

BOARD STAKEHOLDER SESSIONS

October 2017

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DELIVERY

Broad Challenges

- ☐ External Environment
- ☐ Internal Environment

Specific Delivery Challenges

2017/18 Discretionary Grant Budget for PIVOTAL Allocations

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Challenges in External Operating Environment

Misalignment of the Government FY in line with W&R Sector's financial and operational calendar = **low annual take up**

Company applications for the Mandatory and Discretionary Grants not aligned to the Annual Performance Plan = **under and over subscriptions in terms of Annexure II applications**

Influence of Training Providers on companies on programmes to apply for = **skewed skills supply and demand in the Sector**

Slow pipeline development of BBBEE training providers, moderators and assessors to be able to service the W&R sector = **monopoly in the sector**

Recent contraction of economy 0,7% affecting W&R Sector = **reduced revenue in terms levies collected**

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Challenges in the Internal Operating Environment

Ageing IT systems that do not have capacity to support current operations = **operational inefficiencies** - **process of integration of all systems in progress**

Manual business processes = **operational inefficiencies** – **integration process of all systems in progress**

Organisational structure not aligned to current strategy = **skills mismatch** – **new organisational structure developed to address mismatch to be approved and implemented**

Misalignment of SETA's planning system e.g. project management cycle to organisational planning cycle = **late project approvals and contracting, delays in training** – **new delivery model to address challenge**

Silos within departments = **processes not integrated and duplication of effort** – **new delivery model to address challenge**

Regional growth in participating companies and SETA programmes which are not supported by current structure and systems = **operational inefficiencies** - **new delivery model to address challenge**

Inadequate monitoring and evaluation systems – **new delivery model to address challenge**

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OTHER CHALLENGES (cont...)

CHALLENGE	RESOLVE
PIVOTAL 2017/2018 Contracting	<ul style="list-style-type: none"> ❖ Contracting underway to be finalised by 31 October 2017, or an alternative date for other affected companies ❖ Condonation for renew contracts ❖ Draft addendums to regularise affected contracts ❖ Backlog on payment of invoices resolved by 31 March 2018 ❖ Verifications and Monitoring visits properly and timeously conducted by W&RSETA
Backlog in payment of Grant Claims and Invoices	

OTHER CHALLENGES (cont...)

CHALLENGE	RESOLVE
IT System challenges	Migration to new hosting centre
Delayed external moderation and certification	<ul style="list-style-type: none"> ❖ Outstanding certificates to be signed on appointment of Acting CEO ❖ Contracting of additional moderators to address high volumes

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OTHER CHALLENGES (cont...)

CHALLENGE	RESOLVE
Graduate Placement & Internships	<ul style="list-style-type: none"> ❖ Advertising on finalisation of governance processes; ❖ Agreement with NSFAS to administer payment of bursaries ❖ Department of Labour to avail database of unemployed graduates to companies; ❖ Bursaries and Placement Department will facilitate enrolment of companies to DoL database
Suitable candidates for companies to place	

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OTHER CHALLENGES (cont...)

CHALLENGE	RESOLVE
Programmes for Small and Micro Enterprises	Adverts for funding for levy paying and non-levy paying companies to be published by 30 October 2017

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Discretionary Grant Budget for PIVOTAL Allocations for FY2017/18

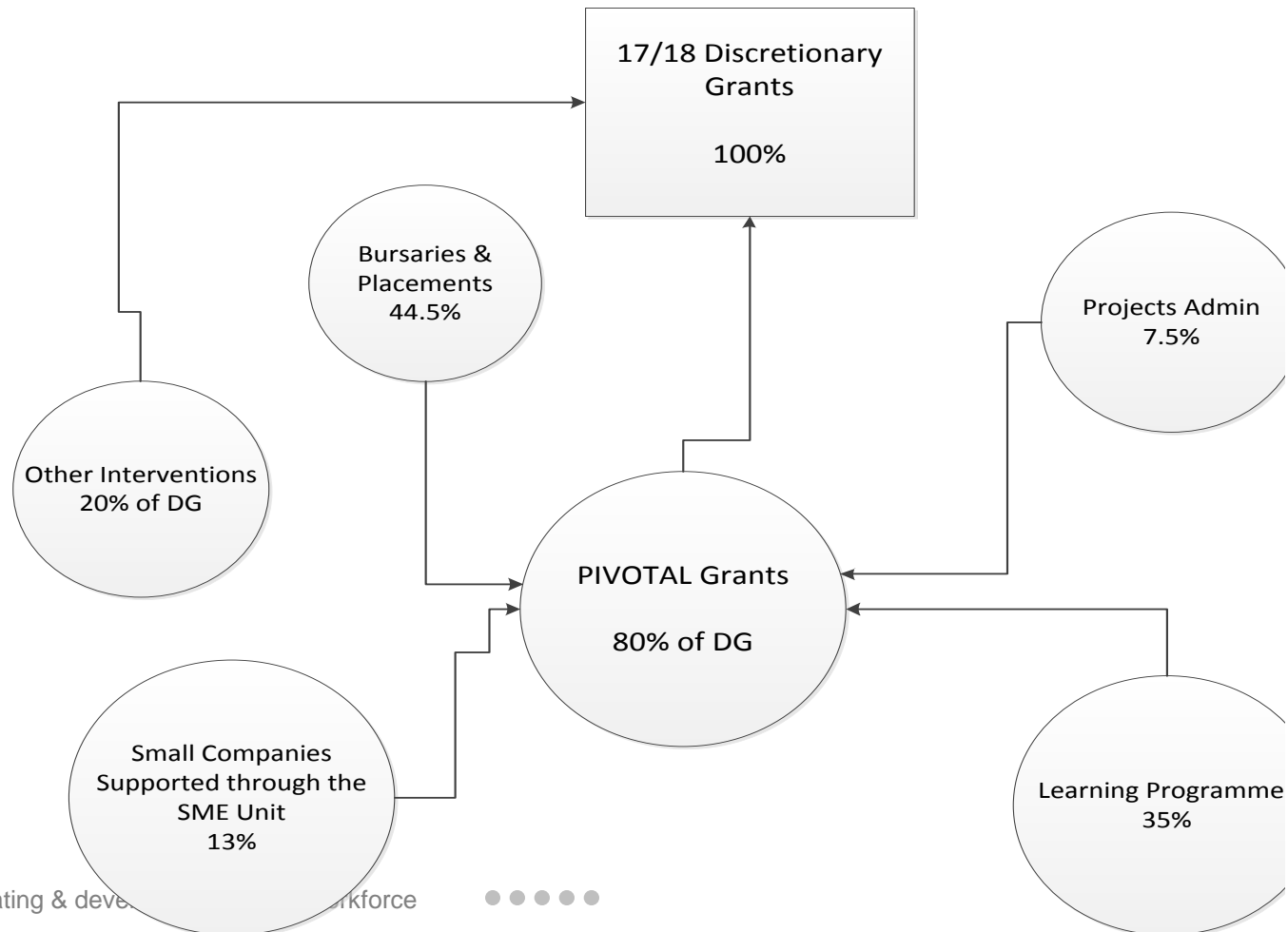
- ☐ New allocation model for 2017/18
- ☐ Alignment of budgets to the Annual Performance Plan
- ☐ Criteria for allocation process amended through Standard Operating Procedures
- ☐ Model supported by payment schedule
- ☐ Approved rates for Learning Programmes

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DG Budget for 2017/18

PIVOTAL Allocations



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CONTRACTING & UNPAID INVOICES

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CONTENTS

PART A :Contracts status

- ☐ Contracts status
- ☐ PIVOTAL 17/18 contracts
- ☐ Contract backlogs

PART B: Unpaid invoices

- ☐ Unpaid invoices

CONTRACT REGISTER – CURRENT STATUS

- ❑ Contract register has **4055** contracts and expired contracts with balances 1979

REGION	NO. OF CONTRACTS	VALUE OF EXPIRED CONTRACTS
Gauteng	784 (473 active, 311 expired)	R 185 691 292
Eastern Cape	376 (102 active, 274 expired)	R 19m
KwaZulu Natal	1012 (221 active, 791 expired)	R 80,6m
Western Cape	1022 (173 active, 849 expired)	R 204m
Free State	112 (55 active, 57 expired)	R 6,8m
Limpopo	188 (93 active, 95 expired)	R 4,7m
Mpumalanga	360 (199 active, 161 expired)	R 17,7m
Northern Cape	97 (32 active, 65 expired)	R 4,7m
North-West	118 (57 active, 61 expired)	R 10m

PIVOTAL 2017/18 and Backlogs

Drafting of contracts for PIVOTAL 2017/18 complete:

REGION	BACKLOG FOR RENEWAL
Gauteng	311
Eastern Cape	41
KwaZulu Natal	111
Western Cape	75
Free State	24
Limpopo	36
Mpumalanga	49
Northern Cape	12
North-West	13

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WAY FORWARD

- ☐ Stakeholders to sign and return contracts by **31 October 2017**;
an alternative date will be communicated with affected stakeholders;
- ☐ Attach proxy where a contract is signed by a different person
- ☐ Stakeholders to return contracts /addendums timeously as
delays result into irregular expenditure

UNPAID INVOICES

REGION	NO. OF INVOICES	VALUE
Gauteng	195	R 18m
Eastern Cape	84	R 8m
KwaZulu Natal	162	R 9,9m
Western Cape	78	R 3,5m
Free State	48	R 2,1m
Limpopo	35	R 1,3m
Mpumalanga	88	R 9,2m
Northern Cape	27	R 1m
North-West	46	R 14,m

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UNPAID INVOICES

Challenges due to:

- ❖ Invoices submitted before verification;
- ❖ Incomplete and non submission of evidence of deliverables per signed contract;
- ❖ Expired contracts requiring addendums;
- ❖ Training conducted after contract expired; and
- ❖ Training on interventions not contracted for

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WAY FORWARD

- ❑ All invoices to be submitted only after verified by regional office;
- ❑ Verified invoices to be submitted to Invoiceadmin@wrseta.org.za;
- ❑ Documentation supporting invoice to be in line with the tranche requirement as per the signed contract e.g. T1 Learnership: registration of learners, certified ID copies, verification register, implementation plan and attendance register

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CERTIFICATION

- 1 April 2017- 16 August 2017

PROGRAMME	NUMBER
Learnerships	1353
Skills programmes	714
Unit Standards (ROAs)	1140
Providers	16

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STAKEHOLDER FEEDBACK

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