MANDATES

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

- Implement the Sector Skills Plan.
- Promote learnerships in each of the sub-sectors of the SETA.
- Perform the functions of an Education and Training Quality Assurance Body.
- Liaise with the National Skills Authority on skills development matters.
- Conclude a Service Level Agreement with the Director-General of the Department of Higher Education and Training in terms of section 10A of the Skills Development Act, No. 97 of 1998.
- Promote the national standard established in terms of section 30B of the Skills Development Act, No. 97 of 1998.
- Submit budgets, reports and financial information that are required in terms of the Public Finance Management Act, No. 1 of 1999 to the Director-General of the Department of Higher Education and Training.

- Facilitate the involvement of relevant government departments in the activities of the SETA to:
 - address the competency requirements for service delivery;
 - address the learning needs of the most vulnerable segments of the Sector;
 - promote training in SMMEs to enable them to qualify for public contracts; and
 - perform any duties imposed by the Act and to actively pursue concrete measures to achieve the objectives of the Act.

1.8.10 SECTOR PRIORITIES

While it is the MICT SETA's ambition to work with and service the entire employer base for the sector, there are a number of inhibiting factors. Primarily, levy payers represent almost 25% of all employers in the sector, as the sector base is predominately constituted by small sized companies, representing almost 96% of all employers in the sector (as supplied by SARS). Additionally, the MICT sector does not, in reality, comprise all organisations demarcated to its five sub-sectors by SARS. There are employers that provide ICT services together with other professional services and who are located in other clusters. Though such employers are generally recognised as falling within the MICT sector, they define themselves outside of this sector in terms of the skills development system.

Primarily, levy payers represent almost 25% of all employers in the sector, as the sector base is predominately constituted by small sized companies, representing almost 96% of all employers in the sector

In response, the MICT SETA will continue to prioritise its role as a strategic skills development partner that can enhance the sustainability and growth of small businesses in the sector. Support for SMMEs will focus on sustained collaboration with key stakeholders to encourage incubation of these businesses. Additionally, the SETA will continue to bolster rural outreach initiatives. This Strategy will primarily focus on responding to the key NSDP outcomes and ERRP interventions that find expression in the SETA's scope. In addition to collaborating with public TVET colleges, which are the major means of delivering preparedness skills and other skills needed in rural areas, integrating skills planning into sectoral processes will continue to be a top priority. The establishment of new, small-scale firms and cooperatives focused on ICT services in rural areas has opened up opportunities for skills development.

The MICT SETA supports government's various policy and planning interventions aimed at achieving the objectives of the National Development Plan (NDP). These policies and plans have a direct bearing on the sector's skills development endeavours and as such, they will have a coherent response from the MICT SETA, and its stakeholders will be neatly woven into this Strategic Plan.

Stakeholders participating in the MICT SETA SSP Capacity Building Workshop, fostering collaboration and strengthening sectoral skills planning.



1.9 EXECUTIVE AUTHORITY



Honourable Buti Manamela
Minister of Higher Education and Training



Honourable Dr Nomusa Dube-Ncube
Deputy Minister of Higher Education and Training

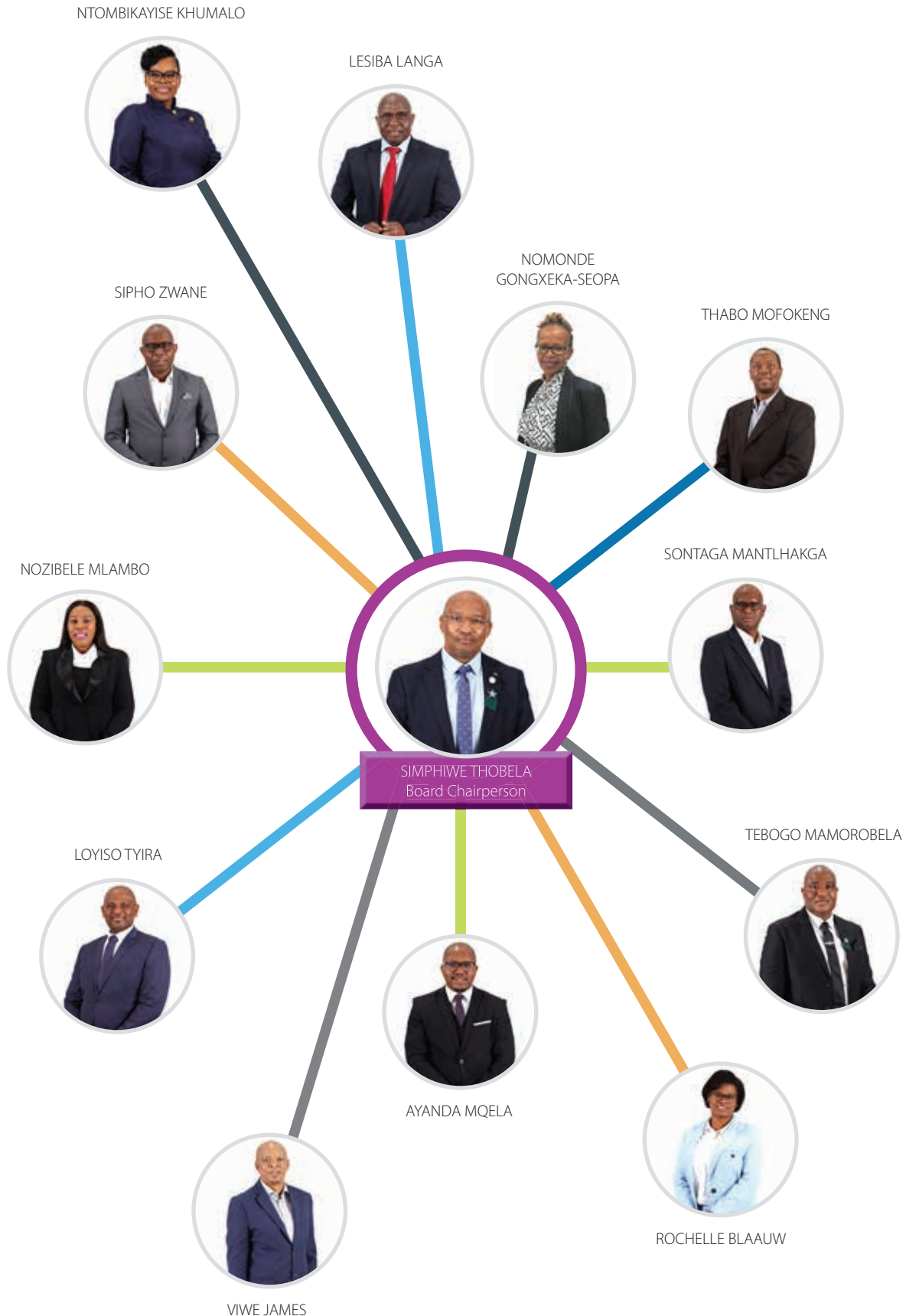


Honourable Dr Mimmy Gondwe
Deputy Minister of Higher Education and Training

DHET LEGISLATIVE MANDATE

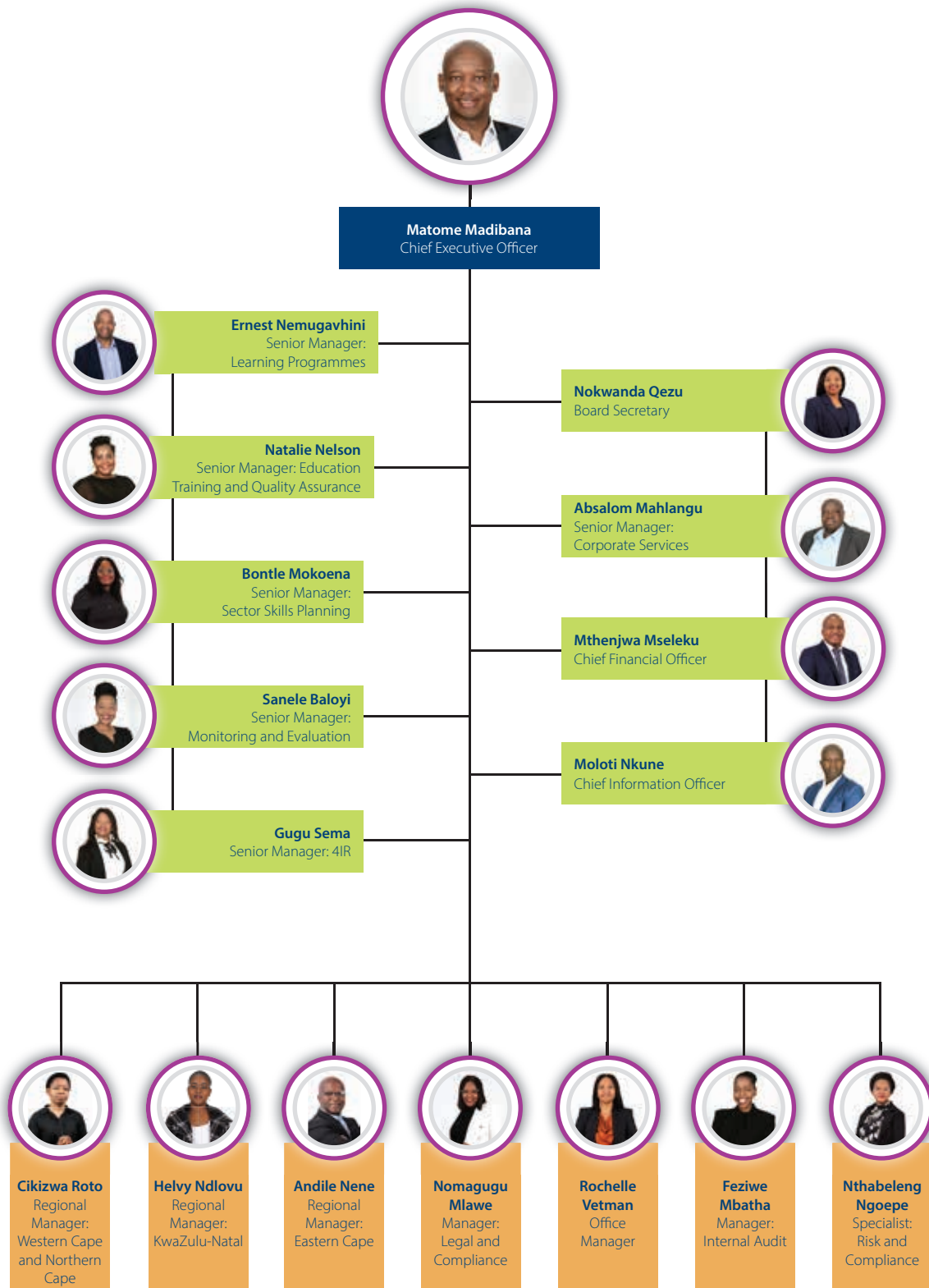
- The Higher Education Act provides for a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE) ([link www.che.org.za](http://www.che.org.za)).
- The National Student Financial Aid Scheme (NSFAS Act) provides for the granting of loans and bursaries to eligible students at universities as well as for the administration of such loans and bursaries.
- The Further Education and Training Act (AET Act) provides for the establishment of public and private adult learning centres.
- The Adult Education and Training Act (FET Act) provides for the governance and funding of TVET (previously FET Colleges), and matters related in providing an FET college education.
- The Continuing Education and Training Act, 2006, (Act No 16 of 2006).
- The National Qualifications Framework Act (NQF Act) provides for the management of the NQF via level dispensations and related matters, as well as for qualifications and quality assurance of qualifications required on the sub-frameworks of the NQF.
- The Skills Development Levies Act provides for the imposition of skills development levies and matters related thereto.
- The Skills Development Act provides for the creation of a National Skills Agency, establishment of the Quality Council for Trades and Occupations and regulation of apprenticeships and learnerships and matters related to skills development.

1.10 ACCOUNTING AUTHORITY



1.11 ORGANISATIONAL STRUCTURE

Below is a high-level organisational structure reflecting the officials reporting directly to the Chief Executive Officer and the programmes that these officials are responsible for:



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

The background is a deep blue with a complex network of glowing white and light blue lines, suggesting a digital or scientific theme. Two large orange circles with white outlines are positioned on the left and top right. A dotted orange line curves from the top left, around the top orange circle, and down towards the bottom left. Various blue hexagonal and circular bokeh-like shapes are scattered throughout.

PART B |
PERFORMANCE
INFORMATION

2.1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

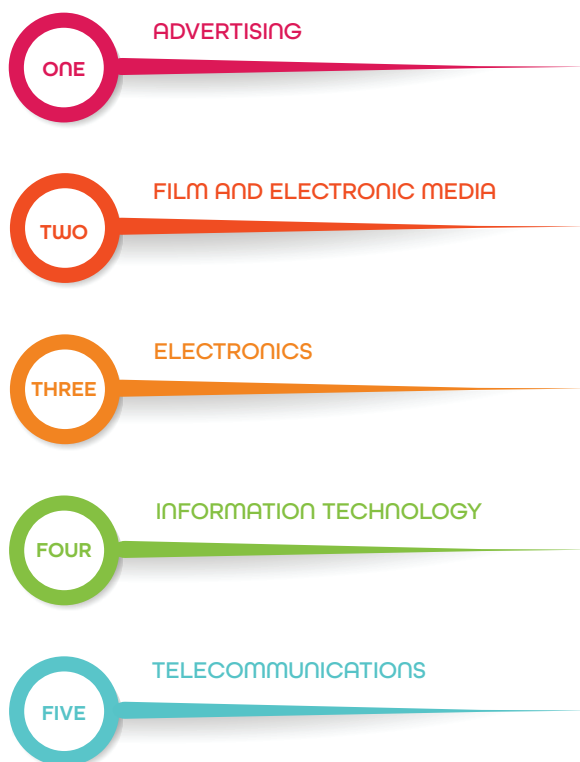
The Auditor-General has performed procedures to obtain evidence about the usefulness and reliability of performance information reported against predetermined objectives to provide reasonable quality assurance in the form of an audit conclusion. The audit outcome is included in the Audit Report to management.

Refer to pages 97 to 102 of the Auditor-General's Report published as Part F: Financial Information.

2.2 OVERVIEW OF THE MICT SETA PERFORMANCE

2.2.1 SERVICE DELIVERY ENVIRONMENT

The MICT sector is made up of five sub-sectors that are interrelated but also quite distinct and identifiable. These are:



The five sub-sectors of the SETA are increasingly converging into a unified ICT ecosystem, as technologies used in information, telecommunications, advertising, and film continue to overlap, particularly through digital and streaming platforms. As of 2024, the MICT sector comprises 31 839 employers, marking a 3% increase from 30 866 in the previous financial year. Small businesses dominate the sector, with 88% employing fewer than 50 people. The Information Technology sub-sector is

the largest, representing 44% of employers, followed by Telecommunications (21%), Electronics (17%), and both Film and Electronic Media and Advertising at 9% each.

Currently, only 8 069 employers are paying levies, a 3% decrease from the 8 401 reported in the previous financial year. This reflects a continuing downward trend in the number of levy-paying employers in the sector, which stood at 9 093 in 2021. While no single factor can be pinpointed, the decline in the employer base is likely due to a combination of economic pressures, business closures, increased freelancing, automation, industry consolidation, and non-compliance. Rising interest rates have also strained small businesses, limiting their cash flow and ability to invest in long-term growth.

Despite a decline in levy-paying employers, employment in the MICT sector grew from 221 738 in 2023 to 300 625 in 2024. This reflects the sector's resilience amid broader economic challenges, particularly in transport, storage, and communication. The growth is driven by rising demand for skilled ICT professionals as industries embrace digital transformation. However, larger companies, especially in telecommunications, may still face cost pressures and restructuring, posing some risk to jobs. Overall, the MICT sector continues to play a key role in supporting employment and economic development in South Africa.

The Information Technology and Telecommunications sub-sectors are the largest employers within the MICT sector, accounting for 74% of total employment. Although the Information Technology sub-sector saw a temporary dip in employment from 175 904 in 2020 to 92 555 in 2021, it recovered to reach 144 409 employees by 2024. In contrast, the Telecommunications sub-sector showed steady growth, reaching 78 197 employees compared to 7 910 in 2020. This indicates a shift in the employment dynamics and growing significance of these sub-sectors within the broader MICT landscape.

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

Sub-Sector	SIC Code	Main Activity Description
Advertising	88311	Activities of Advertising Agents
	88312	Sign writing and industrial and commercial artistry
	88319	Other activities - window-dressing, etc
Film and Electronic Media	96111	Motion Picture and Video Production and Distribution
	96112	Related Activities - Film and Tape Renting to Other Industries, Booking, Delivery and Storage
	96121	Motion picture projection by cinemas
	96122	Motion picture projection by drive-in cinemas
	96200	News Agency Activities
	88940	Photographic Activities
Electronics	37200	Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy
	37300	Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods
	61501	Office machinery and equipment including computers
Information Technology	86100	Hardware consultancy
	86200	Software consultancy and supply
	86300	Data processing
	86400	Data base processing
	86500	Maintenance and repair of office, accounting, and computing machinery
	86900	Other Computer Related Activities
Telecommunications	75200	Telecommunication
	96130	Radio and television activities

Source: Government Notice, No. 42589, Government Gazette, 22 July 2021

2.2.2 SECTOR PERFORMANCE

South Africa's developmental path is guided by the National Development Plan (NDP), which sets forth ambitions for sustained economic growth until 2030. Within this framework, there exists a multitude of "levers," "pillars," or policy interventions recognised to contribute to this envisioned progress. As an integral component of South African society, the MICT sector is intricately linked with various national

strategies and plans. These policies and plans significantly influence the sector's imperatives for skills development. Consequently, addressing these imperatives demands a cohesive response from the MICT SETA and its stakeholders, rather than approaching them in isolation. Key among these national strategies and plans are:



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

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

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

2.2.3 CHALLENGES AND OPPORTUNITIES

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

- Aligning the skills agenda to the needs of the sector.
- Supporting innovation and promoting creativity.
- Promoting a more local-based production and solutions.
- Increased exports.
- Development and support for small businesses as potential bedrocks for employment.
- Deepening the transformation agenda within the sector.
- Introduction of the Government of National Unity (GNU) priorities and its impact on the strategic period under review.

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

- Recognising, planning, and prioritising occupations that are on the National List of Occupations in High Demand and linking occupations and specialisations that address the above-mentioned change drivers; namely, AI, Cloud

Computing, Big Data Analytics, 5G and IoT to enable 4IR. In that way, the SETA will be fulfilling NSDP outcome 1 (identifying and increasing production of occupations in demand), and outcome 2 (linking education and the workplace). Additionally, the ERRP intervention on embedding skills planning into sectoral processes will be responded to by the SETA.

- Expanding opportunities for Work Integrated Learning, responding to NSDP outcome 4 (Increase access to, and delivery of industry and occupationally directed priority programmes and work placements), and aligning to the ERRP intervention on Increased access to programmes resulting in qualifications in priority sectors.
- Designing effective internships that serve as effective bridges into employment and collaborating with stakeholders on work-based training.
- Support innovation and commercialisation of 4IR technologies in South Africa, further encouraging local production and increased exports.
- To remain responsive and relevant, the MICT SETA undertook a revision of its Strategic Plan and Annual Performance Plan. This revision aimed to integrate the GNU's focus areas, re-align performance indicators, and refine implementation strategies to address the emerging developmental imperatives. The revised documents now place greater emphasis on partnerships, agility in programme delivery, and the acceleration of priority interventions that support the GNU's vision of a unified, inclusive, and digitally empowered South Africa.

With South Africa striving towards being an e-skilled economy, as outlined in the NDP Vision 2030, key change drivers that affected the MICT sector in the 2024/25 financial year are:

- 4IR and technological advancements
 - Artificial Intelligence
 - Cloud Computing
 - Automation
 - Internet of Things (IoT)
 - Big Data Analytics
- Energy: The impact of loadshedding on the MICT sector

The rapid adoption of technology across industries is reshaping the skills landscape, particularly in the MICT sector, which underpins the digital economy. As companies digitise operations and embrace emerging technologies, the demand for digital skills, such as coding, data analysis, digital marketing, cybersecurity, and AI, is rising. Traditional roles are either evolving or becoming obsolete, with professionals now needing digital competencies to stay relevant. For instance, marketers must now be proficient in social media and data analytics.

Technological advancements are both displacing existing jobs and creating new ones, including roles like cloud architects,

UX designers, and digital transformation specialists. This shift underscores the need for adaptability and continuous learning. While digital transformation opens new opportunities, it also automates many tasks, making reskilling and upskilling essential to workforce resilience.

However, a key challenge is the lack of recognition for many emerging 4IR occupations within the Organising Framework for Occupations (OFO) codes. To bridge this gap, the MICT SETA is working with stakeholders, including the QCTO, training providers, and industry, to develop new qualifications and enhance existing ones. Through collaboration with Quality Assurance Partners, the SETA is ensuring the sector remains agile and responsive to changing skills demands.

Educational institutions and training providers must also adapt curricula to meet digital economy needs. Lifelong learning is essential, and the rise of remote work is expanding access to global talent, intensifying competition and raising the bar for digital proficiency.

2.2.4 ORGANISATIONAL ENVIRONMENT

During the last year of its 5-year term, the MICT SETA Accounting Authority continued to play a pivotal role in guiding management with the implementing of priorities identified in the five-year strategy. They carried their responsibility with distinction until the end of their term on 31 March 2025. In the financial year under review, the MICT SETA's management continued to develop systems, structures and building a strong leadership team that can fulfil the mandate of the organisation. With the appointment of Senior Manager: Corporate Services and a few managers, the management of the MICT SETA remained stable throughout the reporting period.

The reporting period was marked by a robust recruitment drive to fill the vacant positions in the organogram that was approved in the previous reporting period on 30 January 2024. During the period under review, the MICT has maintained a low vacancy rate through the financial year. This signifies that the organisation has a competitive advantage compared to other organisations of similar environment. The recruitment drive resulted in 92% of the approved funded positions for 2024/25 filled.

The Senior Managers completed the Executive Development Programme which they registered with Wits Business School at the beginning of the 2024/25 financial year. Furthermore, the entity continued to train and develop its employees by rolling out planned and unplanned training interventions.

The recruitment of staff, coupled with the rollout of training interventions saw the MICT SETA achieving 99% of its planned targets in the 2024/25 Annual Performance Plan compared to 94% in 2023/24.

The relationship between the employer and employees is vital to the development of human resources and addressing economic hardships that employees face. The SETA's employees are also experiencing the crippling consequences of rising interest rates and inflation. The MICT SETA takes the pay negotiation process very seriously because of this. The first portion of the two-year multi-term agreement, which was signed at the start of 2024, was successfully implemented.

Furthermore, several Human Resource policies were approved by the Accounting Authority to make the MICT SETA an employer of choice. All the approved policies were in line with the guiding National Legislative Framework.

It is also noteworthy that a strategy to engage top levy payers was also developed to smoothen the relationship between the MICT SETA and its key stakeholders. The SETA has a physical presence in five provinces with Regional Offices namely; Gauteng, KwaZulu Natal, Eastern Cape, Western Cape, and Free State.

2.2.5 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

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

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

The Government Gazette No. 50742 of 03 June 2024 indicated that Skills Development Providers can enrol learners into 30 qualifications until 30 June 2026 and ensure that they can be certificated by the last date of achievement noted to be 30 June 2029. Subsequent to this, the QCTO and SAQA further extended the National Certificate: Business Analysis at NQF Level 5 and NQF Level 6 on 07 March 2025. The provisions of the extension remain with the last date of enrolment on 30

June 2026 and last date of achievement on 30 June 2029. In terms of the extension of learnership durations, the QCTO has adjusted the durations of some learnership programmes.

While many learnerships were traditionally one year long, some have now been extended to two years, and in certain cases, up to five years, depending on the duration of the qualification. This change ensures comprehensive skill development tailored to the complexity of the occupational profiles.

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

The implementation of the Occupational Qualifications Sub-Framework introduces new guidelines and processes to assist Skills Development Providers (SDPs) and other stakeholders in adapting to the new policies. The QCTO has embarked on the process of establishing task teams for various Quality Partner and Development Partner processes with a view to standardising policies and procedures to be adopted by all SETA's and other bodies within the QCTO's oversight.

These policy changes by QCTO reflects a significant shift towards a more centralised and standardised system for managing occupational qualifications in South Africa. The goal is to ensure streamlined, clear processes which enable the broader stakeholder base to engage across the skills development landscape in a more succinct manner.

The National Qualifications Framework Act amendment was assented to and signed into law by the President on 13 August 2019 and published for general information in Government Notice No. 1078 of Government Gazette No. 42646 of 19 August 2019. Section 9(1) thereof provides that it would only come into operation on a date to be determined by the President by Proclamation in the Gazette. In terms of the former section, the Act could only come into operation once the President had determined the date or dates of the commencement of various section thereof by Proclamation in the Gazette.

To obtain a Presidential Proclamation is a process on its own. The advent of the COVID-19 pandemic amongst others resulted in the delay in the implementation of the Act most of which were not under the control of the Department of Higher Education Training, Science and Technology or SAQA.

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

The changes are noted to be:

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

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

2.2.5 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The National Skills Development Plan 2030 (NSDP) remains the guiding framework for the MICT SETA in shaping skills development strategies within the sector, in alignment with the broader goals of the National Development Plan 2030 (NDP). As a strategic response to these national imperatives, the MICT SETA developed the five-year Strategic Plan (SP) and accompanying Annual Performance Plans (APPs), which are directly aligned to the eight (8) key NSDP outcomes.

Furthermore, with the Cabinet's approval of the Medium-Term Development Plan (MTDP) 2024–2029 on 27 February 2025, the MICT SETA will incorporate the MTDP priorities into its next strategic planning cycle, ensuring continued alignment with national development goals and a focused implementation of inclusive economic growth, poverty reduction, and capacity building initiatives.

The implementation of the APP is structured through four (4) core programmes:

- **Programme 1: Administration**
- **Programme 2: Sector Skills Planning**
- **Programme 3: Learning Programmes (inclusive of 4IR initiatives)**
- **Programme 4: Education and Training Quality Assurance**

Each programme is designed to deliver specific outputs within allocated budgets and contributes to measurable progress against institutional objectives and sectoral priorities, as outlined in the Sector Skills Plan (SSP). These interventions are developed and executed with a view of building a capable, responsive, and future-focused skills base for the MICT sector.

Over the five-year implementation period leading up to the 2024/25 reporting cycle, the MICT SETA has made significant progress in delivering on the strategic impact and outcomes outlined in the 2020/21–2024/25 Strategic Plan, as detailed in the progress report below:

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

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

NSDP OUTCOME 4: INCREASE ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES

MICT SETA OUTCOME 4	INCREASED ACCESS TO AND DELIVERY OF INDUSTRY AND OCCUPATIONALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS
Outcome indicators	Increased enrolments on WIL, Internships, Learnerships, Candidacy, Skills Programmes and Short Programmes for unemployed learners in TVETs and HET institutions
Five-year target	• 2 986 learners on TVET WIL Programme • 3 961 learners on HET WIL Programme • 11 125 Interns • 23 654 learners on learnerships • 430 Candidacy • 9 970 learners on Skills Programmes • 7 489 learners on Short Programmes
Progress	• 13 222 learners on TVET and HET WIL Programme • 34 598 learners on learnerships • 11 390 learners on internship • 587 Candidacy • 15 448 learners on Skills Programmes • 10 346 learners on Short Programmes

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

SUB-OUTCOMES:

- Technical and Vocational Education and Training Colleges; and
- Community Education and Training Colleges.

MICT SETA OUTCOME 7	INCREASED SUPPORT GROWTH OF THE PUBLIC COLLEGE SYSTEM
Outcome indicators	Established offices in TVET colleges, TVET college lectures exposed to industry and together with CET lectures afforded bursary opportunities. College managers trained in financial and leadership management for this strategic planning.
Five-year target	• 49 offices • 460 TVET lectures exposed to industry • 340 TVET lectures on bursary programmes • 230 CET lectures on bursaries programmes • 230 Managers on management programmes

MICT SETA OUTCOME 7	INCREASED SUPPORT GROWTH OF THE PUBLIC COLLEGE SYSTEM
Progress	81 offices established in TVET colleges 691 TVET lectures exposed to industry 490 TVET lecturers on bursary programmes 586 CET lectures on bursary programmes 301 Managers on management programmes

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

MICT SETA OUTCOME 8	INCREASED SKILLS DEVELOPMENT SUPPORT FOR SMMEs, ENTREPRENEURSHIP COOPERATIVES DEVELOPMENT AND COMMUNITY-BASED ORGANISATIONS
Outcome indicators	Cooperatives, CBOs (people), small businesses (people) and NGOs/NPOs (people) supported with training interventions, trained on entrepreneurial skills, and supported in starting their own business.
Five-year target	550 people/beneficiaries in cooperatives 550 people/beneficiaries in small businesses 550 people/beneficiaries in entrepreneurial skills 600 people/beneficiaries in NGOs/CBOs/NPOs
Progress	1823 people/beneficiaries in cooperatives 2356 beneficiaries in small businesses 1905 beneficiaries in entrepreneurial skills 1782 people/beneficiaries in NGOs/CBOs/NPOs

NSDP OUTCOME 7: ENCOURAGE AND SUPPORT WORKER-INITIATED TRAINING

MICT SETA OUTCOME 9	INCREASED SKILLS DEVELOPMENT SUPPORT FOR WORKER-INITIATED TRAINING
Outcome indicators	Worker-initiated training supported through skills programmes
Five-year target	650 learners in Skills Programme 200 learners in Short Programmes
Progress	2934 workers in skills programmes - No workers enrolled/completed in short programmes during this financial year

NSDP OUTCOME 8: SUPPORT CAREER DEVELOPMENT SERVICES

MICT SETA OUTCOME 3	SUPPORTED CAREER DEVELOPMENT SERVICES WITHIN THE MICT SECTOR
Outcome indicators	Career opportunities guide with labour market information produced and distributed on an annual basis.
Five-year target	- Career opportunities guide with research-based labour market information developed and distributed - Trained career development practitioners - Career development events on occupations in high demand attended in the MICT sector
Progress	16 835 Career guide with research-based labour market information developed and distributed 298 Trained career development practitioners 289 Career development events on occupations in high demand were attended by the MICT sector

2.3 INSTITUTIONAL PROGRAMME

PERFORMANCE INFORMATION

2.3.1 PROGRAMME 1: ADMINISTRATION

PURPOSE

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

SUB-PROGRAMMES

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

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
SUB-PROGRAMME 1.1 FINANCE							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Attainment of an unqualified audit opinion from the Auditor-General (AG)	Obtain an unqualified audit opinion	Unqualified audit report	Unqualified Audit Report (Clean Audit)	Unqualified audit opinion	Unqualified Audit Opinion	None	Annual target met
SUB-PROGRAMME 1.2 MARKETING AND COMMUNICATIONS							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Career development services provided on occupations in high demand in the MICT sector	Number of career opportunities guides distributed	3500	4000	4500	6006	+1506	Annual target over-achieved owing to the high demand for career information and MICT SETA's commitment to supporting learners in the Media and ICT sectors.
	Number of Career Development events attended	52	55	60	62	+2	Annual target over-achieved due to high demand in the MICT sector offerings by local schools and TVET Colleges who aim to empower their learners and students with information on career opportunities within the Media, ICT and 4IR space

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of Career development practitioners trained	30	40	50	158	+108	Annual target over-achieved due to high demand for capacity-building initiatives, MICT SETA facilitated more sessions for Career Development Practitioners.
	Number of capacity building workshops on career development services hosted.	02	02	04	04	None	Annual target met.
SUB-PROGRAMME 1.3 HUMAN RESOURCES							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Maintain an acceptable percentage of vacancy rate	Percentage of Vacancy rate	15%	8%	15%	6%	9%	Annual target over-achieved due to timeous filling of vacancies thereby maintaining the vacancy rate below 15%.
Implemented training plan	Percentage implementation of approved training plan	New target	84.4%	75%	202%	127%	Annual target over-achieved owing to additional training needs undertaken to develop officials.
SUB-PROGRAMME 1.4 INFORMATION TECHNOLOGY							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Digitised organisation in line with the Business Processes Automation Plan	Number of business processes digitized	08	23	16	19	+3	Annual target over-achieved due to processes being digitised in ETQA and Finance (DG Payments) through the new Integrated Learner Management System (ILMS) and other internal control environment through the institutionalisation of Convene portal.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
SUB-PROGRAMME 1.5 MONITORING AND EVALUATION							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Monitoring reports submitted	Number of monitoring reports submitted	New Target	8	8	8	None	Annual target met
Evaluation studies conducted.	Number of evaluation studies conducted.	1	1	1	1	None	Annual target met
SUB-PROGRAMME 1.6 GOVERNANCE							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Maintain effective and sound corporate governance	Number of approved governance charter reports submitted	New Target	4	4	4	None	Annual target met
SUB-PROGRAMME 1.7 INTERNAL AUDIT							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Implementation of internal audit plan	Percentage implementation of internal audit plan	New Target	80%	100%	100%	None	Annual target met
SUB-PROGRAMME 1.8 RISK AND COMPLIANCE							
OUTCOME: GOOD CORPORATE GOVERNANCE AND PRODUCTIVE WORKFORCE							
Implemented risk management plan.	Percentage implementation of the risk management plan	New Target	100%	100%	100%	None	Annual target met

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

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

LINKING PERFORMANCE WITH BUDGETS

	2024/25			2023/24		
Programme 1	Budget	Actual Expenditure	Over/Under Expenditure	Budget	Actual Expenditure	Over/Under Expenditure
Finance	30 376	26 711	-3 665	25 570	31 201	5 631
Corporate Services: HR	20 951	20 771	-180	4 116	9 605	5 489
Marketing and Communications	8 747	11 126	2 379	4187	8 456	4 269
Information Technology	49 105	41 873	-7 232	14 125	23 610	9 485
Monitoring & Evaluation	3 767	3 915	148	2 968	2 300	668
Governance	36 662	37 584	922	13 065	22 035	8 971
Total	149 608	141 980	-7 628	64 031	97 207	-33176

2.3.2 PROGRAMME 2: SECTOR SKILLS PLANNING

PURPOSE

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

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
OUTCOME 3: IMPROVED LABOUR MARKET INFORMATION THAT ACCURATELY IDENTIFIES OCCUPATIONS IN HIGH DEMAND							
An approved sector skills plan identifying occupations in high demand	Percentage of WSP and ATR applications evaluated	New Target	100% WSPs /ATRs evaluated	100% WSPs /ATRs evaluated	100% WSPs /ATRs evaluated	None	Annual target met
	Accounting Authority (AA) approved Sector Skills Plan submitted to DHET	1	1	1	1	None	Annual target met

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

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

LINKING PERFORMANCE WITH BUDGET

	2024/25			2023/24		
Programme 2	Budget	Actual Expenditure	Over/Under Expenditure	Budget	Actual Expenditure	Over/Under Expenditure
Sector Skills Planning	267 154	228 805	-38 349	260 703	212 533	-48 171
Total	267 154	228 805	-38 349	260 703	212 533	-48 171

Delegates gathering in Durban for the MICT SETA Stakeholder Engagement.



2.3.3 PROGRAMME 3: LEARNING PROGRAMMES

PURPOSE

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

- Learnerships
- Internships
- Skills Programmes
- Short programmes
- Bursaries
- Work Integrated Learning

The Learning Programmes Implementation with a 4IR focus will ensure:

- Easy access to respective learning programmes
- Increased access to employment opportunities
- Support for career pathing and self-development of beneficiaries
- Development of current employees
- Entrance and conduit into the MICT industries for unemployed learners.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
SUB-PROGRAMME: PROGRAMMES IMPLEMENTATION							
OUTCOME 3: IMPROVED LABOUR MARKET INFORMATION THAT ACCURATELY IDENTIFIES OCCUPATIONS IN HIGH DEMAND.							
An approved skills plan identifying occupations in high demand.	Percentage of discretionary grant budget allocated at developing high level skills	6.4%	9.16%	6.4%	7.67%	+1.27%	Annual target exceeded due to the implementation of the SETA's Integrated Digital Skills Strategy aimed at developing ICT systems and Innovative projects through bursary funding for students pursuing undergraduate, Masters and PhD Degrees in partnership with universities and University Research Chairs.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
							This is also to substantively contribute to the objectives and targets of the NDP and National Plan for Post-School Education and Training 2021-2030 which requires production of at least 5000 PHDs annually.
	Percentage of discretionary grant budget allocated at developing intermediate level skills	92.4%	89.23%	92.4%	89.01%	-3.39%	Annual target not fully met due to the focus being on developing high level skills in line with the Integrated Digital Skills Strategy objectives of driving projects that stimulate innovation and research to critically contribute towards the National System of Innovation
	Percentage of discretionary grant budget allocated at developing elementary skills	1%	1.62%	1%	3.32%	+2.32%	Annual target exceeded due to the focus on programmes that respond to rural development initiatives in line with the SETA's Rural Development Strategy to bridge the digital divide to ensure inclusivity and access in underdeveloped communities.

Active participation at the MICT SETA Stakeholder Engagement sessions, where voices from across the sector came together to shape the future of skills development.



OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
OUTCOME 5: INCREASE ACCESS TO, AND DELIVERY OF INDUSTRY AND OCCUPATIONALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS							
Learning Programmes that link education and the workplace implemented on annual basis.	Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	1737	1906	1864	2035	+171	Annual target exceeded due to a series of roadshows including Career Guidance initiatives conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of these initiatives ensured the effective delivery of learning programmes.
	Number of TVET students completed their work integrated learning placements	910	1027	932	0	-932	The annual target is not met due to misalignment between the SLA duration and TVET requirement of 18 months as opposed to the 2000 notional hours that the SETA implemented to determine workplace requirement. This resulted to 1505 learners not reported since they will progress with the remaining 6 months in 2025/26 financial year to cover the 18 months institutional requirement for learners to be deemed eligible for a Diploma. This was raised by AG and is being acknowledged for corrective and remedial purposes.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of university students requiring work-integrated learning to complete their qualifications placed in workplaces	555	856	700	1214	+514	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of these initiatives ensured the effective delivery of WIL for university students.
	Number of university students completed their Work Integrated Learning placements	368	542	350	701	+351	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners.

A beneficiary shares their journey during a media interview, showcasing the impact of MICT SETA programmes in transforming lives and creating opportunities.



OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of unemployed learners enrolled in internship programmes	1163	1737	1650	1914	+264	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of the graduate internship programme contributed to the over-achievement.
	Number of unemployed learners completed Internship programmes	1074	919	630	1161	+531	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners completing graduate internship programme.



OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of unemployed learners enrolled in skills programmes	1290	1954	1000	2033	+1033	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of the skills programme contributed to the over-achievement.
	Number of unemployed learners completed skills programmes	1313	2061	494	1604	+1110	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners completing skills programme.



OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of unemployed learners enrolled in learnership programmes	4778	4641	4050	4481	+431	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of the learnership programme contributed to the over-achievement of the target.
	Number of unemployed learners completed learnership programmes	3626	3899	2025	4094	+2069	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners completing learnership programme.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of unemployed learners enrolled for candidacy programmes	93	97	90	115	+25	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of the candidacy programme was key for the successful achievement of the target.
	Number of unemployed learners completed candidacy programmes	52	64	53	55	+2	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners completing candidacy programme.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of unemployed learners enrolled for short programmes	1070	1421	950	1595	+645	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring contributed to the successful achievement of the target.
	Number of unemployed learners completed short programmes	881	1159	499	1257	+758	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners completing short programmes.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of unemployed learners granted Bursaries (new enrolments)	253	525	310	447	+137	Annual target exceeded due to a series of roadshows conducted to encourage universities to actively participate in the bursary programme for needy students. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of the bursary programme.
	Number of unemployed learners granted Bursaries (continuing)	190	210	210	224	+14	Annual target exceeded due to a series of roadshows conducted to encourage universities to actively participate in the bursary programme for needy students. This proactive approach significantly contributed to the high subscription rates observed. Additionally, due to the internal induction processes and timely payment of fees.
	Number of unemployed bursary learners who completed their studies	126	135	142	182	+40	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance and timely payment of fees significantly motivated learners, contributing to the high number of successful learners.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of CET learners Accessing AET programmes	150	90	70	200	+130	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in the CET programme for unemployed learners. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of AET learners.
	Number of workers enrolled for bursary programmes (new entries)	60	75	77	78	+1	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in the bursary programme for workers. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of the bursary learners.
	Number of workers granted Bursaries (continuing)	20	34	33	40	+7	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in the bursary programme for workers. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and timely payment of fees.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of workers granted Bursaries completed their studies	30	28	21	26	+5	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance and timely payment of fees significantly motivated learners.
	Number of workers enrolled for skills programmes	176	551	198	443	+245	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of the skills programme.
	Number of workers completed skills programmes	147	518	147	378	+231	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners completing skills programme.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of workers enrolled for AET programmes	60	95	72	93	+21	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in the AET programme for unemployed learners. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of AET learners.
	Number of workers completed AET programmes	55	55	26	61	+35	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners completing AET programme
	Number of learners enrolled RPL/ARPL	136	90	110	169	+59	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in the RPL programme for unemployed learners. This proactive approach significantly contributed to the high subscription rates observed. Additionally, the internal induction processes and the constant monitoring of RPL learners.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of learners completed RPL/ ARPL	New target	New target	45	59	+14	Annual target surpassed due to effective induction programme that has thoroughly prepared learners for active participation and consistent attendance. Additionally, continuous monitoring of attendance, verification of logbooks and timely payment of stipends significantly motivated learners, contributing to the high number of successful learners completing RPL programme
OUTCOME 4: INCREASE FOCUSED SKILLS DEVELOPMENT INTERVENTIONS FOR RURAL AND MARGINALIZED COMMUNITIES TO ENSURE INCLUSIVITY							
Rural skills development Projects approved and implemented	Number of Rural Development Projects initiated	133	88	60	91	+31	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in implementing learning programme in rural areas in response to the Rural Development Strategy to bridge the digital skills gap in underdeveloped communities. Additionally, internal induction processes and the constant monitoring of projects implemented in rural areas.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
OUTCOME 1: SUPPORT THE SUSTAINABILITY AND GROWTH OF SMMES, ENTREPRENEURSHIP, COOPERATIVES, AND COMMUNITY- BASED ORGANIZATION S							
Small Enterprises (SEs) supported through skills development interventions	Number of small businesses funded for skills that enhance growth and development	452	542	250	734	+484	Annual target exceeded due to a series of roadshows conducted to encourage SMME stakeholders to actively participate in the implementation of learning programmes. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of learning programmes implemented by SMMEs.
Skills development interventions supported for members / employees of Co- operatives, NGOs,, CBOs, and entrepreneurship programmes	Number of Co-operatives learners supported through the subsidizing of skills development interventions	249	344	150	696	+546	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to implement learning programmes that capacitate learners to establish cooperative. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of cooperative learners.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
	Number of learners trained on entrepreneurship supported to start their business	179	385	150	198	+48	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to implement learning programmes that capacitate learners to start up their businesses. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of learners on entrepreneurship skills development programmes
	Number of NGOs/NPOs/ CBOs learners supported through the subsidising of skills development interventions	825	246	150	290	+140	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to implement learning programmes that capacitate learners on various skills interventions. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of NGOs/NPOs learners
OUTCOME 5: INCREASE ACCESS TO, AND DELIVERY OF INDUSTRY AND OCCUPATION ALLY DIRECTED PRIORITY PROGRAMMES AND WORK PLACEMENTS							
Worker-initiated skills development (federations/ trade unions) interventions supported	Number of worker-initiated skills development (federations/ trade unions) interventions supported	371	240	210	210	0	Annual target met

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
OUTCOME 8: IMPROVE THE QUALITY OF EDUCATION TO ADDRESS PROGRAMME S IN HIGH DEMAND WITHIN THE MICT SECTOR.							
Centres of Specialisation supported	Number of Centres of Specialisation supported	15	22	15	17	+2	Annual target exceeded due to a series of roadshows conducted to encourage Centres of Specialisation stakeholders to implement learning programmes that capacitate learners on various skills interventions as well as internal induction processes and the constant monitoring of these centres.
OUTCOME 7: ENABLE THE GROWTH OF THE PUBLIC COLLEGE SYSTEM THROUGH SECTORAL PARTNERSHIPS IN THE DELIVERY OF LEARNING INTERVENTIONS.							
TVET Lecturers exposed to industry through skills programmes	Number of TVET Lecturers exposed to the industry through Skills Programmes	80	75	75	76	+1	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives as well as internal induction processes and the constant monitoring of the TVET skills programme.
TVET Lecturers awarded bursaries	Number of TVET colleges Lecturers awarded Bursaries	72	78	75	0	-75	The annual target has not been met due to a misalignment between the means of verification and the TID, which sets a requirement for the academic results submission for the TVET lecturers enrolled in the bursary programme.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
CET college Lecturers exposed to skills development programmes	Number of CET colleges lecturers exposed to skills development programmes	70	160	75	135	+60	Annual target exceeded due to a series of road-shows conducted to encourage stakeholders to actively participate in MICT sector skills development initiatives. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of the CET skills programme.
Partnerships with TVET colleges established	Number of TVET partnerships established.	76	99	14	39	+25	Annual target exceeded due to a series of roadshows conducted to encourage stakeholders to partner with the SETA in implementing learning programmes. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of TVET colleges implementing the SETA learning programmes.
CET partnerships established	Number of CET partnerships established	12	14	9	9	0	Annual target met

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
Partnerships established with universities	Number of HEI partnerships established	20	41	25	46	+21	Annual target exceeded due to a series of roadshows conducted to encourage Higher Institutions of learning to partner with the SETA in implementing learning programmes. This proactive approach significantly contributed to the high subscription rates observed. Additionally, internal induction processes and the constant monitoring of these institutions.

STRATEGY TO OVERCOME AREAS OF NON-ACHIEVEMENT

- 1. Percentage of discretionary grant budget allocated at developing intermediate level skills:** The reason for non-achievement is due to the focus being on developing high level skills in line with the Integrated Digital Skills Strategy objectives of driving projects that stimulate innovation and research to critically contribute towards the National System of Innovation.

MICT SETA will actively encourage stakeholders, during engagement sessions, to apply for learning programmes that address intermediate-level skills. Discretionary grants will be allocated equitably and in accordance with budget allocation targets to ensure achievement of set objectives.

- 2. Number of TVET students completed their work integrated learning placements:** The target was not achieved due to misalignment between the Service Level Agreement (SLA) duration and TVET requirement of 18 months as opposed to the 2000 notional hours that the SETA implemented to determine workplace requirement. This resulted in 1505 learners not reported since they will progress with the remaining 6 months in the 2025/26 financial year to cover the 18-month institutional requirement for learners to be deemed eligible for a Diploma. This was raised by the Auditor-General of South Africa and is being acknowledged for corrective and remedial purposes.

To date, 1400 learners contracts have been extended by an additional six months to enable them to complete the required work integrated learning necessary for qualification in accordance with TVET requirements. The implementation of TVET placement has been aligned with institutional requirements of 18 months duration.

- 3. TVET colleges lecturers awarded bursaries:** This target was not attained due to misalignment between the indicator title and means of verification outlined in the TID, which sets out a requirement for the academic results submission to confirm the TVET lecturers enrolled in the bursary programme. To address this anomaly, the SETA embarked on a process to review the APP for the 2024/25 financial year, however the submission was not approved by DHET. The 2025/26 APP was thoroughly reviewed to adjust the means of verification to ensure alignment with the specific criteria set by the Technical Indicator Description. This will ensure that there is segregation of TVET bursaries outcomes for enrolment as well as for continuation and completion of targets to facilitate accurate reporting supported by evidence. By addressing these discrepancies, the SETA will better support the lecturers and ensure that the planned targets are met in the 2025/26 financial year.

SUB-PROGRAMME 3.2: 4IR

PURPOSE

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

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
OUTCOME 5: ENABLEMENT OF THE FOURTH INDUSTRIAL REVOLUTION (4IR)							
New 4IR partnerships established to implement 4IR initiatives in the MICT sector	Number of new 4IR partnerships established to implement 4IR initiatives in the MICT sector	37	40	45	47	+2	Annual target exceeded by due to a series of roadshows conducted to encourage stakeholders to collaborate and forge partnership with MICT SETA to address 4IR/future skills in response to the Integrated Digital Skills Strategy and the constant engagements with the industry.
Students funded under established 4IR Research Chairs	Number of students funded under established 4IR Research Chairs	110	103	110	176	+66	Annual target over-achieved due to the implementation of MICT SETA Digital Skills Strategy towards developing ICT systems and Innovation projects, increase research outputs and contribution to the body of knowledge through bursary funding for students pursuing Under-graduate, Masters and PhD Degrees in partnership with universities and University Research Chairs

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
4IR occupational qualifications developed	Number of 4IR occupational qualifications developed and submitted to the QCTO	05	15	5	5	None	Annual target met.
Learning laboratories established with industry partners	Laboratories supported in collaboration with industry partners	New Target	21	25	25	None	Annual target met.
Skills competitions conducted in partnership with stakeholders	Number of skills competitions supported in partnership with stakeholders	New Target	10	15	15	None	Annual target met.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

None. The Programme met all the planned APP targets.

LINKING PERFORMANCE WITH BUDGET

	2024/25			2023/24		
Programme 3	Budget	Actual Expenditure	Over/Under Expenditure	Budget	Actual Expenditure	Over/Under Expenditure
Programmes Implementation	976 672	897 347	-79 325	796 348	763 915	-32 433
4IR	4 132	4 217	85	5537	4 852	-685
Total	980 804	901 564	-79 240	801 886	768 767	-33 119

MICT SETA and Empire Partner Foundation hosting the Tech4Good: Mandela Day Workshop, empowering 45 youth with sustainable digital skills aligned to 4IR qualification goals.



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

PURPOSE

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

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
OUTCOME: IMPROVED QUALITY OF EDUCATION TO ADDRESS PROGRAMMES IN HIGH DEMAND WITHIN THE MICT SECTOR							
Exit verifications conducted.	Number of exit verifications conducted.	New Target	1067	450	1120	+670	Annual target over-achieved due to rapid uptake of MICT SETA ICT related qualifications and skills programme
Training providers accredited	Number of training providers accredited	956	650	150	797	+647	Annual target over-achieved owing to influx of provider applications in line with occupations and skills in high demand with the MICT and other sectors
Qualified Subject Matter Experts registered.	Number of qualified Subject Matter Experts registered.	New target	414	165	352	+187	Annual target over-achieved due to extension on 32 qualifications that have led to the increase in the number of applications
Constituent moderators moderating quality of programmes	Number of qualified constituents registered moderators, moderating quality of programmes	New Target	171	150	174	+24	Annual target over-achievement due to targeted capacity workshops conducted to close gaps and this resulted in increased compliance in applications.
Realigned MICT SETA qualifications submitted to the QCTO	Number of reviewed/ developed qualifications submitted to QCTO	08	11	05	06	+01	Annual target overachieved as a result of QCTO approving additional qualifications.

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET 2024/25	REASON FOR DEVIATION/ COMMENT
Registered assessment Centres for the External Integrated Summative Assessment (EISA)	Number of registered assessment Centres for the External Integrated Summative Assessment (EISA)	New Target	19	17	25	+08	Annual target over-achievement due to an increase in the uptake of EISA accreditation

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

None. The Programme met all the planned APP targets.

LINKING PERFORMANCE WITH BUDGET

	2024/25			2023/24		
Programme 4	Budget	Actual Expenditure	Over/Under Expenditure	Budget	Actual Expenditure	Over/Under Expenditure
ETQA	20 980	24 281	3 301	18 812	17 747	-1 065
Total	20 980	24 281	3 301	18 812	17 747	-1 065

2.4 REVENUE COLLECTION

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

	2024/25			2023/24		
Sources of revenue	Estimated Budget	Actual Amount Collected	Over/Under Collection	Estimated Budget	Actual Amount Collected	Over/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	159 170	150 519	-8 651	151 591	150 417	-1 174
Mandatory	303 181	286 781	-16 400	288 744	286 781	-1 963
Discretionary	759 373	709 654	-49 719	722 441	706 654	-15 787
Finance revenue	59 402	60 789	1 387	48 094	53 242	5 148
National Skills Fund Revenue	36 623	24 416	-12 207	32 535	1 775	-30 760
FASSET Revenue	10 797	12 291	1 494	18 144	1 134	-17 010
Total	1 328 546	1 244 450	-84 096	1 261 549	1 200 003	-61 546

2.5 CAPITAL INVESTMENTS

The MICT SETA does not have any capital investments.



A night cityscape with digital overlays. The background is a dark blue night sky over a city with many lit-up buildings. Overlaid on the image are several digital elements: a large, faint, light blue circle with a dotted border that spans across the top and right side; a solid light blue circle with a white outline in the top right; another solid light blue circle with a white outline in the middle left; and vertical columns of binary code (0s and 1s) in a light blue font. The overall aesthetic is futuristic and tech-oriented.

PART C | GOVERNANCE

3. INTRODUCTION

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

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

The Accounting Authority (AA) is responsible for providing strategic direction to the MICT SETA by determining performance objectives and approving the annual budget. It also ensures that the SETA meets its goals and carries out the National Skills Development Plan's (NSDP) objectives. The AA is accountable to the Executive Authority and Parliament. The AA upholds the highest standards of integrity and ethical conduct as espoused in King IV, thus ensuring effective leadership of the entity based on the principles of responsibility, accountability, fairness, transparency, competence, and independence. The SETA Constitution also includes a Code of Conduct which governs the conduct of Members of the AA and its Committees.

3.1 PORTFOLIO COMMITTEE

The Portfolio Committee (PC) on Higher Education and Training exercises its ongoing oversight role over post-school education and training (PSET) institutions on the performance of the SETA, financial and non-financial information contained in the Annual Report and service delivery on skills development and enhancing economic growth. In the year under review, the MICT SETA was invited by the Portfolio Committee to provide an overview of the state of governance and management within the organisation. The MICT SETA presented a comprehensive report on its governance, which led to the PC recommending that the SETA review the number and frequency of its governance structures and meetings to reduce costs. The SETA is undergoing a review of its governance structures to improve efficiency, optimize board member's time and enhance overall governance practices.

3.2 EXECUTIVE AUTHORITY

The Minister of Higher Education and Training as the Executive Authority of the SETA is responsible for appointing the members of the Accounting Authority and determining their remuneration as per the tariffs recommended by the National Treasury. An annual Service Level Agreement (SLA) with the Executive Authority, which encompasses the MICT SETA's

performance objectives, targets, and deliverables, as well as the provision of information and/or reports on its activities was signed. In the year under review, four (4) Quarterly Monitoring Reports reflecting performance on the implementation of the SLA were submitted to DHET in accordance with the SLA. Furthermore, all four (4) Quarterly Performance Reports were submitted to the DPME as prescribed in the Treasury Regulations 30.2.1 of 2005. The SETA also submitted the Annual Sector Skills Plan (SSP), Strategic Plan (SP) and Annual Performance Plan (APP) as well as the Annual Report for the 2023/24 financial year to the Executive Authority.

3.3 THE ACCOUNTING AUTHORITY/ BOARD

3.3.1 INTRODUCTION

The MICT SETA Board is the Accounting Authority (AA) as established in terms of the MICT SETA Constitution, and it fulfils its duties and responsibilities as provided for in the PFMA and the Skills Development Act, 97 of 1998, as amended and the Constitution.

The Accounting Authority was appointed by the Minister of Higher Education and Training on 1 April 2020 and its term expired on 31 March 2025.

Whilst the process of appointing new AA members was unfolding, on 22 May 2025, the Minister appointed the CEO to assume the duties of the AA for a period of three months or until the AA is appointed, whichever comes first.

The AA provides oversight and strategic leadership to the MICT SETA, ensuring that it fulfils its mandate and obligations in terms of the Act and the Constitution.

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

3.3.2 THE ROLE OF THE ACCOUNTING AUTHORITY IS AS FOLLOWS:

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

- Govern and manage the SETA in accordance with the PFMA, the Act and any other applicable legislation and King IV Code on Corporate Governance.
- Ensure that the SETA achieves the objectives set out in clause 5 of the Constitution and perform the functions outlined in clause 6 of the Constitution.
- Provide effective leadership and ensure that the SETA implements the goals of the NSDP and the Performance Agreement with the Minister.
- Provide strategic direction for the SETA.
- Liaise with Stakeholders.
- Ensure that the SETA complies with the relevant statutory requirements and the requirements of its Constitution.
- Manage institutional risk.
- Monitor the performance of the SETA.
- Ensure that its members and members of Committees established comply with the Code of Conduct as set out in Annexure 2 of its Constitution.
- Apply for the establishment of the SETA in terms of section 9(1) of the Skills Development Act, read together with the Regulations regarding the Establishment of

3.3.3 BOARD CHARTER

The MICT SETA Board Charter covers:

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

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

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

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

In the year under review, there were two (2) vacancies and the Minister was duly notified.

3.3.4 COMMITTEES OF THE ACCOUNTING AUTHORITY

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

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

Future digital leaders empowered through the Tech4Good: Mandela Day Workshop.



Below is a list of the Members of the Accounting Authority and the number of meetings held for the 2024/25 financial year and includes special meetings:

Name	Designation (in Terms of the Board Structure)	Date Appointed	Qualifications	Area of Expertise	Board Directorships	No. of meetings attended
Mr Simphiwe Thobela CD(SA)	Chairperson of the AA/ Exco; GovCo member	01 April 2020	• B. Com Logistics • Postgraduate Diploma: Public Management • Master of Town and Regional Planning • Advanced Programme: Risk Management • PhD Candidate	• Public Sector, Leadership • Governance, • Financial Management • Supply Chain Management	• Interim Board member -Universal Service and Access Agency of South Africa (USAASA): Chairperson of the Audit and Risk Committee and member of Remco • Chairperson of Magwa Enterprise Tea, member of the Investment Committee and HR Remuneration Committee. • KwaZulu-Natal Growth Trust Fund	15/15
Ms Ntombikayise Khumalo	EXCO Member; GovCo member	01 April 2020	• Diploma in Business Computing • Certification: Finance and Investment Management • Certification: Principles of Economics • Certification: SAP Finance (Certificate) • Certification: Women Leaders • Certificate: Law of Evidence • Certificate PFMA • Certificate Paralegal • Advanced Certificate Credit Management • Certification: Finance for Non-Financial Managers	• Labour Law • Advanced Negotiation Skills, Skills Development	• uBuhle Bezwe Landscaping & Interior Designs: Executive Director • COSATU: Central Executive Committee Member • COSATU: Central Executive Sub-Committee Member – HRC • COSATU: National Finance Committee Member • COSATU: Workers Pension & Retirement Task Team Member • CWU: National Executive Member • CWU: National Office Bearer & National Treasurer • Sentech: Employment Equity & Skills Development Member	14/15

Name	Designation (in Terms of the Board Structure)	Date Appointed	Qualifications	Area of Expertise	Board Directorships	No. of meetings attended
Mr Loyiso Tyira	EXCO member; Chairperson of ICTCOM	01 April 2020	• PDM (Digital Business) • MDP (Management Development Programme) • PME (Programme for Management Excellence) • Certificate for Non-Mining Professionals • Certificate Management Excellence • ITCP(SA) (Information Technology Certified Professional)	Information Technology	• Future Business Consulting • ICT SMME Chamber • SAMDDRA • Broadband Infracore SOC • Technology and Innovation Agency (TIA) • B-BBEE ICT Sector Council	15/15
Mr Thabo Mofokeng	EXCO member; ICTCOM member	01 April 2020	• Bachelor of Science: Electrical Engineering • Diploma: Project Management • Certification: Operations & Management of Wireless • Network & Systems Engineering	• ICT Projects, Broadband infrastructure, • Technology Management Services, • Digital Assets & Blockchain Solutions	• Octet Technologies • Fuma Engineering • IT Association of SA • Solario Technologies	14/15
Mr Sipho George Zwane	EXCO Member; Chairperson of SAECO	01 April 2020	• Bachelor of Administration • National Diploma: Public Management • Post Graduate Diploma: Public Management • Advanced Certification in Project Management	Labour Law, Administration	Depacu: General Secretary	15/15
Mr Tebogo Mack Mamorobela	FinRemco member; ARC member	01 April 2020	• Strategic Diplomacy, Leadership in Digital Leadership • Research Awareness for Leaders • Certificate: Emerging Technical Leadership in Digital Business	Employee Relations	-	14/15

Name	Designation (in Terms of the Board Structure)	Date Appointed	Qualifications	Area of Expertise	Board Directorships	No. of meetings attended
Mr Lesiba Jan Langa	FinRemco member; SAECO Member	01 April 2020	- Diploma: Law - Certification: Labour Dispute Resolution - Certification: Labour Relation management - Certification: Labour Arbitration - Certification: Advanced Labour Law Programme	Telecommunications	SAPWU: President	15/15
Mr Viwe Thomas James	ARC member; ICTCOM member	01 April 2020	- Advanced Law, Labour Law, and Procedures Programme - South African Public Structures, Functions, and Finance - Chartered Corporate Governance and Administration N3: Electrical Engineering	Labour Law, Governance	-	15/15
Ms Nozibele Mlambo	GovCo member; SAECO member	01 April 2022	- Postgraduate Diploma: Project Management - Advanced Diploma: Project Management - Diploma: Travel and Tourism	Stakeholder Management	-	15/15
Mr Sontaga Mantlhakga	Chairperson of GovCo; ICTCOM member	19 Dec. 2022	- MBA - Postgraduate Diploma in Business Management - Senior Primary Teachers Diploma - Higher Certificate: Business Management - Certificate: Industrial Policy - Certificate: Research Awareness for Leaders - Certificate: Public Relations - Certificate: Emerging Technical Leaders in Digital Business	- Labour Relations - Business Management - Negotiator - Project Management	Telkom Retirement Fund Trustee	14/15

Name	Designation (in Terms of the Board Structure)	Date Appointed	Qualifications	Area of Expertise	Board Directorships	No. of meetings attended
Ms Rochelle Blaauw	Chairperson of FinRemco; ICTCOM member	9 Dec 2022	- BCom – Human Resources Management - Higher Certificate in Human Resources Management - Intermediate Leadership Programme	HR, Learning and Development Organisational Development	-	12/15

MICT SETA fostering partnerships and trust, one handshake at a time. Leadership in action, committed to collaboration and sector impact.



Name	Designation (in Terms of the Board Structure)	Date Appointed	Qualifications	Area of Expertise	Board Directorships	No. of meetings attended
Ms Nomonde Gongxeka Seopa*	Member of ICTCOM and FinRemco	22 May 2024	• Master's Degree in ICT Policy and Regulation • Business Models, Innovation and Regulation on the Digital World • Embracing Theological and Scriptural Background and Practical Teaching Skills • Certification: Understanding Spectrum Management • Certification: Finance for Non-Financial Managers • Telecommunications, Policy and Regulation Framework & Trends • Management Advanced Programme (MAP) • Principles of Brand Advertising & Communication • Diploma Journalism	• Policy and regulatory expert • Skilled in Platform Competition & Data Privacy, Business Processes & Operations Management, Negotiation & Analysis, Strategy, Business Development, Government Relations, and Researcher. • Project Management, Compliance • Stakeholder Management • Business Acumen and Strategic Planning Budget planning and management	• B-BBEE ICT Sector Council • Chairperson: Digital Migration Advisory Council • Advisory Board Member: African Leadership Academy (ALA) • SMME Chamber, Secretariat – Department of Communications • Chairperson: SADC Media Awards, South Africa's National Adjudication Committee (NAC) • ICASA Disability Consultative Forum Committee Member • Board Member: Media Development & Diversity Agency (MDDA), Chair of Finance & Operations Committee, Member of Policy, Legislative & Regulatory Committee and Convener of MDDA Media and Literacy Summits • Department of Communications (DoC), Task Team Member • South African National AIDS Council (SANAC)-Celebrity Sector Representative	11/15

Name	Designation (in Terms of the Board Structure)	Date Appointed	Qualifications	Area of Expertise	Board Directorships	No. of meetings attended
Mr Ayanda Mqela*	Member of SAECO and GovCo	22 May 2024	• L.E.A.D (Legal Practice Management) • Certificate: Comparative Constitutional Law • Certificate: Discourses and Histories of Rights LLB	• Litigation and Dispute Resolution • Commercial Law • Employment Law • Family Law • Criminal Law (Fraud & Forensic Investigations)	• Oasis Association (Non-Profit Organisation) Board Member (2015 -2017) • Give Hope Foundation (Non-Profit Organisation) Board Member	13/15

* Ms. Gongxeka – Seopa and Mr Mqela were appointed as Members of the Board on 22 May 2024.

3.3.5 FUNCTIONS OF THE EXECUTIVE COMMITTEE

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

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

The Members of the Committee and meetings attended:

Committee Members	Number of meetings held (13) (1) Special
Mr. Simphiwe Thobela (Chairperson)	13/13
Ms. Ntombikayise Khumalo	12/13
Mr. Sipho Zwane	13/13
Mr. Thabo Mofokeng	13/13
Mr. Loyiso Tyira	13/13

3.3.6 FUNCTIONS OF THE FINANCE AND REMUNERATION COMMITTEE

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

Committee Members	Number of meetings held (6)
Ms. Rochelle Blaauw (Chairperson)	6/6
Mr. Tebogo Mamorobela	6/6
Mr. Jabu Langa	6/6
Ms. Nomonde Gongxeka-Seopa	5/6

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

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

- Reviewing and reassessing the adequacy of the remuneration policy annually and recommending any changes to the Accounting Authority for approval.
- Ensuring that the Accounting Authority and committee members' remuneration is in accordance with the requirements of the PFMA and the Treasury Regulations that relate to finance and the remuneration of said members.

3.3.7 FUNCTIONS OF THE GOVERNANCE AND STRATEGY COMMITTEE

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

Committee Members	Number of meetings held (7)
Mr. Sontaga Mantlhakga (Chairperson)	7/7
Mr. Ayanda Mqela	5/7
Mr. Simphiwe Thobela	6/7
Ms. Ntombikayise Khumalo	7/7
Ms. Nozibele Mlambo	7/7

The Governance and Strategy Committee must:

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

- Conduct a performance assessment of the Committee every second year in line with King IV recommendations.

3.3.8 FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

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

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

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

Committee Members	Number of meetings held (7)
Mr. Suleman Badat (Chairperson)	7/7
Mr. Gideon Labane	7/7
Ms. Lindiwe Nkosi	7/7
Mr. Viwe James	6/7
Mr. Tebogo Mamrobela	7/7

Two (2) ARC and FinRemco joint meetings were held during the year under review.

3.3.9 FUNCTIONS OF THE ICT STEERING COMMITTEE

The ICT Steering Committee is responsible for considering and making recommendations to the Accounting Authority concerning the implementation and maintenance of the SETA's ICT systems, applications, and related projects. Details of the Members of the Committee and meetings attended are as follows:

Committee Members	Number of meetings held (5) (1) Special
Mr. Loyiso Tyira (Chairperson)	5/5
Mr. Thabo Mofokeng	5/5
Mr. Viwe James	5/5
Ms. Rochelle Blaauw	5/5
Mr. Sontaga Mantlhakga	5/5
Ms. Nomonde Gongxeka-Seopa	3/5

Without limiting its functions, the ICT Steering Committee must:

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

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

3.3.10 SOCIAL AND ETHICS COMMITTEE

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

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

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

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

Committee Members	Number of meetings held (4)
Mr. Sipho Zwane (Chairperson)	3/4
Mr. Jabu Langa	4/4
Ms. Nozibele Mlambo	4/4
Mr. Ayanda Mqela	3/4

3.3.11 REMUNERATION OF MEMBERS

The remuneration of Members is in accordance with the remuneration level sub category S, as determined by the Minister of Education and Training in the Circular from the National Treasury on Adjustment of the Remuneration Levels. Audit and Risk Committee members are remunerated at the same rates as Board members. Board fees are paid to Board and Committee members for their attendance to and preparations

for official meetings and other activities of the SETA (DHET meetings, industry events, graduations, stakeholder engagements etc.).

Hereunder are the fees paid to the Accounting Authority members including travel expenses for the financial year ended 31 March 2025:

Name	Surname	Board R'000	FinRemco R'000	Exco R'000	GovCo R'000	ICT R'000	Audit and Risk R'000	SAE- CO R'000	Other R'000	Travel and Accommodation R'000	Total R'000
Mr Simphiwe ¹	Thobela ^{1*}	143	23	154	53	46	-	23	314	1355	2111
Ms Ntombikayise	Khumalo*	116	-	111	62	-	-	-	62	27	378
Mr Lesiba	Langa	129	71	-	-	-	-	38	72	24	334
Mr Loyiso	Tyira ^{1*}	124	-	116	-	63	-	-	116	97	516
Mr Thabo	Mofokeng*	116	-	116	-	49	-	-	62	29	372
Mr Tebogo	Mamorobela ¹	124	53	-	-	-	62	-	63	269	571
Mr Siphso	Zwane*	129	-	116	-	-	-	34	79	62	420
Mr Sontaga	Mantlhakga ¹	120	-	-	80	49	-	-	76	425	750
Ms Nozibele	Mlambo	124	-	-	62	-	-	36	53	12	287
Ms Rochelle	Blaauw	98	91	-	-	49	-	-	65	17	320
Mr Viwe	James	120	-	-	-	49	53	-	62	18	302
Ms Nomonde	Gongxeka	62	53	-	-	28	-	-	44	14	201
Mr Ayanda	Mqela	98	-	-	44	-	-	27	62	20	251
Total		1,503	291	613	301	333	151	158	1,130	2,369	6,813

¹Refers to expenses associated with travel, car hire and accommodation costs for Members residing outside of Gauteng (Messrs. Thobela, Mamorobela, Mantlhakga and Tyira (only for kilometres travelled)

*EXCO members - monthly meetings attended.

3.3.12 REMUNERATION OF EXTERNAL AUDIT & RISK COMMITTEE MEMBERS

The SETA Constitution provides for the appointment of three (3) external members and two (2) members of the AA, fees for meetings attended are as follows:

Name	Surname	Qualifications	Internal/External	Fees R'000	Other R'000
Mr Suleman	Badat	CA(SA)	External	80	89
Mr Gideon	Labane	CA(SA)	External	62	41
Ms Lindiwe	Nkosi	CA(SA)	External	53	27
Mr Tebogo	Mamorobela	As per AA table	Internal	As per AA table	As per AA table
Mr Viwe	James	As per AA table	Internal	As per AA table	As per AA table

In addition to the Audit and Risk Committee, the MICT SETA has a Risk Management Committee that is chaired by an independent Chairperson, Mr Ngobeni. The Chairperson of the Risk Management Committee received fees to the amount of R153 000 in the financial year under review.

3.4 RISK MANAGEMENT

The MICT SETA implemented a Risk Management Strategy, which incorporates risk management governance documents, this included staff workshops on risk management to improve the effectiveness of their implementation. The Strategy incorporates the Risk Appetite and Tolerance Framework, Risk Management Framework and Policy, and whistleblowing mechanisms. The National Treasury's Public Sector Risk Management Framework was reported as under review as at 31 March 2025. This review may necessitate a review of the MICT SETA Risk Management governance processes in the short term, to align with the latest standards of good practice, where applicable.

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

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

The MICT SETA Chief Executive Officer established an internal Risk Management Committee (RMC) which is functional and chaired by an independent Chairperson. The RMC submitted quarterly reports to the Audit and Risk Committee (ARC) and advised the ARC on the identified risks, the progress made in implementing controls to mitigate those risks, as well as areas of concern relating to risk management, if any. Most controls were implemented successfully during the 2024/25 financial year, with further stringent measures to be considered and implemented in relation to operational risks.

The Risk Management Committee conducted self-evaluation during the 2024/25 financial year, and it was established that the Committee is effective and efficient in executing its functions as outlined in the Committee's approved Terms of Reference and contributed to the overall achievement of organisational targets. A few areas of improvement were identified such as formal induction of new RMC members and automation of risk management processes.

3.4.1 RISK MATURITY ASSESSMENT

The MICT SETA conducted a risk maturity assessment through the National Treasury's Risk Management Maturity Assessment tool, which is a subset of its Financial Management Capability Maturity Model (FMCMM). A maturity assessment level of 5/5, with improved overall feedback was achieved as of 31 March 2025.

3.5 INTERNAL CONTROL

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

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

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

3.6 INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

3.6.1 INTERNAL AUDIT FUNCTION

An Internal Audit function is in place which has a mandate to outsource any specialised audits as and when required. Internal Audit follows a risk-based approach that incorporates management's risk assessment and mitigation measures. During the reporting period, 100% of the Annual Audit Plan was completed. The following audits were undertaken in the 2024/2025 financial year:

- 2023-24 Performance Information Quarter 4 Verification.
- 2024-25 Performance Information Quarter 1 Verification.
- 2024-5 Performance Information Quarter 2 Verification.
- 2024-25 Performance Information Quarter 3 Verification.
- 2023-24 Annual Performance Plan Review
- Annual Financial Statements review 2023/2024.
- Gift Acceptance Review
- Facilities Management
- Performance Management
- Fixed Asset Management
- Learning Programmes and site vetting verification
- Quality Assurance (Moderator & Assessor Report)
- Retention & Succession Planning
- ICT Project Management
- Implementation of 4IR Strategy

- Network Penetration Test follow up
- Assessments of fraud incident reports as per whistle blowing reports received.

3.6.2 REVIEW OF EFFECTIVENESS OF INTERNAL CONTROLS

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

Weaknesses were identified in the following areas:

- Slow progress made by management during the year in addressing internal control deficiencies identified by internal and external audits.
- Lack of systematic and timely processes to record achieved performance, along with inadequate quality assurance review mechanisms to ensure validity, accuracy, and completeness of information, particularly for the Learning Programmes.
- Business Continuity processes require improvement
- Lack of standardised Project Management Implementation tool

3.6.3 AUDIT AND RISK COMMITTEE

The key activities and objectives of the Audit and Risk Committee, including the meeting attendance of the Audit and Risk Committee Members are contained on pages 78 to 80.

3.6.4 COMPLIANCE WITH LAWS AND REGULATIONS

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

The MICT SETA Regulatory Universe was approved by the MICT SETA Accounting Authority during the year under review. The Regulatory Universe is assisting the MICT SETA in identifying, managing, and monitoring all laws, regulations, rules, and compliance obligations applicable to the SETA.

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

Below is a list of all the statutory sector-based governance instruments that the MICT SETA is required to comply with, and has successfully complied with in the year under review as follows:

Document or statutory requirement	Action
1. Strategic Plan	Approved and submitted Final SP update 2020-25 to DHET on 31 January 2025
2. Annual Performance Plan	Approved and submitted Final draft to DHET on 31 January 2025
3. Sector Skills Plan	Submitted to DHET final SSP 2025/26 on 1 August 2024
4. Employment Equity Plan and Report	Submitted to the Department of Employment and Labour on 21 October 2024
5. Procurement Plan 2024/25	Submitted to National Treasury on 27 March 2024
6. Workplace Skills Plan 2023/24	Submitted to ETDP SETA on 13 May 2024
7. Budget for 2024/25	Submitted to DHET on 30 November 2023 and revised budget on 20 March 2025.
8. Quarterly Reports (Finance and Performance Reports)	Finance and Performance Report: Submitted to DHET and National Treasury on 31 July 2024 (First Quarterly Report), 31 October 2024 (Second Quarterly Report), 31 January 2025 (Third Quarterly Report) and 30 April 2025 (Fourth Quarterly Report).
9. Quarterly Reports (Meetings of the Accounting Authority and Sub-Committees)	Submitted to DHET on 15 April 2024 (Fourth Quarterly Report), 17 July 2024 (First Quarterly Report), 16 October 2024, (Second Quarterly Report), 16 January 2025 (Third Quarterly Report).
10. Quarterly Reports (Governance Reports)	Submitted to DHET on 12 July 2024 (First Quarterly Report), 15 October 2024, (Second Quarterly Report), 14 January 2025 (Third Quarterly Report) and 14 April 2025 (Fourth Quarterly Report)
11. Annual General Meeting	Was held on 08 November 2024
12. Internal Audits and Findings	Reported to the Audit and Risk Committee on 22 April 2024, 24 May 2024, 25 July 2024, 7 August 2024, 22 October 2024, 21 January 2025.
13. External Audits and Findings	Reported to the Audit and Risk Committee on 25 July 2024 .
17. Policies	Policies that were due for review in the 2024/25 FY were reviewed.

3.7 FRAUD AND CORRUPTION

The MICT SETA has an approved Fraud Prevention Policy which is informed by the stipulations in the PFMA, Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), Protected Disclosures Act, 2000 (Act No. 26 of 2000) and other related legislation. The SETA is committed to fighting the scourge of fraud, corruption, and unethical behaviour and has no tolerance to corruption. The Board approved the Whistleblowing Policy and a dedicated 24/7 hotline service to receive allegation cases is in place.

In addition to the Policy, the MICT SETA has a Fraud Prevention Plan which incorporates the following measures:

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

3.7.1 MECHANISMS IN PLACE TO REPORT FRAUD AND CORRUPTION

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

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

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

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

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

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

3.8 MINIMISING CONFLICT OF INTEREST

All Board members and employees are required to submit written annual declarations to disclose any conflict of interest and when there are changes in their annual declarations as well as disclosing conflicts at all formal meetings of the SETA. All declarations of interests are noted and records kept in accordance with Board and Committee meeting requirements as well as for supply chain management activities to ensure that conflict of interest is minimised.

3.9 CODE OF CONDUCT

The MICT SETA adheres to its Code of Conduct as outlined in the Constitution. Members of the AA and Committees established by the AA are bound by the Code of Conduct set out in Annexure 2 of the Constitution. The Code of Conduct binds Members in the performance and execution of their functions and duties. Any contraventions of the Code by an AA Member should be reported to the Chairperson, who must ensure that the matter is investigated. Any contravention of the Code by the Chairperson should be reported to the Minister. A contravention of the Code may result in disciplinary action being taken, which could result in a Member being removed from office. No allegations of breach of the Code were received during the 2024/25 financial year.

The employee Code of Conduct is informed by the Labour Relations Act Schedule 8 Code of Good Practice and King IV Code of Good Practice. It provides guidance regarding ethical behavior, both in terms of individual conduct as well as in their relationships with fellow employees and stakeholders. It promotes exemplary conduct by employees in their public and private lives to enhance professionalism and ensure public and stakeholder confidence in dealing with the MICT SETA. The MICT SETA will institute a disciplinary enquiry in the event of non-compliance with the Code of Conduct in accordance with the disciplinary code and grievance procedures.

3.10 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

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

3.11 BOARD SECRETARY

The role and responsibilities of the Board Secretary are outlined in the Board Charter read with King IV. The Board Secretary is a source of guidance to the Board on matters of good governance. Members of the Board have full access to the services of the Board Secretary as well as access to information and records necessary to discharge their duties. The Board Secretary ensures:

- Development of systems and processes that enable the Board to discharge its functions effectively and efficiently.
- Ensures that the Board receives adequate information to make informed decisions.
- Reviewing the Board Charter and Committees' Terms of Reference annually.
- Development of Board and Board Committees' Annual Workplans.
- Maintaining all statutory records.
- Ensuring Board induction, training and development of Members of the Board.

The governance compliance reports are submitted to the DHET on a quarterly basis and minutes of all Board and Committee meetings are recorded and kept safe by the Board Secretary, in accordance with required governance prescripts.

3.12 SOCIAL RESPONSIBILITY

3.12.1 GOVERNANCE AND STRATEGIC OVERSIGHT

The MICT SETA's Corporate Social Investment (CSI) initiatives operate under the strategic governance and oversight of the Social and Ethics Committee (SAECO), which provides essential guidance to ensure our social responsibility programmes align with our organisational mandate and deliver meaningful impact. SAECO plays a pivotal role in setting the strategic direction for our CSI efforts, ensuring they contribute to sustainable community development and educational transformation across South Africa.

3.12.2 OUR COMMITMENT TO SOCIAL RESPONSIBILITY

The MICT SETA remains unwavering in its commitment to corporate social responsibility, dedicated to making a meaningful and lasting impact on South African society. Central to this commitment is our recognition of the critical importance of education and equal opportunities for all. We believe in the transformative power of education and are committed to ensuring that both our employees and their families have access to educational resources through our comprehensive bursary programme for employees and their dependents, including support with school fees for dependants in Grades 1 to 12.

3.12.3 2024/25 MANDELA MONTH INITIATIVE

During the 2024/25 Financial Year, we proudly supported Mandela Month through a targeted educational infrastructure development programme. The primary objective of this CSI initiative was to support and enhance the educational environment for learners in under-resourced rural schools. By improving infrastructure and providing essential resources, we aimed to create conducive learning environments that positively impact learners' academic performance and overall development.

3.12.4 WHAT WE ACHIEVED:

- **Enhancing Learning Environments:** Through our partnership with Creative Arts College in the media sector, we successfully provided chairs and desks to address the immediate needs of a rural school in Newcastle, Phathakahle Primary School, ensuring students have proper seating and workspaces that facilitate better learning outcomes.
- **Improving Infrastructure:** We collaborated with Qualitas College, who committed to painting classrooms at Phathakahle Primary School in Dannhauser, Newcastle. This initiative not only rejuvenated the physical learning spaces but also fostered a more inviting and motivating atmosphere for both students and teachers.
- **Community Engagement:** This initiative provided an opportunity to meaningfully engage with our stakeholders, including MICT SETA Skills Development Providers, collaborating on projects that underscore our collective commitment to social responsibility and educational development. Through this project, we highlighted the importance of corporate social responsibility and encouraged other organisations to take similar actions supporting educational initiatives in under-resourced communities. We strengthened relationships with communities and stakeholders by working together on projects with tangible and positive outcomes, embodying the spirit of Mandela Day's call for 67 minutes of community service.
- **Digital Inclusion Programme**
Our ongoing efforts to bridge the digital divide continued through our annual donation of equipment to underprivileged schools across the country. This initiative particularly impacts townships, rural areas, and marginalised communities where access to digital resources is often limited. By providing schools with necessary tools and technology, we enable learners to access quality education and resources, thereby enhancing their learning environment and future prospects.

- **Long-term Community Partnerships**

Under the strategic direction of our Accounting Authority, we have developed comprehensive strategies focused on establishing long-term partnerships with rural and underdeveloped communities. These strategic alliances aim to have sustained and significant impact on South Africa's development challenges through collaboration, knowledge sharing, and targeted initiatives that promote economic empowerment, education, and community development.

- **Career Development Services Programme**

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

- **Internship Programme**

As part of our commitment to developing South Africa's future workforce, the MICT SETA offers comprehensive internship programmes across our various departments. These internships provide invaluable work experience, skill development and professional growth opportunities for young South Africans. By integrating internships into our Corporate Social Investment strategy, we are preparing the next generation for successful careers in the media and ICT industries while contributing to broader socio-economic development goals. Through these programmes, we cultivate a skilled workforce equipped to meet the demands of the evolving digital landscape, ensuring sustainable impact beyond our immediate interventions.

Through these comprehensive efforts, the MICT SETA remains dedicated to creating a more inclusive and prosperous society. By addressing the digital divide, promoting equal access to educational and career opportunities, and providing practical work experience through our internship programmes, we are building a future where all South Africans can thrive in the digital age. Our CSI initiatives, guided by SAECO's strategic oversight, continue to demonstrate our commitment to meaningful social transformation and sustainable community development.

3.13 AUDIT COMMITTEE REPORT FOR THE YEAR ENDING 31 MARCH 2025



Mr Suleman Badat CA(SA)
Chairperson of the Audit and Risk Committee

The Audit and Risk Committee (the Committee) is pleased to present its report for the financial year ended 31 March 2025, which marks the end of its five-year term ending on 30 September 2025. The primary role of the Committee is to ensure the integrity of the SETA's financial reporting and audit processes and that a sound risk management and internal control system is maintained. In pursuing these objectives, the Committee oversees relations with the External Auditors and reviews the effectiveness of the Internal Audit and Finance functions.

Mandate of the Committee

The Accounting Authority has delegated the statutory and regulatory duties arising from the PFMA, 1999 (Act No. 1 of 1999), as amended to the Committee. The mandate and responsibilities of the Committee are incorporated in the Committee's Terms of Reference, which is reviewed annually and approved by the Accounting Authority. The Committee discharged all responsibilities and functions delegated to it in terms of the Audit and Risk Committee Terms of Reference. The Committee reports that it has complied with its responsibilities arising from section 51(1)(a)(ii) and Treasury Regulation 27.1 of the Public Finance Management Act.

Audit and Risk Committee Members and Attendance

The Committee comprised three (3) independent Members and two (2) Members of the Accounting Authority representing the organised employer and organised labour from 1 April 2024 to 31 March 2025. The term of office of the Accounting Authority ended on 31 March 2025, consequently, the Committee continued with three (3) independent Members. The CEO, CFO, Manager: Internal Audit, Senior Management members, Chairperson: Risk Management Committee and representatives of the Auditor General South Africa (AGSA) have standing invitations to the Committee

meetings. The Chairperson of the Committee reports quarterly to the Accounting Authority regarding the Committee's statutory and oversight responsibilities. The attendance of the

Committee members at its meetings during the financial year was as follows:

Name	Qualifications	Date appointed	Number of meetings held (7) including special meetings	Status
Mr. Suleman Badat (Chairperson)	CA (SA); CD(SA)	01/10/2020	7/7	Active
Mr. Gideon Labane	CA (SA)	01/10/2020	7/7	Active
Ms. Lindiwe Nkosi	CA (SA)	08/12/2020	7/7	Active
Mr. Viwe James	Chartered Corporate Governance and Administration	01/02/2022	6/7	Term of office ended on 31 March 2025
Mr. Tebogo Mamorobela	Strategic Diplomacy, Leadership in Digital Leadership Research Awareness for Leaders Certificate	01/02/2021	7/7	Term of office ended on 31 March 2025

Audit and Risk Committee Responsibilities

The Committee has reviewed the following:

- Financial Information and Finance Function: the Committee reviewed the adequacy, reliability and accuracy of financial information quarterly during the period under review. The Committee also provided assurance on the quality of financial reporting by reviewing the draft annual financial statements and annual report.
- Effectiveness of Internal Controls: the Committee obtains assurance from Management, Internal Audit and the External Auditors on the effectiveness of governance, risk management and internal controls in the areas of financial management, performance management, compliance management and Information Communication and Technology (ICT). The Committee's review of the findings of the work of Internal Audit, which was based on the risk assessments conducted and control evaluation, revealed weaknesses in the system of internal controls which were raised with the Management and the Accounting Authority. A number of weaknesses were identified in the following areas:
 - Lack of systematic and timely process to record achieved performance and inadequate quality assurance review processes to ensure that there is valid, accurate and complete information particularly for the Learning Programmes which is responsible for the majority of the organisational performance.
 - Policies that govern processes within the organisation are in place, however lack of periodic review to assess the relevance and applicability thereof was identified.
 - There were deficiencies noted within the Business Continuity process, Management has acknowledged the deficiencies and is currently working on a plan to close the identified gaps.
 - The audits conducted within the ICT unit highlighted areas requiring improvement.
 - The ICT unit lacks a standardised Project Management Implementation tool leading to potential delays and inefficiencies in project execution, monitoring and reporting.
 - Improvements have been noted within ICT governance as several policies were finalised and approved in the financial year.
- Risk Management**
The Committee is satisfied with the overall risk management function, noting the achievement of a level 5 risk maturity level in line with the National Treasury's Risk Maturity Assessment model, which is a subset of its Financial Management Capability Maturity Model.
- Internal Audit**
The Committee is responsible for ensuring that the Internal Audit function is independent and has necessary resources, standing and authority to discharge its duties. The Committee approved the Internal Audit Charter and the three-year risk based Internal Audit Plan, including the Annual Internal Audit Plan. Internal Audit activities are measured against the approved Plan and the Manager: Internal Audit tabled reports to the Committee on a quarterly basis.

The Committee is satisfied that Internal Audit performed its duties in accordance with the approved Internal Audit Plan. The Committee continued to monitor the implementation of plans to address internal and external audit findings issued by the Internal Audit unit and Auditor-General of South Africa.

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

- **Evaluation of the Finance Function**

The Committee was overall satisfied with the performance of the CFO and the Finance function for the period under review.

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

The Committee tabled to the Accounting Authority the in-year management reports and further submitted four (4) Quarterly Performance Reports reflecting performance on implementation of the Annual Performance Plan 2024/25, which includes Service Level Agreement (SLA) targets to DPME and DHET as prescribed.

- **Evaluation of Annual Financial Statements**

The Committee has reviewed:

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

- **External Auditor's Report**

The Committee noted the Auditor General Engagement Letter and the Audit Strategy which included the audit fees for the financial year under review. The Committee encouraged communication between Management, Internal Audit and the External Auditors.

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

Appreciation

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



MR SULEMAN BADAT CA(SA)

CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE

3.14 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The table below has been completed in accordance with the compliance to the B-BBEE requirements as required by the B-BBEE Act and as determined by the Department of Trade, Industry and Competition. Has the public entity applied any relevant Code of Good Practice (B-BBEE Certificate levels 1 – 8).

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



The background is a dark, abstract composition. It features several bright, glowing orange and yellow light trails that form loops and curves, resembling a stylized 'M' or a series of orbits. These trails are set against a backdrop of blurred city lights and building silhouettes, suggesting a night-time urban scene. Two large, concentric green circles are positioned on the left side, and a series of smaller green dots forms a curved path across the upper half of the image.

PART D | HUMAN RESOURCE MANAGEMENT

4.1 INTRODUCTION

4.1.1 OVERVIEW OF HUMAN RESOURCES MATTERS

The Human Resources Management (HRM) Department remains committed to fostering a high-performance organisational culture through the implementation of robust policies and procedures that ensure both operational efficiency and full compliance with legislative requirements.

As the MICT SETA pursues its strategic goals for the next five years, the role of HRM is evolving to become more value-driven—shifting from traditional administrative functions to a strategic partnership model. This transformation aims to enable the organisation to unlock and maximise value through its people. Significant progress has been made over the reporting period, particularly in the area of policy development. However, continued efforts are required to align the HR function more closely with the strategic needs of management, employees, and the Accounting Authority.

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

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

- Ensure good governance practices
- Ensure that compliance is a must and not negotiable
- Ensure that high performing employees are retained
- Appoint of employees from different race such as whites and Indians

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

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

In the year under review, twenty-six (26) Fixed term contractors were appointed within different departments such as Learning Programmes, Finance, Monitoring and Evaluation and Regional Offices to equip young unemployed youth to gain work experience. Some of the contractors managed to get permanent positions within the MICT SETA while others got permanent positions outside of the MICT SETA.

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

MICT SETA ensured employees were trained, equipped, and provided with the necessary tools to perform their tasks effectively.

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

- Appropriate strategies are implemented to recruit suitable employees.
- Have proper programmes in place to meet future Human Resources needs within the organisation.
- Ensure that employees are trained, and their skills developed to match future demands.
- Offer employees benefits that align with market standards.

4.1.4 EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

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

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

4.1.5 EMPLOYEE WELLNESS PROGRAMME

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

The adoption of the Hybrid policy in 2024 has contributed to improved work-life balance. Our absenteeism rate remains low at 2%. In the year under review, employees participated in "702 Walk the Talk 2024" and the INTERSETA wellness day event as part of our wellness initiatives and team building activities.

4.1.6 POLICY DEVELOPMENT

The MICT SETA has introduced new and revised Human Resources policies to enhance governance and workforce management, reflecting its commitment to strategic HR practices and employee guidance. These updates also support talent retention and workforce resilience:

- **New and reviewed HR policies:** Two new policies, Relocation and Secondment and Hybrid Work, were approved, alongside a review of five existing policies.
- **Strategic workforce planning adjustments:** The retirement age was increased from 60 to 65 years to align with talent retention and knowledge management goals.
- **Employee retention initiatives:** School benefits for employees' children were introduced to further support employee retention strategies and engagement, contributing to a resilient and future-ready workforce.

4.1.7 HIGHLIGHT ACHIEVEMENTS

The Human Resources department achieved the following:

- Our vacancy rate is at 6%
- Out of the two (2) APP annual targets, HR achieved all the targets set.
- Human Resources policies were applied consistently and fairly to all employees.
- All Senior Management positions were filled, and they are dominated by women.
- Implementation of salary increase on time
- Managed to retain more than 85% of human resources talent.

4.1.8 CHALLENGES FACED BY THE SETA

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

- Employment Equity imbalance with a lack of demographic diversity at certain occupational levels.
- Loss of key/critical skills mainly in support business due to non-competitive remuneration packages.
- Delays in the recruitment process due to the absence of an online recruitment system to reduce the turnaround time of filling of vacant positions.
- The manual processing of the employee performance management system resulting in inaccuracies in performance results.
- Inability to attract skilled and competent employees who are living with a disability.
- Prolonged use of fixed-term contracts for roles that are core and ongoing.

4.1.9 FUTURE HUMAN RESOURCE PLANS / GOALS

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

- Developing a HR Strategy to align the human resources with the mandate and outcomes of the SETA;
- Finalise the implementation of the development of an Online Recruitment System;
- Finalise the appointment of a service provider to implement the new ERP system, which includes automation of employee performance management processes;
- Appointing a new service provider for Wellness Management as the current contract is coming to an end in December 2025;
- Implementing an Organisation-Wide Internship Programme to expose graduates to the workplace environment and contribute to reducing the high unemployment rate;
- Ensure appointments of people living with disabilities by deliberately headhunting that group; and
- Employment Equity imbalance with a lack of demographic diversity at certain occupational levels.



4.2 HUMAN RESOURCES STATISTICS

4.2.1. PERSONNEL BY COST PROGRAMME

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP. (R'000)	NO. OF EMPLOYEES	AVG. PERSONNEL COST PER EMPLOYEE (R'000)
Programme1	518 652	45 899	9%	54	850
Programme 2	67 233	4 909	7%	7	701
Programme3	528 257	34 441	7%	55	626
Programme4	182 489	10 514	6%	19	553
Total per AFS	1 296 630	95 763	7%	135	709

4.2.1.2 PERSONNEL COST BY SALARY BAND

PROGRAMME	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	EXPENDITURE %	NO. OF EMPLOYEES	AVG. PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	9 605	2 394	25%	1	2 394
Senior Management	76 837	16 365	21%	8	2 046
Professional Qualified	134 465	18 411	14%	14	1 315
Skilled	547 466	39 567	7%	57	694
Semi-skilled	528 257	19 026	4%	55	346
Total	1 296 630	95 763	7%	135	709

4.2.1.3 PERFORMANCE REWARDS

PROGRAMME	PERFORMANCE REWARD (CASH BONUS) (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARD TO TOTAL PERSONNEL COST (R'000)	NO. OF EMPLOYEES
Top Management	532	2 394	22%	1
Senior Management	1 794	16 365	11%	7
Professional Qualified	2 384	18 411	13%	17
Skilled	5 077	39 567	13%	56
Semi-skilled	2 146	19 026	11%	37
Total	11 933	95 763	70	118

4.2.1.4 TRAINING COSTS

PROGRAMME	PERSONNEL EXPENDITURE R'000	TRAINING EXPENDITURE R'000	TRAINING EXPENDITURE AS A % PERSONNEL COST %	NO. OF EMPLOYEES	AVERAGE TRAINING COSTS PER EMPLOYEE R'000
Programme1	746 006	1296	0%	42	31
Programme 2	71 048	258	0%	4	65
Programme3	408 527	413	0%	23	18
Programme4	71 048	242	0%	4	61
	1 296 630	2 209	0%	73	174

4.2.1.5 EMPLOYMENT AND VACANCIES

PROGRAMME	2023/24 EMPLOYEE	2024/25 APPROVED	NUMBER OF EMPLOYEES	VACANCIES	% OF VACANCIES
Top Management	1	1	1	0	0%
Senior Management	8	11	9	2	22%
Professional Qualified	14	21	20	1	12%
Skilled	57	72	69	3	33%
Semi-skilled	31	36	33	3	33%
Unskilled	0	0	0	0	0%
Temporary	24	0	14	0	0%
Total	135	141	146	9	100%

4.2.1.6 EMPLOYMENT CHANGES

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

PROGRAMME	EMPLOYMENT AT THE BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF PERIOD
Top Management	1	0	0	1
Senior Management	8	1	0	9
Professional Qualified	16	7	3	20
Skilled	59	17	7	69
Semi-skilled	27	6	0	33
Unskilled	0	0	0	0
Temporary	11	15	12	14
Total	122	46	22	146

4.2.1.7 REASONS FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NUMBER OF STAFF LEAVING
Death	0	0%
Resignation	10	45.5%
Dismissal	0	0%
Retirement	0	0%
Ill-health	0	0%
Expiry of contract	12	54.5%
Other	0	0%
Total	22	100%

4.2.1.8 LABOUR RELATIONS MISCONDUCT AND DISCIPLINARY ACTION

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	2
Final written warning	0
Suspension pending investigation	0
Dismissal	0
Total	2

4.2.1.9 EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	1	0	0	0	0	0	0
Senior Management	4	4	0	1	0	0	0	0
Professional Qualified	3	4	0	1	0	1	0	1
Skilled	25	25	1	2	0	1	0	1
Semi-skilled	11	11	0	1	0	1	0	0
Unskilled	0	0	0	0	0	0	0	0
Temporary	4	0	0	0	0	0	0	0
Total	48	45	1	5	0	3	0	2

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0	0	0	0	0
Senior Management	4	4	1	1	0	0	0	0
Professional Qualified	15	12	1	1	1	1	0	0
Skilled	42	37	0	2	1	1	0	1
Semi-skilled	21	22	1	1	0	1	0	1
Unskilled	0	0	0	0	0	0	0	0
Temporary	10	0	0	0	0	0	0	0
Total	92	75	3	5	2	3	0	2

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

**PART E | PFMA
COMPLIANCE**

5.1 IRREGULAR EXPENDITURE

a) Reconciliation Of Irregular Expenditure

	2025	2024
Description	R '000	R '000
Opening Balance	R 16 246	R 19379
Add: Irregular expenditure confirmed	R 284	R -
Less: Irregular expenditure condoned	R -	R -
Less: Irregular expenditure not condoned but removed	R 1 629	R 3 133
Less: Irregular expenditure recoverable	R -	R -
Less: Irregular expenditure not recovered but written off	R -	R -
Closing Balance	R 14 901	R 16 246

During the 2024/25 financial year, MICT SETA identified R 0.284 million Irregular Expenditure emanating from a contract that was varied without following the Supply Chain Management prescripts. The MICT SETA is in the process of submitting a request for condonation to the Relevant Authority. The MICT SETA submitted a request for condonation for an amount of R 1.6 million to the Relevant Authority, however, the Relevant Authority did not approve the request for condonation but referred it to the Accounting Authority for removal. This was subsequently removed by the Accounting Authority in line with the Irregular Expenditure Instruction Note 4 of 2022/23 in the 2024/25 financial year. The balance of Irregular Expenditure amount of R14.9 million relating to 2018/19 prior year could not be removed since it was not free from fraudulent and corrupt activities, and the matter is currently with the Law Enforcement Units.

Reconciling Notes

	2025	2024
Description	R '000	R '000
Irregular expenditure that was under assessment	R -	R 1 629
Irregular expenditure that relates to 2024 and identified in 2025	R -	R -
Irregular expenditure for the current year	R 284	R -
Total	R 284	R 1 629

b) Details Of Current and previous year irregular Expenditure Removed - (Not Condoned)

	2025	2024
Description	R '000	R '000
Irregular expenditure NOT condoned but removed	R 1 629	R 3 133
	R 1 629	R 3 133

The relevant Authority did not approve the request for condonation. In line with the Irregular Expenditure Instruction Note 4 of 2022/23, the Accounting Authority processed the Irregular Expenditure amounting to R 1.6 million for removal in the 2024/25 financial year.

c) Details Of Current and Previous Year Disciplinary Or Criminal Steps Taken As A Result Of Irregular Expenditure

Disciplinary Steps Taken

Management investigated the irregular expenditure and took effective and appropriate steps against the officials who permitted the irregular expenditure. Amongst other steps taken, included official written warnings.

5.2 FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation Of Fruitless and Wasteful Expenditure

Description	2025	2024
	R '000	R '000
Opening Balance	R 9	R 9
Add: Fruitless and wasteful expenditure confirmed	R 21	R 125
Less: Fruitless and wasteful expenditure written of		R -
Less: Fruitless and wasteful expenditure recoverable	R 21	R 125
Closing Balance	R9	R 9

Fruitless and wasteful expenditure is presented inclusive of VAT. The Fruitless and Wasteful Expenditure identified in the current year amounted to R 21 000, R 9 000 relating to traffic fines incremental costs resulting from Employees returning rented vehicles after the cut-off time, these amounts have been recovered in full. R11 000 results from an employee incurring travel and accommodation costs to an event that had been cancelled, the remainder of the fruitless and wasteful expenditure relates to R 3000 from an additional flight ticket issued due to an employee having missed their flight, these amounts are being investigated to determine the recoverability of the amount according to the Fruitless and Wasteful Expenditure.

Reconciling Notes

Description	2025	2024
	R '000	R '000
Fruitless and wasteful expenditure that was under assessment in 2024/25		R -
Fruitless and wasteful expenditure that relates to 2023/24 and identified in 2024/25	R -	R -
Fruitless and wasteful expenditure for the current year	R 21	R 125
Total	R 21	R 125

Details Of Current and Previous Year Fruitless and Wasteful Expenditure Recovered

Description	2025	2024
	R '000	R '000
Fruitless and Wasteful Expenditure	R 59	R 57
	R 59	R 57

The Fruitless and Wasteful Expenditure amounting to R 8 000 traffic fines incurred by employees, R 51 000 relating to Payroll Phishing incidents that occurred in the prior year.

b) Details Of Current and Previous Year Fruitless and Wasteful Expenditure Not Recovered

Description	2025	2024
	R '000	R '000
Fruitless and wasteful expenditure NOT condoned ad removed	R 39	R 77
	R 39	R 77

Fruitless and Wasteful expenditure relates to interest charged by Redefine Properties on invoices paid after 30 days for an amount of R 5 000; R 500 relates to staff advance not recovered from an employee at the end of their service; R 3 000 is the cost of expired consumables in the MICT SETA Storeroom. R 16 000 relating to the Payroll Phishing incident. R 11 000 results from an employee incurring travel and accommodation costs to an event that had been cancelled, the remainder of the fruitless and wasteful expenditure relates to R 3 000 from an additional flight ticket issued due to an employee having missed their flight.

c) Details Of Current and Previous Year Disciplinary or Criminal Steps Taken As A Result Of Fruitless and Wasteful Expenditure

Disciplinary steps taken

Management investigated the Fruitless and Wasteful Expenditure and took effective and appropriate steps against the officials who made and/ or permitted the fruitless and wasteful expenditure. Amongst other steps taken, included recovery of funds from the employees.

5.3 PAYMENT WITHIN 30 DAYS

Description	Number of Invoices	Consolidated Value
		R '000
Valid invoices received	7185	1,066,948
Invoices paid within 30 days or agreed period	6614	982,428
Invoices paid after 30 days or agreed period	571	84,509
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Invoices paid after 30 days or agreed period are due to non-compliances in relation to invoices that are submitted without proper supporting evidence or submitted with insufficient deliverables. MICT SETA is in the process of implementing the Learner Management System (LMS) which will enable service providers to track the processing of their invoices from the time of submission to the time of payment. This system will provide Realtime feedback to service providers, thus fast-track the process of resolving queries.

5.4 SUPPLY CHAIN MANAGEMENT

5.4.1 PROCUREMENT BY OTHER MEANS

Name of supplier	Type of procurement by other means	Contract number	Value of APPOI contract R'000
Zilotech (Pty) Ltd	Deviation	RFQ/MICT/127/2023 - MICT/DEV 01/2024	656
K12 Active Academy Pvt Ltd	Deviation	RFQ/MICT/WSD/01/2024	240
Heitha Staffing Group (Pty) Ltd	Deviation	RFQ/MICT/64/2024 - MICT/DEV 02/2024	44
Mercedes-Benz South Africa (Pty) Ltd	Deviation	TRANS57-2022/ MICT/01/2024 - MICT/DEV 03/2024	1,389
Emmanuel Group (Pty) Ltd	Deviation	RFQ/MICT/85/2024 - MICT/DEV/04/2024	109
MTN (Pty) Ltd	Deviation	MICT/SETA/WAN/11/2021	5,928

5.4.2 CONTRACT VARIATIONS AND EXPANSIONS

Name of Supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Pureau Fresh Water Company (Pty) Ltd	Variation	RFQ/MICT/41/2021	112	N/A	4
Emergence Growth SA (Pty) Ltd	Variation	RFQ/MICT/13/2024	181	N/A	27
Euphorbia (Pty) Ltd	Variation	MICT-SETA-GAUTENG-2019	29,954	N/A	28,421
MTN (Pty) Ltd	Variation	MICT/SETA/WAN/11/2021	23,967	N/A	1,665
- PLM Afrika (Pty) Ltd. - Miehleketo General Suppliers and Trading (Pty) Ltd. - Angna Valo Engineering (Pty) Ltd. - Busha Setshaba Trading (Pty) Ltd. - Peoples Choice Projects (Pty) Ltd. - The Reg Investment Holdings (Pty) Ltd.	Contract extension	RFQ/MICT/17/2023	Per quote	N/A	N/A
- Enhle Biz (Pty) Ltd; - Eclat Technologies (Pty) Ltd; - Neo Technologies (Pty) Ltd - Modise Comms and Projects (Pty) Ltd; and - Sage Computer Technologies (Pty) Ltd.	Contract extension	MICT/SETA/ICT/007/2021	Per quote	N/A	N/A
Turnkey Interiors (Pty) Ltd	Variation	MICT/SETA/ICT/67/2024	204	N/A	55
Qualitative Innovative Solutions (Pty) Ltd	Variation	MICT/SETA/ERP/012/2019	26,198	N/A	2,486
The Dimension Data (Pty) Ltd	Variation	MICT/SETA/TEL/006/2021	3,810	N/A	505
The Vuvuzela Hotline (Pty) Ltd	Variation	RFQ/MICT/88/2022	99	N/A	11



**PART F | FINANCIAL
INFORMATION**



6.1 MESSAGE FROM THE CHIEF FINANCIAL OFFICER

It is with immense pride and gratitude that I write this message in our Annual Report. This past financial year has been both challenging and rewarding, culminating in a significant milestone for the MICT SETA the receipt of an unqualified audit opinion from the Auditor-General of South Africa (AGSA).

This achievement is not merely a reflection of sound financial management, but a testament to the dedication, transparency, and accountability that underpin our operations. Working closely with the AGSA over the past year has demanded rigour, resilience, and a shared commitment to excellence. I want to thank every team member within our organisation who contributed to this outcome, your diligence and integrity have made this possible.

The MICT SETA continues to steward a budget of approximately R1.3 billion, ensuring that every rand is directed toward impactful skills development and transformation in the Media, Information, and Communication Technology Sectors. With over 3,000 levy-paying stakeholders, our mandate is both vast and vital; and we remain committed to delivering value, fostering innovation, and driving inclusive growth.

The average skills development levy income amounted to R101 million per month, an increase of 5.21% from the prior year. The overall expenditure amounted to R 1.296 billion for 2024/25 financial year an increased of R 3.78% year on year.

Though the MICT SETA issued grants totalling R989 million to service providers, excluding the National Skills Fund and FASSET projects, the discretionary grant expenditure has decreased by 5.38% year on year, this is due to a change in business process of accounting for discretionary grant expenditure from the time when the verification report is signed by both parties to when service are rendered/training has taken place, this is to ensure full alignment with Generally Accepted Accounting Practice



Mr Mthenjwa Mseleku
Chief Financial Officer

(GRAP), this change resulted in the comparative figures being restated by R 135.1 million as reported in Note 28.

As we look ahead, our focus will remain on strengthening governance, control environment, enhancing operational efficiency, and deepening stakeholder engagement. The unqualified audit opinion is not the destination, it is a foundation upon which we will build greater trust and impact.

Thank you for your continued support and partnership.

Regards

MR MTHENJWA MSELEKU CA(SA)
CHIEF FINANCIAL OFFICER
26 SEPTEMBER 2025

6.2 ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

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

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

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

The Audited Annual Financial Statements set out on page 103 to 148, which have been prepared on the going concern basis, were approved by the Accounting Authority on 21 August 2025 and were signed on its behalf by:



Mr Matome Madibana
ACCOUNTING AUTHORITY



Mr Matome Madibana
CHIEF EXECUTIVE OFFICER

6.3 REPORT OF THE AUDITOR-GENERAL

Report of the auditor-general to Parliament on the Media Information and Communication Technologies Sector Education and Training Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Media, Information and Communications Technologies Sector Education and Training Authority (MICT SETA) on pages 103 to 148, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the MICT SETA as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for Opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statement, the corresponding figures for 31 March 2024 were restated, as a result of errors in the financial statements of the public entity for the year ended, 31 March 2025.

Responsibilities of the accounting authority for financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 101, forms part of my auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Sector skills planning	37	To conduct research and develop a credible sector skills plan that reflects an accurate (triangulated) list of scarce and critical skills, serving as the basis for the SETA's strategic plan
Programme 3: Learning programmes	38-56	To implement and monitor learning programmes in the media, advertising and ICT sub-sectors. The objectives and goals of this programme will be achieved by implementing learning programme interventions that will be rolled out in both urban and rural areas, in partnership with constituent employers and with a focus on the fourth industrial revolution strategy as far as possible

14. I evaluated the reported performance information for the selected programmes development against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives

- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - There is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets/ measures taken to improve performance.
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
 17. The material findings on the reported performance information for the selected programme are as follows

Programme 3: Learning programmes

Missing indicators

18. The SDA defines the legislative mandate of the public entity. However, various indicators to measure performance on the mandate were omitted from the approved planning documents. Consequently, achievement against the mandate was not planned, several indicators were identified that do not have corresponding entering or completing indicators, which is likely to result in it not being delivered and undermines transparency and accountability for delivery on the mandated responsibilities.

Indicators	Reason provided by management for non-inclusion
Identified indicators without corresponding entering indicators: Number of worker-initiated skills development (federations/trade unions) interventions supported Number of Technical and Vocational Education and Training (TVET) college lecturers awarded bursaries	Management used the service level agreement (SLA) framework in drafting the Annual Performance Plan (APP) indicators; hence the above indicators were not added to the APP
Identified indicators without corresponding completing indicators: Number of community education and training (CET) learners accessing learning programmes Number of TVET college lecturers exposed to the industry through skills programmes Number of CET college lecturers exposed to the industry through skills programmes Number of non-governmental organisation/non-profit organisation/classroom buddies organisation learners supported through subsidised skills development Number of co-operatives supported through the subsidising of skills development intervention for learners	Management used the SLA framework in drafting the APP indicators; hence the above indicators were not added in the APP

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.
21. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report.

Programme 3: Learning programmes

Targets achieved: 94% Budget spent: 55%		
Key indicator not achieved	Planned target	Reported achievement
Percentage of discretionary grant budget allocated for developing intermediate level skills	92,4%	89,01%
Number of TVET students who completed their work-integrated learning placements	932	0
Number of TVET college lecturers awarded bursaries	75	0

Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 3: learning programmes. Management did not correct all the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

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

26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

27. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA.
28. Material misstatements on discretionary grants expenditure identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

29. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report, and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements, the report on the audit of the annual performance report, and the report on compliance with legislation do not cover the other information included in the annual report, and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
34. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
35. The public entity did not adequately carry out the monthly processes for monitoring, reviewing and reconciling financial and performance information across different units. This lack of proper implementation led to financial statements and a performance report that contained material misstatements.
36. Oversight responsibility regarding financial reporting and compliance was not adequately exercised, as the controls in place did not prevent or detect internal control deficiencies, resulting in material findings.

Auditor - General

Pretoria

26 September 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-General's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the public entity to cease operating as a going concern
- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections, paragraphs or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c); 54(2)(d); Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1) Section 57(b) Section 66(3)(c)

Legislation	Sections, paragraphs or regulations
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2 Regulation 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7 Regulation 16A8.3; 16A8.4 Regulation 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.2.1; 31.2.5; 31.2.7(a) Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c) Regulation 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17 Regulation 25(7A)
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9 Paragraph 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17 Paragraph 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1 Paragraph 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1 Section 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1; 9.2 Regulation 10.1; 10.2 Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Grants Regulations	Regulation 990 2(1) Regulation 990 3(3) & (4) Regulation 990 4(3), (8) Regulation 990 6(9)(iii)

6.4 STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

			2025	2024
	Note(s)		Restated*	
		R '000	R '000	
ASSETS				
CURRENT ASSETS				
Inventories	3	423	300	
Accounts receivable from exchange transactions	4	5,207	4,687	
Accounts receivable from non-exchange transactions	5	2,766	2,094	
Cash and cash equivalents	6	822,599	781,360	
		830,995	788,441	
NON-CURRENT ASSETS				
Property, plant and equipment	7	8,902	9,969	
Intangible assets	8	521	1,694	
		9,423	11,663	
Total Assets		840,418	800,104	
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable from non-exchange transactions	9	251,781	237,537	
Accounts payable from exchange transactions	10	16,491	15,671	
Provisions	11	31,048	29,200	
Deferred revenue	12	14,802	23,132	
		314,123	305,540	
Total Liabilities		314,123	305,540	
Net Assets		625,190	619,724	
Net assets represented by:				
Administration reserve		9,423	15,102	
Mandatory grant reserve		28	87	
Discretionary reserve		516,844	479,375	
Total Net Assets		526,295	494,564	

6.5 STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2025

		2025	2024
	Note(s)	R '000	Restated* R '000
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Skills Development Levies	14	1,211,672	1,146,954
Skills Development Levies - Interest		4,118	4,428
Skills Development Levies - Penalties		4,688	4,380
Other Revenue - Grants Received	16	137	215
NSF Revenue		34,416	1,775
FASSET Revenue		12,291	1,512
Total revenue from non-exchange transactions		1,267,322	1,159,264
REVENUE FROM EXCHANGE TRANSACTIONS			
TAXATION REVENUE			
Other Revenue	16	250	871
Finance Revenue	15	60,789	53,242
Total revenue from exchange transactions		61,039	54,113
Total revenue		1,328,361	1,213,377
EXPENDITURE			
FASSET Expense		12,291	1,512
NSF Expense		34,416	1,775
Discretionary Grant Expense and Project Expenses	17	850,640	899,052
Mandatory Grants Expense	17	222,377	206,650
Administration Expense	18	176,906	140,405
Total expenditure		1,296,630	1,249,394
Surplus for the year	13	31,731	(36,017)

6.6 RESTATED STATEMENT OF CHANGES IN NET ASSETS

	Administration Reserve R '000	Mandatory Reserve R '000	Discretionary Reserves R '000	Total Reserves R '000
Opening balance as previously reported	11,466	87	524,690	536,243
Prior year adjustments 28	-	-	5,368	5,368
Restated Balance at 01 April 2023	11,466	87	519,028	530,581
Surplus for the year	14,836	80,131	7,789	102,756
Transfer of Surplus to Discretionary Grants	(11,200)	(80,131)	91,331	-
Prior year adjustment note 28	(3,636)	-	(135,137)	(138,773)
Allocation to prior year adjustment to reserves	3,636	-	(3,636)	-
Total Changes	3,636	-	(39,653)	(36,017)
Restated Balance at 01 April 2024	15,102	87	479,375	494,564
Surplus for the year	(17,616)	80,498	(31,151)	31,731
Transfer of Surplus to Discretionary Grants	11,937	(80,557)	68,620	-
Total Changes	(5,679)	(59)	37,469	31,731
Balance at 31 March 2025	9,423	28	516,844	526,295

Refer to note 13 for the detailed calculation of the surplus/deficit.

6.7 CASH FLOW STATEMENT

		2025	2024
	Note(s)	R '000	Restated* R '000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Skills development levies, interest and penalties		1,257,834	1,182,330
Finance revenue		61,345	53,551
Other cash receipts from stakeholders		29	151
		1,319,208	1,236,032
PAYMENTS			
Employer grants and programme payments		(1,075,387)	(955,981)
Payments to suppliers and other stakeholders		(87,938)	(63,990)
Compensation of employees		(112,191)	(91,196)
		(1,275,516)	(1,111,167)
Net cash flows from operating activities	19	43,692	124,865
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(2,453)	(4,660)
Net increase/(decrease) in cash and cash equivalents		41,239	120,205
Cash and cash equivalents at the beginning of the year		781,360	661,155
Cash and cash equivalents at the end of the year	6	822,599	781,360

6.8 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

BUDGET ON ACCRUAL BASIS

	Approved budget R '000	Adjustments R '000	Final Budget R '000	Actual amounts on comparable basis R '000	Difference between final budget and actual R '000
STATEMENT OF FINANCIAL PERFORMANCE					
REVENUE					
Revenue from non-exchange transactions					
Skilled Development Levies	1,212,724	-	1,212,724	1,211,672	(1,052)
Skilled Development Levies: Interest	-	4,209	4,209	4,118	(91)
Skilled Development Levies: Penalties	-	4,791	4,791	4,688	(103)
Other Revenue	-	-	-	137	137
National Skills Fund Revenue	18,150	18,473	36,623	34,416	(2,207)
FASSET Revenue	-	10,797	10,797	12,291	1,494
Total revenue from non-exchange transactions	1,230,874	38,270	1,269,144	1,267,322	(1,822)
Revenue from exchange transactions					
Other Revenue	-	-	-	250	250
Finance Revenue	50,498	8,904	59,402	60,789	1,387
Total revenue from exchange transactions	50,498	8,904	59,402	61,039	1,637
Expenditure					
National Skills Fund Expense	(18,150)	(18,473)	(36,623)	(34,416)	2,207
FASSET Expense	-	(10,797)	(10,797)	(12,291)	(1,494)
Discretionary Grant and Project Admin Expense	(796,348)	(132,904)	(929,252)	(850,640)	78,612
Mandatory Grant Expense	(257,704)	-	(257,704)	(222,377)	35,327
Administration Expense	(159,170)	-	(159,170)	(159,256)	(86)
Special Projects	(50,000)	25,000	(25,000)	(17,650)	7,350
Total expenditure	(1,281,372)	(137,174)	(1,418,546)	(1,296,630)	121,916
Approved prior year surplus	-	90,000	90,000	-	(90,000)
Surplus for the year	-	-	-	31,731	31,731

REVISION TO THE APPROVED BUDGET

The Executive Authority approved an annual budget of R 1.281 billion before the start of the financial year for the period 1 April 2024 to 31 March 2025. The budget was revised during the year to R 1.418 billion resulting in an increase of R 137 million to the initially approved budget. The increase in the expenditure is funded through cash surplus of R 90 million, SDL interest and penalties of R 9 million, Investment income of R 9 million and income from other special projects of R 29 million.

Further to this, the SETA was granted approval from the Executive Authority to exceed the legislated 10.5% administration expenditure threshold by 1.6% due to the Internal Special Projects for 4IR and ICT Digitisation. The Internal Special Projects budget was revised from R 50 million to R 25 million. Additionally, the Discretionary Grant Expenditure and External Special Projects was increased by R 132 million and R 29 million respectively in the revised budget.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

VARIANCE ANALYSIS

The total SDL revenue received is R 1.2 billion, this is R 1.1 million (0.09%) below the approved budget. this is comparable to the budget.

The total revenue received from exchange transactions is above budget by R 1.6 million (2.76%) due to larger cash balances from increased Skills Development Levy revenue and the increase in the repo rate.

The total expenditure is below budget by R 121 million (-6.74%). The variance consists of discretionary grants expenditure which is below budget by -5.63% due to delays in implementation from stakeholders that resulted in the their Service Level Agreements being written back. Mandatory grants expenditure is also below budget by -13.71% due to non-compliant documentation submitted for WSP approvals. The special project is below budget by -29.4% due to most project being scheduled for implementation through research chairs.

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

6.9 ACCOUNTING POLICIES

1. PRESENTATION AUDITED ANNUAL FINANCIAL STATEMENTS

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

These Audited Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

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

1.1 PRESENTATION CURRENCY

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

1.2 GOING CONCERN ASSUMPTION

These Audited Annual Financial Statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

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

1.3 INVENTORIES

Inventory is comprised of consumables.

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

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

1.4 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Property, plant and equipment is initially measured at cost.

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

1.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Asset Class	Depreciation method	Average useful life
Furniture and fittings	Straight-line	10 - 15 years
Motor vehicles	Straight-line	4 - 6 years
Office equipment	Straight-line	7 - 10 years
Computer equipment	Straight-line	3 - 6 years
Leasehold improvements	Straight-line	4 - 6 years

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

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

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

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

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

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

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

1.5 INTANGIBLE ASSETS

An intangible asset is recognised when:

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

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

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

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

1.5 INTANGIBLE ASSETS (CONTINUED)

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

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

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

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

Asset Class	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	5 - 10 years
Computer software, purchased	Straight-line	4 - 6 years

1.6 LEASES

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

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

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

1.7 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

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

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

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

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

1.8 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

ACCOUNTS RECEIVABLE

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

ALLOWANCE FOR SLOW MOVING, DAMAGED AND OBSOLETE STOCK

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

IMPAIRMENT TESTING

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

PROVISIONS

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

ALLOWANCE FOR DOUBTABLE DEBTS

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

1.9 COMMITMENTS

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.10 REVENUE FROM EXCHANGE TRANSACTIONS

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

1.11 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

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

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

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

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

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

LEVY INCOME.

The Accounting Policy for recognition and measurement of Skills Development Levy (SDL) income is based on the Skills Development Act, Act no 97 of 1998 as amended and the Skills Development Levies Act, Act No 9 of 1999, as amended.

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

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

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

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

INTEREST AND PENALTIES

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

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

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

1.11 REVENUE FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

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

FINANCE REVENUE

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

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

1.12 ADMINISTRATION EXPENDITURE

In terms of the SETA Grants regulation, a SETA may not use more than 10.5% of the total levies paid by the employer for its administration costs in respect of each financial year.

Administration costs are costs that are incurred in the day to day running of the operations of the SETA.

Administration expenditure is recognised as an expense in the period that they are incurred.

1.13 GRANTS AND PROGRAMME EXPENDITURE

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

MANDATORY GRANTS

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

DISCRETIONARY GRANTS

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

PROGRAMME EXPENDITURE

Programme expenditure comprises:

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

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

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

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

RETROSPECTIVE ADJUSTMENTS BY SARS

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

1.14 RESERVES

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

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

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

1.15 COMPARATIVE FIGURES

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

1.16 FRUITLESS AND WASTEFUL EXPENDITURE

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

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

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

1.17 IRREGULAR EXPENDITURE

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

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

1.18 TAXATION

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

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

1.19 SEGMENT INFORMATION

A segment is an activity of an entity:

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

All three requirements listed above must be met in order to disclose a segment, however, the MICT SETA does not meet all three requirements as separate financial information is not available for all activities. As a result of this, the MICT SETA does not disclose segment reporting as per GRAP 18.

1.20 BUDGET INFORMATION

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

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

The approved budget covers the fiscal period from 01/04/2024 to 31/03/2025.

The Audited Annual Financial Statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.21 RELATED PARTIES

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

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

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

1.22 FINANCIAL INSTRUMENTS

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

1.21.1 FINANCIAL ASSETS

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

Class	Category
Cash and Cash Equivalents	Financial asset measured at fair value
Receivables from exchange transactions	Financial asset measured at amortized cost
Receivables from non-exchange transactions	Financial asset measured at amortized cost

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

CASH AND CASH EQUIVALENTS

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

RECEIVABLES

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

1.22 FINANCIAL INSTRUMENTS (CONTINUED)

EFFECTIVE INTEREST METHOD

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

IMPAIRMENT OF FINANCIAL ASSETS

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

FAIR VALUE CONSIDERATIONS

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

OFFSETTING

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

1.21.2 FINANCIAL LIABILITIES

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

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

Class	Category
Trade and other payables from exchange transactions	Finance liability measured at amortized cost
Trade and other payables from non-exchange transaction	Finance liability measured at amortized cost

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

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

1.22 FINANCIAL INSTRUMENTS (CONTINUED)

DERECOGNITION

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

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

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 Apr 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25 on Employee benefits (revised)	To be determined	Unlikely there will be a material impact
GRAP 104 on Financial instruments (revised)	1 April 2025	Unlikely there will be a material impact
IGRAP 7 on the limit on defined benefit asset, minimum funding requirements and their intercation (revised)	To be determined	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Unlikely there will be a material impact

3. INVENTORIES

Consumables and stationery

	2025 R '000	2024 Restated* R '000
	423	300

The movement of R123K in consumables is recognised in the Statement of Financial Performance through monthly usage. The SETA has recognised a provision of R 0.053 million for the write-down of obsolete stock.

4. ACCOUNTS RECEIVABLES FROM EXCHANGE TRANSACTIONS

Employee costs in advance
Prepayments
Deposits
Sundry receivables
Provision for bad debt

	2025 R '000	2024 Restated* R '000
Employee costs in advance	22	37
Prepayments	2,295	1,964
Deposits	1,185	1,006
Sundry receivables	1,707	1,682
Provision for bad debt	(2)	(2)
	5,207	4,687

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Receivables - Employer Grants
Sundry receivables
Provision for bad debts

	2025 R '000	2024 Restated* R '000
Receivables - Employer Grants	1,279	414
Sundry receivables	4,653	4,856
Provision for bad debts	(3,166)	(3,176)
	2,766	2,094

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand

Bank balances

Short-term investments

	2025 R '000	2024 Restated* R '000
Cash on hand	8	7
Bank balances	402,120	392,994
Short-term investments	420,471	388,359
Total	822,599	781,360

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits is 6.97% (2024: 7.13%). Short term investments are held with the Corporation for Public Deposits as per Treasury Instruction Note issued.

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

Figures in Rand thousand

7. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fittings	4,445	(2,206)	2,239	4,315	(1,823)	2,492
Motor vehicles	382	(382)	-	382	(382)	-
Office equipment	1,247	(741)	506	1,014	(560)	454
Computer equipment	9,948	(5,548)	4,400	8,261	(3,785)	4,476
Leasehold improvements	4,967	(3,210)	1,757	4,967	(2,420)	2,547
Total	20,989	(12,087)	8,902	18,939	(8,970)	9,969

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	2,492	130	-	(383)	2,239
Office equipment	454	233	-	(181)	506
Computer equipment	4,476	2,090	(155)	(2,011)	4,400
Leasehold improvements	2,547	-	-	(790)	1,757
	9,969	2,453	(155)	(3,365)	8,902

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	2,002	1,062	(122)	(450)	2,492
Office equipment	646	90	(54)	(228)	454
Computer equipment	4,088	2,446	(222)	(1,836)	4,476
Leasehold improvements	1,701	1,062	-	(216)	2,547
	8,437	4,660	(398)	(2,730)	9,969

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

EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT INCLUDED IN STATEMENT OF FINANCIAL PERFORMANCE

Repairs and Maintenance

	2025 R '000	2024 Restated* R '000
	13	72

Expenditure incurred to repair and maintain property, plant and equipment is included in the Statement of Financial Performance in the repairs and maintenance expenditure line item, R 12 753.50 for 2025 and R 71 881 for 2024.

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

8. INTANGIBLE ASSETS

	2025			2024		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software, purchased	1,993	(1,993)	-	1,996	(1,996)	-
Computer software, internally generated	8,723	(8,202)	521	8,723	(7,029)	1,694
Total	10,716	(10,195)	521	10,719	(9,025)	1,694

RECONCILIATION OF INTANGIBLE ASSETS - 2025

	Opening balance	Amortisation	Total
Computer software, internally generated	1,694	(1,173)	521

RECONCILIATION OF INTANGIBLE ASSETS - 2024

	Opening balance	Disposals	Amortisation	Total
Computer software, purchased	161	(1)	(160)	-
Computer Software, internally generated	2,867	-	(1,173)	1,694
	3,028	(1)	(1,333)	1,694

9. ACCOUNTS PAYABLE FROM NON-EXCHANGE TRANSACTIONS

DESIGNATED AT FAIR VALUE

	Note(s)	2025 R '000	2024 Restated* R '000
Grants payable - Mandatory	9.1	36,574	31,694
Grants accruals - Discretionary	9.1	215,110	205,616
InterSETA and other payables		97	227
		251,781	237,537

9.1 GRANT PAYABLES - MANDATORY

Employer creditors	16,607	12,459
Employer accruals	19,967	19,235
	36,574	31,694

9.2 GRANTS PAYABLE - DISCRETIONARY

Project creditors	63,128	39,836
Project accruals	151,982	165,780
	215,110	205,616

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

10. ACCOUNTS PAYABLE FROM EXCHANGE TRANSACTIONS

Service provider payables
Payroll payables
Payrolls accruals
Accruals
Operating lease liability

	2025 R '000	2024 Restated* R '000
	6,572	4,691
	297	316
	4,785	3,487
	4,323	6,493
	514	684
	16,491	15,671

Figures in Rand thousand

11. PROVISIONS

RECONCILIATION OF PROVISIONS - 2025

	Opening Balance	Additions	Utilised during the year	Total
Salary provision	105	-	(105)	-
Performance bonus	12,853	14,333	(12,853)	14,333
Exempt employers	16,242	3,500	(3,027)	16,715
	29,200	17,833	(15,985)	31,048

RECONCILIATION OF PROVISIONS - 2024

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

PERFORMANCE BONUS

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

EXEMPT EMPLOYERS

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

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

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

12. DEFERRED REVENUE

Financial and Accounting SETA

National Skills Fund

	2025	2024
	R '000	Restated* R '000
	4,340	16,632
	10,462	6,500
	14,802	23,132

During the 2023/24 financial year, the MICT SETA entered into Service Level Agreements with the Financial and Accounting Education and Training Sector Authority (FASSET) and National Skills Funds (NSF) for the training of unemployed learners in the Digital Skills sector and to address the shortage of skills through Learnerships and Short Programmes. The MICT SETA received R18 million through the FASSET partnership and R8.2 million through the NSF partnership in the prior year and received R 38.6million in the current year. The total funding for NSF project is R 53 million for a period of 25 months in which NSF contributes 80% towards the programme and the MICT SETA contributes 20%. The receipt of money from NSF and FASSET is accounted for as deferred revenue and the outstanding amount at year end is R 10.46 million and R 4.34 million respectively.

Figures in Rand thousand

13. SURPLUS FOR THE YEAR

ALLOCATION OF SURPLUS FOR THE YEAR TO RESERVES: 2025

	Administration	Mandatory	Discretionary	Total
Total revenue	159,290	302,875	866,196	1,328,361
Administration levy (10,5%)	159,040	-	-	159,040
Mandatory levy (20%)	-	302,875	-	302,875
Discretionary levy (49,5%)	-	-	749,757	749,757
Penalties and interest	-	-	8,806	8,806
Finance revenue	-	-	60,789	60,789
National Skills Fund Income	-	-	34,416	34,416
FASSET Income	-	-	12,291	12,291
Other Income	250	-	137	387
Total expenditure	176,906	222,377	897,347	1,296,630
Administration expenses	176,906	-	-	176,906
Mandatory expenses	-	222,377	-	222,377
Discretionary grant and project expenses	-	-	850,640	850,640
National Skills Fund Expense	-	-	34,416	34,416
FASSET Expense	-	-	12,291	12,291
(Deficit)				
Surplus per Statement of Financial Performance	(17,616)	80,498	(31,151)	31,731

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

13. SURPLUS FOR THE YEAR (CONTINUED)

ALLOCATION OF SURPLUS FOR THE YEAR TO RESERVES: 2024 RESTATED

	Administration	Mandatory	Discretionary	Total
Total revenue	151,605	286,781	774,991	1,213,377
Administration levy (10,5%)	150,519	-	-	150,519
Mandatory levy (20%)	-	286,781	-	286,781
Discretionary levy (49,5%)	-	-	709,654	709,654
Penalties and interest	-	-	8,808	8,808
Finance revenue	-	-	53,242	53,242
National Skills Fund Income	-	-	1,775	1,775
FASSET Income	-	-	1,512	1,512
Other income	1,086	-	-	1,086
Total expenditure	140,405	206,650	902,339	1,249,394
Administration expenses	140,405	-	-	140,405
Mandatory expenses	-	206,650	-	206,650
Discretionary grant and project expenses	-	-	899,052	899,052
National Skills Fund Expense	-	-	1,775	1,775
FASSET Expense	-	-	1,512	1,512
(Deficit)				
Surplus per Statement of Financial Performance	11,200	80,131	(127,348)	(36,017)

14. REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

SKILLS DEVELOPMENT LEVY: ADMINISTRATION

	2025 R '000	2024 Restated* R '000
SDL: Administration	158,904	150,417
InterSETA transfers: In	140	114
InterSETA transfer: Out	(4)	(12)
Administration levy Income (10.5%)	159,040	150,519

SKILLS DEVELOPMENT LEVY: MANDATORY

	2025 R '000	2024 Restated* R '000
SDL Income: Mandatory	302,613	286,613
InterSETA transfers: In	262	186
InterSETA transfers: Out	-	(18)
Mandatory levy Income (20%)	302,875	286,781

SKILLS DEVELOPMENT LEVY: DISCRETIONARY

	2025 R '000	2024 Restated* R '000
SDL Income: Discretionary	749,116	709,175
InterSETA Transfer: In	661	537
InterSETA Transfer: Out	(20)	(58)
Discretionary levy Income (49.5%)	749,757	709,654
Total Skills Development Levy Income	1,211,672	1,146,954

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

		2024
	2025	Restated*
	R '000	R '000
Note(s)		
15. FINANCE REVENUE		
INTEREST REVENUE		
Interest from investment	32,112	30,000
Interest from bank	28,677	23,242
	60,789	53,242
16. OTHER REVENUE		
Other revenue comprises of:		
THE AMOUNT INCLUDED IN OTHER REVENUE ARISING FROM EXCHANGES OF GOODS OR SERVICES ARE AS FOLLOWS:		
Income from insurance claims	29	151
Profit on Sale of Assets	-	6
Income from penalties	221	714
	250	871
THE AMOUNT INCLUDED IN OTHER REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:		
Grants from ETDP SETA	137	215
17. MANDATORY AND DISCRETIONARY GRANT PROJECT EXPENDITURE		
MANDATORY GRANTS EXPENDITURE		
Grants and disbursed	221,655	203,989
Provision/(reversed) and accruals	722	2,661
Mandatory (employer) grants	222,377	206,650
DISCRETIONARY GRANT AND PROJECT EXPENDITURE RESTATED		
Grants and project administration disbursed	865,457	756,389
Provision/(reversed) and accruals	(14,817)	142,663
Discretionary (programmes) grants and project expenditure	850,640	899,052
17.1 DISCRETIONARY GRANT PROJECT COSTS CONSIST OF:		
Discretionary grants expenditure	815,618	866,611
Discretionary grants project administration costs	35,022	32,441
Discretionary (programmes) grants and project expenditure	850,640	899,052
17.2 DISCRETIONARY GRANTS PROJECT ADMINISTRATION COSTS CONSISTS OF:		
Employee related costs	29,619	29,442
Travel and Subsistence	2,042	2,775
NSF Project Admin	2,191	-
Legal Cost	629	224
Other	541	-
Discretionary grants project administration costs	35,022	32,441

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

18. ADMINISTRATIVE EXPENDITURE

		2025	2024
	Note(s)	R '000	Restated* R '000
Operating lease rental - Buildings		6,575	7,017
Repairs and maintenance		27	209
QCTO expenditure		8,210	7,234
Advertising, marketing and publications		6,474	4,080
Catering and Refreshments		135	156
Service provider and consulting fees		1,057	1,250
Legal fees		2,164	1,160
Investigations		365	523
Compensation of employees	18.1	85,241	66,321
Travel and subsistence		4,305	3,147
Staff training and development		4,063	2,233
Remuneration to board and sub-committees		8,367	8,008
External audit fees		5,038	4,276
Internal audit fees		857	730
General expenses	18.2	7,023	6,176
ICT support costs		26,926	20,864
Depreciation and impairment		3,367	2,730
Amortisation and impairment		1,173	1,334
Research costs		422	974
4IR and ETQA qualification development		5,117	1,983
		176,906	140,405

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

18. ADMINISTRATIVE EXPENDITURE (CONTINUED)

18.1 COMPENSATION OF EMPLOYEES

2025	Salaries and wages	Employer contributions	Other contributions	Total
Basic salaries	61,153	-	-	61,153
Performance awards	9,879	-	-	9,879
Other non-pensionable allowance	1,030	-	-	1,030
Medical aid contributions	-	4,893	-	4,893
Pension contributions	-	4,404	-	4,404
UIF and SDL	-	969	-	969
Leave and 13th cheque	-	-	2,913	2,913
	72,062	10,266	2,913	85,241

2024	Salaries and wages	Employer contributions	Other contributions	Total
Basic salaries	48,213	-	-	48,213
Performance awards	8,380	-	-	8,380
Other non-pensionable allowance	657	-	-	657
Medical aid contributions	-	3,930	-	3,930
Pension contributions	-	3,439	-	3,439
UIF and SDL	-	771	-	771
Leave and 13th cheque	-	-	931	931
	57,250	8,140	931	66,321

18.2 GENERAL EXPENSES

Bank charges
Certificates
Cleaning
Electricity & water
Insurance
Licences and subscriptions
Postage and courier
Printing and stationary
Other expenses
Human resources expenses
Equipment rental
Roadshows and forums
Provision and bad debt
Storage facilities
Small assets write off

	2025 R '000	2024 Restated* R '000
Bank charges	127	140
Certificates	45	-
Cleaning	103	50
Electricity & water	2,009	2,018
Insurance	204	444
Licences and subscriptions	114	60
Postage and courier	45	44
Printing and stationary	104	92
Other expenses	577	469
Human resources expenses	509	496
Equipment rental	469	482
Roadshows and forums	1,927	647
Provision and bad debt	6	54
Storage facilities	11	37
Small assets write off	773	1,143
	7,023	6,176

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

19. CASH USED IN OPERATIONS

	2025 R '000	2024 Restated* R '000
Surplus	31,731	(36,017)
Adjustments for: <i>Depreciation</i>	3,367	2,730
Amortisation	1,173	1,334
Loss on Disposal	63	343
Provision for bad debt	6	53
Movements in provisions	1,932	4,253
Changes in working capital: <i>Inventories</i>	(123)	(62)
Accounts receivables from exchange transactions	(520)	(309)
Accounts receivables from non-exchange transactions	(672)	(194)
Accounts payables from exchange transactions	820	4,823
Accounts payables from non-exchange transactions	14,245	126,850
Deferred revenue	(8,330)	21,061
	43,692	124,865

Figures in Rand thousand

20. COMMITMENTS

DISCRETIONARY RESERVES

2025

Commitments approved and effective	NSDP Target	Opening balance	Adjustments	New contracts	Expenditure	Write Backs	Total
Increasing access to occupationally directed programmes**	4	430,462	(2,661)	949,810	(801,970)	(132,426)	443,215
Promoting the growth of Public College system	4 TVET	33,140	-	40,092	(13,648)	(8,932)	50,652
		463,602	(2,661)	989,902	(815,618)	(141,358)	493,867

The total discretionary grant expenditure of R 815 million (note 17) excludes the project administration cost of R 35 million directly linked to the support expenditure of the Learning Programmes.

**Included in this line are transactions with Universities for Bursaries, WIL, Internship and Learnerships amounting to R 777 million, (2024:R544 million) and NSF of R 3.2 million.

**Included in the commitment balance are the transactions of R 2.47 million in respect of South African Mobile Devices Distributors a former MICT SETA board member is a director. R 2.02 million was received by ICT SMME Chamber in which Mr L Tyira and Mr Mqela, former MICT SETA board members are representatives. There is also an amount of R 2.2 million paid to the Communications Workers Union in which Ms Khumalo and Mr Manthlaga, who are former board members, are representatives. The South African Postal Services also received R 3.8 million in which Mr Langa, a former board member, is a representative. The Democratic Postal Union received R 3.5 million in which Mr Zwane, a former board member is a representative.

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

20. COMMITMENTS (CONTINUED)

DISCRETIONARY RESERVES

2024 RESTATED

Commitments approved and effective	NSDP Target	Opening balance	Adjustments	New contracts	Expenditure	Write Backs	Total
Increasing access to occupationally directed programmes**	4	416,606	-	878,482	(828,552)	(36,074)	430,462
Promoting the growth of Public TVET College system	4	31,548	179	42,209	(38,059)	(2,737)	33,140
		448,154	179	920,691	(866,611)	(38,811)	463,602

The total discretionary grant expenditure of R867 million (note 17) excludes the project administration cost of R32 million directly linked to the support expenditure of the Learning Programmes.

**Included in this line are transactions with Universities for Bursaries, WIL, Internship and Learnerships amounting to R 835 million, (2023:R569 million) and NSF of R 17 million.

**Included in the commitment balance are the transactions of R 7.9 million in respect of South African Mobile Devices Distributors in which Mr L Tyira, a former MICT SETA board member, is a director. There is also an amount of R 3.29 million paid to the Communications Workers Union in which Ms Khumalo and Mr Manthlaga, who are former board members, are representatives. The South African Postal Services also received R 3.7 million in which Mr Langa, a former board member, is a representative.

	2025 R '000	2024 Restated* R '000
OPERATING LEASES		
Minimum lease payment due		
- within one year	7,636	5,305
- on the second year to fifth year	26,116	5,417
	33,752	10,722

Operating lease payments represent rentals payable by the entity for head office building in Midrand, Durban, East London and Cape Town. No contingent rent is payable. All leases are subject to an average escalation rate of 7% per annum. The lease for the head office has been extended for a period of 5 years expiring on the 31 December 2029, the lease for the East London office is for a period of 3 years expiring on the 30 June 2025, the lease for Cape town is for a period of 5 years expiring on the 31 May 2028 and the lease for Durban is for a period of 5 years expiring on the 30 November 2028.

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

21. CONTINGENCIES

LITIGATIONS

MATTERS RELATING TO LITIGATIONS AGAINST THE MICT SETA

Claimed amount

Legal costs

	2025 R '000	2024 Restated* R '000
	1,929	9,720
	1,000	980
	2,929	10,700

- Included in the current year litigations above is a claim from a former employee who has taken the MICT SETA to court alleging discrimination relating to unilateral changes to employment conditions wherein the former employee was forced to take early retirement in 2017. The lawyers have indicated an estimated value of R 1.1 million, should the MICT SETA lose the case. The estimated legal costs are expected to be R 0.500 million.
- Included in the current year litigations above is a claim from a service provider who claimed breach of contract by the MICT SETA for terminating the contract. Should the MICT SETA lose the case, the estimated loss is projected at R 0.849 million. The estimated legal costs are expected to be R 0.200 million.
- Included in the prior year litigations is an expenditure of R 5.6 million that relates to contracts that were found by the Special Investigating Unit to have been awarded irregularly in the 2017/18 and 2018/19 financial years. These transactions were previously recognised as a liability due to the services having been rendered, however the outcome of the SIU investigation ordered that these transactions not be paid due to the nature of the award being irregular. The MICT SETA is not intending to pay these transactions since the contracts were awarded irregularly and the possibility of outflow of economic benefit is remote. The estimated legal costs could not be determined at year end.
- Included in the current year litigations is a former supplier who was refusing to return data and source code owned by the MICT SETA. The MICT SETA instituted legal proceedings for recovery. The court order awarded in favour of the MICT SETA. The MICT SETA is still experiencing some challenges with accessing the data and source code as furnished by Praxis. Should the data not be recoverable the MICT SETA will have to pursue a contempt of court application against Praxis. The estimated legal cost is expected to be R 0.300 million.

FIRST TIME EMPLOYER REGISTRATIONS.

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

At the reporting date it is estimated that, as a result of possible applications, additional mandatory grant expenditure of R 28 443 (2024: R 727 583) may be incurred. The amount is contingent on the number of submissions received and approved. SETA Grant Regulations 3 December 2021 as repromulgated: Treatment of Surplus.

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

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

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

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

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

21. CONTINGENCIES (CONTINUED)

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

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

RETENTION OF CASH SURPLUS.

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

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

During the year National Treasury granted an approval of the Retention of Surplus relating to 2023/24 financial year.

Notwithstanding the accumulated surplus of R 579 million below, the MICT SETA has at year end commitments in the form of contracts with various service providers as indicated in note 20. The commitment value on these contracts is R 494 million. The Net surplus after taking into account these commitments is R 85 million.

CALCULATION OF SURPLUS

Cash and cash equivalent at the end of the year

Add: Receivables

Less: Current Liabilities

Surplus

Commitments

Surplus/(Deficit) for the period

	2025	2024
	R '000	Restated* R '000
Cash and cash equivalent at the end of the year	822,599	781,360
Add: Receivables	7,973	6,781
Less: Current Liabilities	(251,781)	(237,537)
Surplus	578,791	550,604
Commitments	(493 867)	(463 602)
Surplus/(Deficit) for the period	84 924	87,002

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT

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

MARKET RISK

1. CURRENCY RISK

The entity funds employee training and bursaries with international institution and training providers. This exposes the entity to currency risk as exchange rates may often change.

2. INTEREST RATE RISK

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

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

Figures in Rand thousand

YEAR ENDED 31 MARCH 2025

	Interest bearing (Variable rate)		Non-interest bearing	
	Amount	Effective interest rate	Amount	Total
Cash and cash equivalent	822,599	6.97%	-	822,599
Accounts receivable	1,537	6.97%	172	1,709
Total financial assets	824,136		172	824,308
Accounts payable	(1,264)		(6,573)	(7,836)
	822,872		(6,401)	816,472

YEAR ENDED 31 MARCH 2024

	Interest bearing (Variable rate)		Non-interest bearing	
	Amount	Effective interest rate	Amount	Total
Cash and cash equivalent	781,360	7.13%	-	781,360
Accounts receivable	1,567	7.13%	201	1,768
Total financial assets	782,927		201	783,128
Accounts payable	(1,060)		(4,692)	(5,752)
	781,867		(4,491)	777,376

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

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS (CONTINUED)

3. OTHER PRICE RISK

The entity is not exposed to other price risk.

4. CREDIT RISK

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

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

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

CASH AT BANK AND SHORT-TERM INVESTMENTS

Bank balances
Short term investments

	2025 R '000	2024 Restated* R '000
Bank balances	402,128	393,001
Short term investments	420,471	388,359
	822,599	781,360

5. LIQUIDITY RISK

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

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS (CONTINUED)

Figures in Rand thousand

2025

Current Assets

Accounts receivable from exchange transactions	5,207	5,207	-	-
Accounts receivables from non-exchange transactions	1,487	1,487	-	-
Cash and cash equivalents	822,599	822,599	-	-

Current Liabilities

Accounts payables from exchange transactions	(10,895)	(10,895)	-	-
Accounts payable from non-exchange transactions	(215,110)	(215,110)	-	-

Carrying On Demand	1 - 3 months	4 - 12 months	1 - 5 years amount
603,288	603,288	-	-

2024

Current Assets

Accounts receivable from exchange transactions	4,687	4,687	-	-
Accounts receivables from non-exchange transactions	1,680	1,680	-	-
Cash and cash equivalents	781,360	781,360	-	-

Current Liabilities

Accounts payables from exchange transactions	(11,185)	(11,185)	-	-
Accounts payable from non-exchange transactions	(80,456)	(80,456)	-	-

Carrying On Demand	1 - 3 months	4 - 12 months	1 - 5 years amount
571,432	571,432	-	-

CATEGORIES OF FINANCIAL INSTRUMENTS

FAIR VALUES

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

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

CASH AND CASH EQUIVALENTS

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

ACCOUNTS RECEIVABLES

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

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS (CONTINUED)

AGING OF RECEIVABLES

» Financial year - 2024/25

Included in the Receivables from exchange transactions amount past due: 0 - 30 days is R 1,67 million, past due 31 - 60 days R 0.00 million, past due 61 and above is R 0.062 million. The remainder relates to prepayments and deposits. The provision for bad debts raised for the receivables from exchange amounted to R 0.003 million.

Included in the Receivables from non-exchange transactions are amounts past due: 0 - 30 days R 0.00 million, past due 31 - 60 R0, past due 61 days and above R 4.7 million. The remainder relates to provision for bad debts, the provision for bad debts raised for the receivables from non-exchange is R 3.2 million.

» Financial year - 2023/24

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

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

ACCOUNTS PAYABLE

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

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

Figures in Rand thousand

FINANCIAL ASSETS

2025

Trade and other receivables from exchange transactions
Cash and cash equivalents

At fair value	At amortised cost	Total
-	5,207	5,207
822,955	-	822,955
822,955	5,207	828,162

FINANCIAL LIABILITIES

Trade and other payables from exchange transactions
Trade and other payables from non-exchange transactions

At amortised cost	Total
10,895	10,895
215,110	215,110
226,005	226,005

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

22. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL ASSETS

2024 Restated

Trade and other receivables from exchange transactions
Cash and cash equivalents

At fair value	At amortised cost	Total
-	4,687	4,687
781,360	-	781,360
781,360	4,687	786,047

FINANCIAL LIABILITIES

Trade and other payables from exchange transactions
Trade and other payables from non-exchange transactions

At amortised cost	Total
11,185	11,185
205,616	205,616
216,801	216,801

23. RELATED PARTIES

TRANSACTIONS WITH CONTROLLING ENTITY

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

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

TRANSACTIONS WITH ENTITIES UNDER COMMON CONTROL

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

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

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

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

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

RELATED PARTY BALANCES

Amounts included in Trade receivable (Trade Payable) regarding related parties

	2025 R '000	2024 R '000
MERSETA	-	(16)
FP&M SETA	(53)	(73)
W&R SETA	(18)	(49)
CETA	-	(16)
SASSETA	-	(30)
SERVICES SETA	1,050	(37)
ETDP SETA	(1)	(6)
BANKSETA	(25)	-
	953	(227)

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

TRANSACTION WITH TVETS, TECHNIKONS AND PUBLIC ENTITIES

The nature of transaction with the below related parties is discretionary grants and projects

		Closing Balances	
		2025	2024
		R '000	R '000
Boland TVET College	Common Control	754	-
Buffalo City TVET College	Common Control	990	368
College Of Cape Town	Common Control	2,667	294
Eastcape Midlands TVET College	Common Control	1,213	1,715
Ekurhuleni West TVET College	Common Control	2,006	1,575
Gert Sibande TVET College	Common Control	703	820
Ingwe TVET College	Common Control	2,894	2,466
King Sabata Dalindyebo TVET College	Common Control	1,204	1,835
Letaba TVET College	Common Control	2,631	293
Lovedale TVET College	Common Control	1,204	4,496
Majuba TVET College	Common Control	1,204	3,298
Motheo TVET College	Common Control	34	55
Mthashana TVET College	Common Control	1,662	1,050
Northlink TVET College	Common Control	1,216	611
South Cape TVET College	Common Control	1,762	1,375
South West Gauteng TVET College	Common Control	149	1,799
Thekwini TVET College	Common Control	12	206
Umgungundlovu TVET College	Common Control	2,166	-
Maluti TVET College	Common Control	-	858
Goldfields TVET College	Common Control	307	858
King Hintsa TVET College	Common Control	3,168	6,031
Nkangala TVET College	Common Control	-	2,100
Sedibeng TVET College	Common Control	-	212
Port Elizabeth Public FET College	Common Control	183	34
False Bay TVET College	Common Control	240	-
Western TVET College	Common Control	-	95
Northern Cape Urban TVET College	Common Control	-	910
		28,369	33,354

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

Figures in Rand thousand

2025	Basic	Bonus and Performance	Other short term employee benefits	Post employment benefits	Other benefits received	Total
Name						
CEO - Mr M Madibana	2,351	558	72	210	26	3,218
CFO - Mr M Mseleku	1,664	301	208	126	22	2,320
CIO - Mr M Nkune	1,814	286	127	131	22	2,380
SM: 4IR - Ms G Sema	1,282	202	59	151	22	1,715
SM: SSP - Ms B Mokoena	1,332	217	83	80	22	1,734
SM: LPD - Mr E Nemughavhini	1,386	244	119	205	22	1,976
SM: ETQA - Ms N Nelson	1,514	253	95	91	22	1,975
SM Corporate Services - Mr A Mahlangu (a)	1,133	-	-	169	20	1,322
SM: Monitoring and Evaluation - Ms S Baloyi	1,443	214	60	85	22	1,822
Board Secretary - Ms K Qezu	1,434	276	133	217	22	2,077
Manager: OCEO - Ms R Vetman	1,032	186	159	69	14	1,460
	16,385	2,737	1,115	1,534	236	21,999

(a) The Senior Manager: Corporate Services was appointed in May 2024

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

Figures in Rand thousand

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

The Finance Manager who was acting in the position of CFO, was appointed as CFO on the 1st of April 2023.

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

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

Figures in Rand thousand

2025	Board	FinRemco	Exco	Govco	ICT	Audit and Risk	SAECO	Other	Travel and Accommodation	Total
Name										
Mr S Thobela	143	23	154	53	46	23		314	1,355	2,111
Ms N Khumalo	116	-	111	62	-	-	-	62	27	378
Mr L Langa	129	71	-	-	-	-	38	72	24	334
Mr L Tyira	124	-	116	-	63	-	-	116	97	516
Mr T Mofokeng	116	-	116	-	49	-	-	62	29	372
Mr T Mamorobela	124	53	-	-	-	62	-	63	269	571
Mr S Zwane	129	-	116	-	-	-	34	79	62	420
Mr S Mantlhakga	120	-	-	80	49	-	-	76	425	750
Ms N Mlambo	124	-	-	62	-	-	36	53	12	287
Ms R Blaauw	98	91	-	-	49	-	-	65	17	320
Mr S Ngobeni (b)	-	-	-	-	-	46	-	103	4	153
Mr S Badat (a)	46	-	-	-	-	80	-	43	23	192
Mr G Labane (a)	-	-	-	-	-	62	-	41	9	112
Ms L Nkosi (a)	20	-	-	-	-	53	-	27	10	110
Mr V James	120	-	-	-	49	53	-	62	18	302
Ms N Gongxeka (c)	62	53	-	-	28	-	-	44	14	201
Mr A Mqela (c)	98	-	-	44	-	-	27	62	20	251
	1,569	291	613	301	333	356	158	1,344	2,415	7,380

- (a) Mr Badat, Mr Labane and Ms Nkosi are independent members of the Audit and Risk Committee chaired by Mr S Badat.
- (b) Mr Ngobeni is an independent member of RMC, who chairs the Risk Management Committee and reports to ARC functionally.
- (c) Ms Gongxela and Mr A Mqela were appointed as board member members in May 2024
- (d) Other fees include payments made to members of the board, for board preparation and attendance of other strategic meetings such as ministerial meetings and other stakeholder engagements
- (e) The remuneration of Board members above does not include Conference fees of R 0.505 million paid for on behalf of the board. R 0.295 million for catering, R 0.016 million for training, R 0.055 million for corporate memberships and R0.082 million for board corporate items and R 0.043 million for recruitment and vetting of board members as these are included as part of the board expenses in note 18

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

Figures in Rand thousand

2024 Name	Board	FinRemco	Exco	Govco	ICT	Audit and Risk	SAECO	Other	Travel and Accommodation	Total
Mr S Thobela	108	23	148	66	12	-	11	257	1,051	1,676
Ms N Khumalo	84	-	120	71	-	-	-	62	50	387
Mr L Langa	80	75	-	-	-	-	44	62	27	288
Mr L Tyira	84	-	120	11	46	-	-	176	170	607
Mr T Mofokeng	84	-	120	-	35	-	-	71	25	335
Mr T Mamorobela	84	90	-	-	-	53	-	75	242	544
Mr S Zwane	84	-	120	-	-	-	57	74	49	384
Mr S Mantlhakga	84	-	-	76	35	-	-	68	340	603
Ms N Mlambo	62	-	-	35	-	-	32	44	19	192
Ms R Blaauw	75	73	-	-	35	-	-	64	27	274
Mr S Ngobeni (b)	-	-	-	-	-	58	-	74	2	134
Mr S Badat (a)	58	-	-	-	-	92	-	51	12	213
Mr G Labane (a)	11	-	-	-	-	53	-	18	9	91
Ms L Nkosi (a)	-	-	-	-	-	71	-	36	9	116
Ms T Faye (a)	32	44	-	40	-	-	-	43	2	161
Mr V James	67	-	-	-	35	80	-	58	24	264
	997	305	628	299	198	407	144	1,233	2,058	6,269

- (a) Ms Faye was recalled by her organisation as a board member of the SETA in September 2023.
- (a) Mr Badat, Mr Labane and Ms Nkosi are independent members of the Audit and Risk Committee chaired by Mr S Badat.
- (a) Mr Ngobeni is an independent member of RMC, who chairs the Risk Management Committee and reports to ARC functionally.
- (a) Other fees include payments made to members of the board, for board preparation and attendance of other strategic meetings such as ministerial meetings and other stakeholder engagements
- (a) The remuneration of Board members above does not include Conference fees of R 0.947 million paid for on behalf of the board. R 0.242 million for catering, R 0.278 million for training, R 0.104 million for corporate memberships and R0.168 for board corporate items as these are included as part of the board expenses in note 18

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

23. RELATED PARTIES (CONTINUED)

Figures in Rand thousand

NON-EXECUTIVE MEMBERS

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

TYPES OF TRANSACTIONS

MANDATORY (EMPLOYER) GRANTS EXPENDITURE

Broadband Infraco

- Mr L Tyira

Tata Consultancy Services

- Ms R Blaauw

DISCRETIONARY GRANTS EXPENDITURE

South African Mobile Devices Distributors and Repairers

Association (a)

- Mr L Tyira

Broadband Infranco

- Mr L Tyira

Tata Consultancy Services

- Ms R Blaauw

Democratic Postal and Communications Union

- Mr S Zwane

Communications Workers Union

- Ms N Khumalo

- Mr T Mamorobela

- Mr S Manthlakga

South African Postal Workers Union

- Mr J Langa

ICT SMME Chamber

- Mr L Tyira

- Mr A Mqela

South African Federation of Trade Unions

Transactions R'000		Balances R'000	
2025	2024	2025	2024
(229)	(207)	-	-
-	(246)	-	-
(1,472)	(7,925)	(3,037)	(179)
-	(67)	-	-
-	(1616)	-	-
(3,482)	(3,168)	-	(683)
(2,153)	(3,290)	(1,645)	(823)
(3,755)	(3,792)	(103)	(898)
(2,020)	-	-	-
-	(25)	-	(1,06)
(13,111)	(20,567)	(4,785)	(3,650)

24. EVENTS AFTER THE REPORTING DATE

The MICT SETA Accounting Authority was appointed on the 1st April 2020 for a period of 5 years to serve on the MICT SETA Board, their term ended on the 31st of March 2025. The Department of Higher Education and Training is in the process of appointing the new Accounting Authority members for the next term. The Minister appointed the CEOs of the SETAs to assume the duties of the AA for a period of three months or until the AA is appointed, whichever comes first.

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

25. FRUITLESS AND WASTEFUL EXPENDITURE

Add: Fruitless and wasteful expenditure identified - current

2025	2024
R '000	R '000
21	125

Fruitless and wasteful expenditure is presented inclusive of VAT.

The fruitless and wasteful expenditure identified in the current year amounted to R 0.021 million. R 0.009 million relating to traffic fines as well as incremental costs resulting from Employees retuning rented vehicles after the cut-off time, these amounts have been recovered in full. R 0.011 million results from an employee incurring travel and accommodation costs to an event that had been cancelled, the remainder of the fruitless and wasteful expenditure relates to R 0.003 million from an additional flight ticket issued due to an employee having missed their flight, these amounts are being investigated to determine the recoverability of the amount according to the Fruitless and Wasteful Expenditure Framework

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

26. IRREGULAR EXPENDITURE

Add: Irregular Expenditure - current

2025	2024
R '000	R '000
284	-

Irregular expenditure is presented inclusive of VAT.

During the year 2024/25 National Treasury deferred the condonation/approval of Irregular Expenditure identified by management in the prior years to the Accounting Authority as per provisions in section 57 of the PFMA. R 1.6 million was subsequently approved for removal by the Accounting Authority in line with the provisions.

In the current year management identified R 0.284 million Irregular Expenditure resulting from a contract that was varied without following the Supply Chain Management prescripts. Management is in the process of submission for condonation subject to approval by Accounting Authority that is currently being appointed by the Minister.

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

27. BUDGET DIFFERENCES

SKILLS DEVELOPMENT LEVY: INCOME FROM NON-EXCHANGE TRANSACTIONS

The year to date Skills Development Levy income received from DHET is R 1.21 billion for the financial year. This is R 1.1 million below the approved budget, the budget considered inflationary increase of 7%, the SDL income is above prior year actuals by 1% which is within reasonable range. The SDL Interest and Penalties amounted to R 8.8 million, which is below the approved budget R 9.0 million.

FINANCE REVENUE

Finance revenue comprises of interest received from investments and bank balances, the variance is R 1.39 million (2.33%) above approved budget due to larger cash balances resulting from increased revenue as well as the increase in the repo rate.

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

27. BUDGET DIFFERENCES (CONTINUED)

MANDATORY AND DISCRETIONARY GRANT EXPENDITURE

Mandatory grant expenditure is 13.71% below the year to date approved budget of R 257 million due to some employers' WSP applications not being approved as a result of incomplete submissions. The expenditure is 7.61% above prior year actuals due to increase levies in current year and thus increased payout to employers.

Discretionary grant expenditure is below budget by -8.46% due to delays in implementation from stakeholders that resulted in the their Service Level Agreements being written backs. The actual expenditure is above prior year actuals by 12.35%, this can be attributed to the introduction of the Integrated Learner Management System which has streamlined the payment process allowing for disbursements to be processed faster. The discretionary expenditure includes project administration costs directly linked to Learning Programmes

ADMINISTRATION EXPENDITURE

Administration expenditure for 2024/25 is comparable to budget. The actual is 25.99% above prior year actuals due to increased salary costs on filling up of some strategic positions and ICT projects as a result of additional innovation programmes adopted by the organisation. Major variance of administration expenditure are indicated below.

Figures in Rand thousand

Description	Final budget	Actual expenditure	Difference
Compensation of employees	88,345	85,241	(3,104)
Legal fees	1,000	2,164	1,164
Consulting fees	2,000	1,057	(943)
Repairs and maintenance	300	27	(273)
ICT support costs	14,086	26,926	12,840
Building rentals	10,848	6,575	(4,273)
Marketing and advertising	4,500	6,474	1,974
Investigations	500	523	23
Depreciation & amortisation	8,637	4,540	(4,097)
External audit fees	4,449	5,038	589
Remuneration to board and sub-committees	10,848	8,367	(2,481)
Research	3,000	421	(2,579)
	148,513	147,353	(1,160)

28. PRIOR-YEAR ADJUSTMENTS

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

During the 2025 financial year, it was identified that Discretionary Grants and FASSET expenditure amounting to R 135.1 million and R 0.38 million respectively, was not recognised in the statement of financial performance for the year ended 31 March 2024, this was as a result of Site Visits that were concluded in the prior year giving rise to an obligation to the SETA, however the service providers made their submissions in the current financial year. These changes resulted in the Commitments note being re-stated. Further to this, it was identified that Administration Expenditure for R 3.70 million was not recognised in the prior year due to submissions not received for ICT Gartner services and legal services rendered to the SETA.

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

28. PRIOR-YEAR ADJUSTMENTS (CONTINUED)

It was also identified that receivables for R 1.32 million from prior years relating to drop outs of students as well as payments made to Universities for learners that were found to be funded by other institutions are required to be recovered from employers and universities. This amount also include R 0.93 million that relates to the adjustment made to the Net Asset/Accumulated Surplus.

There was a re-classification R 0.319 million within the classes of Property Plant and Equipment that resulted in no movement in the closing balance. The re-classification was from Furniture and Fittings to Leasehold Improvements.

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

Figures in Rand thousand

STATEMENT OF FINANCIAL POSITION

2024

Increase in net assets/accumulated surplus

As previously reported	Correction of error	Restated
536,243	(5,662)	530,581

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	As previously reported	Correction of error	Restated
Increase in accounts payable from non-exchange transactions	9	(95,038)	(142,499)	(237,537)
Decrease in deferred income	12	(23,510)	378	(23,132)
Increase in accounts payable from exchange transactions	10	(12,036)	(3,636)	(15,672)
Increase in accounts receivable from non-exchange transactions	5	772	1,322	2,094
Decrease in net assets		(638,999)	144,435	(494,564)
		(768,811)	-	(768,881)

STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

	Notes	As previously reported	Correction of error	Restated
Increase in discretionary grants expenditure	17	763,915	135,137	899,052
Increase in administration expenditure	18	136,769	3,636	140,405
Increase in FASSET Expenditure		1,134	378	1,512
Increase in FASSET Revenue		(1,134)	(378)	(1,512)
Decrease in surplus for the year		102,756	(138,773)	(36,017)
		1,003,440	-	1,003,440

6.10 NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

28. PRIOR-YEAR ADJUSTMENTS (CONTINUED)

Figures in Rand thousand

CASH FLOW STATEMENT

2024

CASH FLOW FROM OPERATING ACTIVITIES

Employer grants and programme payments
Skills development levies, interest and penalties
Payments to suppliers and other stakeholders
Compensation of employees
Finance Revenue
Deferred Revenue
Other Receipt

As previously reported	Correction of error	Restated
962,247	(6,266)	955,981
(1,159,764)	(22,566)	(1,182,330)
64,784	(794)	63,990
61,754	29,442	91,196
(53,015)	(536)	(53,551)
20,510	60	20,570
(871)	782	(89)
(104,355)	-	(104,233)

COMMITMENTS

2024

COMMITMENTS APPROVED AND EFFECTIVE

Increasing access to occupationally directed programmes

Notes

As previously reported	Correction of error	Restated
602,464	(138,862)	463,602



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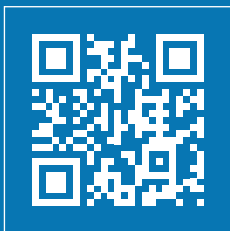
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