

2018/2019

ANNUAL REPORT

FINANCIAL YEAR



FoodBev SETA

Food and Beverages Manufacturing
Sector Education and Training Authority

FoodBev SETA's function is to **promote, facilitate and incentivise skills development** in the food and beverage manufacturing sector



Minister of Higher Education, Science and Technology
Dr Blade Nzimande

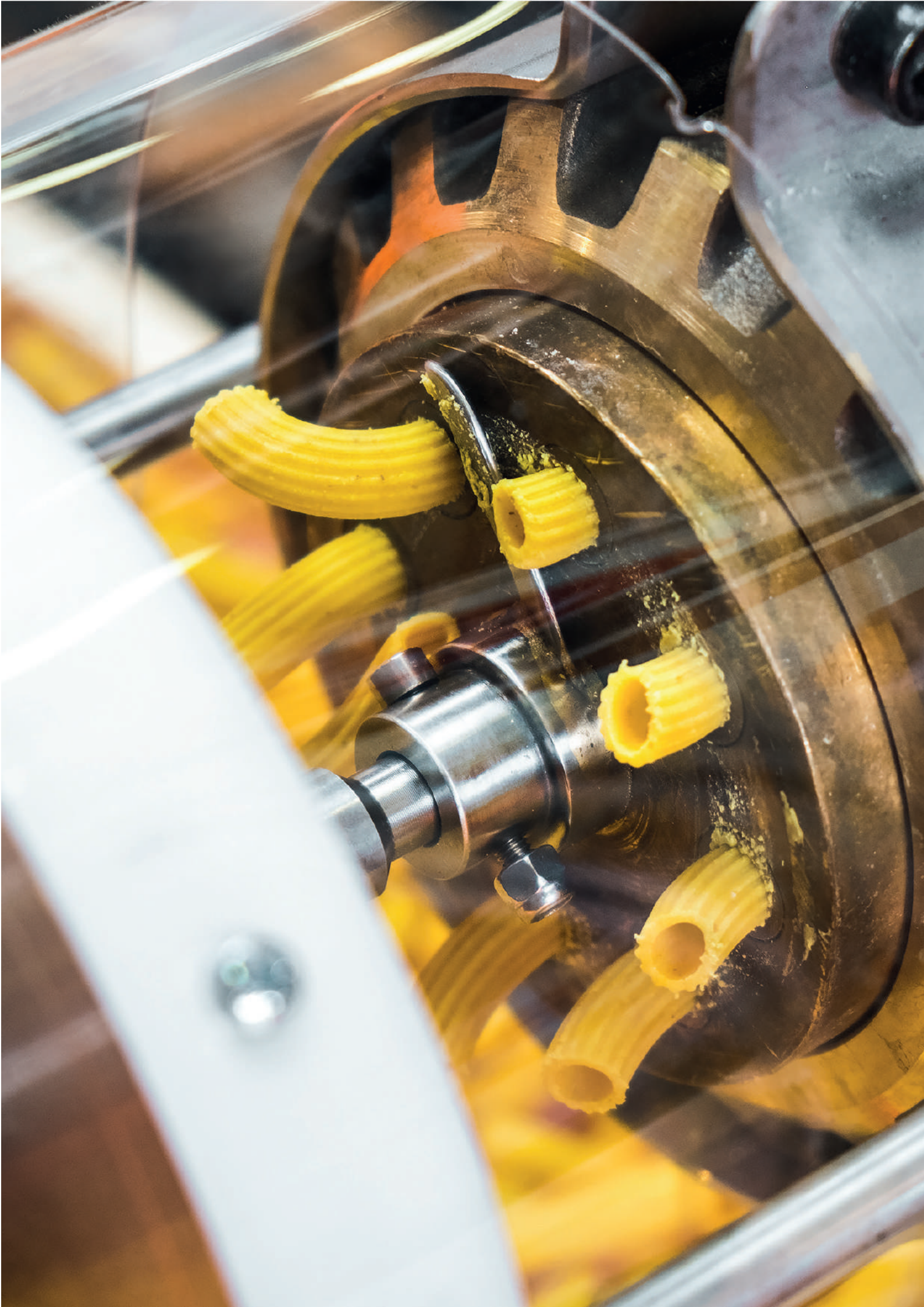


Deputy Minister of Higher Education, Science and Technology
Mr Buti Manamela



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



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BAKING, CEREALS, CONFECTIONARY & SNACKS (BCCS)

The sub-sector manufactures breakfast foods, bakery products, cocoa, chocolate, sugar-confectionery and nuts. It is comprised mainly of companies involved in salting, baking, drying and cooking processes.




PART A

GENERAL INFORMATION



1. GENERAL INFORMATION

 REGISTERED NAME	Food and Beverages Manufacturing Sector Education and Training Authority (FoodBev SETA)
 REGISTERED NUMBER	09/FOODBEV/1/04/11
 PHYSICAL ADDRESS	13 Autumn Street Rivonia 2181
 POSTAL ADDRESS	PO Box 245 Gallo Manor
 TELEPHONE NUMBER/S	+ (0)27 11 253 7300
 FAX NUMBER	+ (0)27 11 253 7333
 EMAIL ADDRESS	info@foodbev.co.za
 WEBSITE ADDRESS	www.foodbev.co.za
 EXTERNAL AUDITORS	Auditor General South Africa 300 Middel Street, New Muckleneuk, Pretoria
 INTERNAL AUDITORS	Entsika Consulting 262 Rose Ave, Doringkloof, Centurion
 BANKERS	First National Bank

*Food and Beverages Manufacturing Sector Education and Training Authority (FoodBev SETA) is a Schedule 3A public entity established in terms of the Skills Development Act No. 97 of 1998.



2. LIST OF ABBREVIATIONS/ ACRONYMS

ACEO	Acting Chief Executive Officer
ACFO	Acting Chief Financial Officer
CEO	Chief Executive Officer
AET	Adult Education and Training
AIDS	Acquired Immunodeficiency Syndrome
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ATR	Annual Training Report
CFO	Acting Chief Executive Officer
DHET	Department of Higher Education and Training
EAP	Economically Active Population
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee
FoodBev SETA	Food and Beverages Manufacturing Sector Education and Training Authority
GRAP	Generally Recognised Accounting Practices
HET	Higher Education and Training
HR	Human Resources
IT	Information Technology
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGO	Non-Governmental Organisation
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSFAS	National Student Financial Aid Scheme
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
PIVOTAL	Professional, Internship, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SAQA	South African Qualification Authority
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SLA	Service Level Agreement
SMART	Specific Measurable Achievable Realistic and Time-bound
SMEs	Small and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education Training
UIF	Unemployment Insurance Fund
WSP	Workplace Skills Plan

3. FOREWORD BY THE CHAIRPERSON



Ms Mapule Ncanywa
Acting Chairperson of the
Accounting Authority

The period under review, the 2018/2019 financial year, remained challenging for the food and beverages manufacturing industry. The country's economy has been under pressure and unemployment continued to grow. Although these challenges are not unique to the sector, employment creation has been at the heart of our resilience.

Our mandate of skills development is targeted across all levels of our society, and the SETA has driven AET training interventions that facilitated intermediate and high-level learning. The Board as Accounting Authority is privileged to be the stewardship of one of the largest SETAs in the country, tasked with an enormous mandate to put the **National Skills Development Strategy 2030 Plan (NSDS)** into practice.

We have set what we believe to be an ambitious but entirely achievable goal of supporting government's priorities and the National Development Plan (NDP), focusing on employment creation and economic growth.

The Food and Beverages Manufacturing SETA (FoodBev SETA), as a national public entity and a custodian of the country's food and beverages manufacturing industry, aims to improve the effectiveness and efficiency of the skills development system.

At the heart of FoodBev SETA is our obligation to ensure that the country has enough and appropriate knowledge and skills available in the food and beverages manufacturing sector. The industry is dependent on the FoodBev SETA to deliver on the national development goals, and in the development of requisite qualifications for current and future skills needed for competitiveness of the country's workforce.



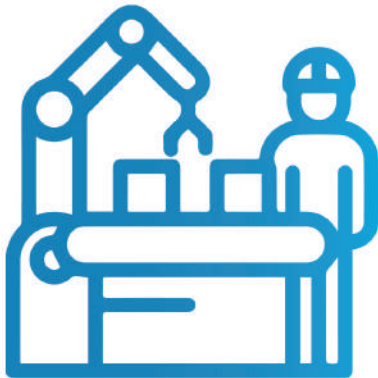
“National Development Plan (NDP) focusing on employment creation, and economic growth.”

“We have set what we believe to be an ambitious but entirely achievable goal of supporting government's priorities and the National Development Plan, focusing on employment creation and economic growth.”

3. FOREWORD BY THE CHAIRPERSON

STRATEGIC RELATIONSHIPS

Our strategic partnership programme, which was set in motion during the year under review, enabled us to deliver on the objectives of the **National Skills Development Strategy (NSDS)**.



During the year under review, strategic partnerships between the **FoodBev SETA** and its stakeholders both in the private and public sectors were formed. Some of the highlights of those partnerships are within the member employers who partnered to facilitate job creation; the public **TVET colleges** where the **FoodBev SETA** capacitated the colleges with placement of learners and lecturer capacity development programmes to meet industry needs. The **FoodBev SETA** also entered into partnerships as part of its programme to enhance and improve skills development to meet local and international market needs.

These partnerships for us proudly align with the NDP goals of creating a skilled and capable workforce for the country.

CHALLENGES

In the year under review, the **FoodBev SETA** licence continued to present a threat to the recruitment and selection process, which led to the organisation experiencing a high turnover rate and difficulty in attracting key talent.

The **Minister of Higher Education and Training** promulgated the **National Skills Development Plan (NSDP)** which will come into effect on **01 April 2020**. The new NSDP brings challenges to the SETA's perpetual lifespan. This risk is on the basis that the SETA has been identified as one of those proposed for a merger. As with any merger, there are a host of challenges which to a large extent relates to uncertainty, job security and other psychological impacts of change.

Furthermore, it must be highlighted that the changing landscape in **Skills Development** that will result in the **Quality Council for Trades and Occupations (QCTO)** taking over the quality assurance functions for trades and occupations, which historically has been conducted by the **ETQA** divisions, may present a threat in both attracting and retaining talent for the SETA.

MEDIUM TO LONG TERM GOALS

We are operating within an economy that is shedding jobs; therefore, we are required to ensure that those who go through our system are employable but also are empowered enough to create jobs.

The **FoodBev SETA** intends to continue with the upward momentum of the current period to actively engage all stakeholders and ensure that we play a significant role in skills development that ultimately creates much needed jobs.

We equally want to ensure that those without hope are given a lifeline through our skills and learning programmes, particularly the rural poor and vulnerable. **FoodBev SETA** will intensify its efforts to put the SETA out in the public domain to educate, create awareness and encourage more young people to take up careers in this lucrative industry.

Transformation remains the country's imperative, therefore we must also be conscious in ensuring that we encourage more participation into the sector by historically disadvantaged communities.

Lastly, the fourth industrial revolution is upon us, and we have to ensure that we build a responsive and efficient organisation that enables effective training and produces much needed skills that are employable for our country.

3. FOREWORD BY THE CHAIRPERSON

ADDRESSING RISK AND FRAUD

In defining its operating governance model, the Board re-assessed the ideal state of the **FoodBev SETA**, recommended new and considered several critical policies. **The fraud prevention plan** was reviewed and approved to assist in raising the level of fraud awareness and managing fraud risk among internal and external stakeholders.

This plan intends to reduce the risk of fraud and provide mitigating measures that will protect the interests of the organisation.

A whistleblowing policy is in place to support the fraud prevention plan. **The FoodBev SETA** has an anonymous tip-off hotline platform outsourced to **Deloitte**. All reported cases are investigated, escalated and resolutions are implemented accordingly.

The organisation has adopted a zero-tolerance approach towards fraud and corruption in the current financial year in a bid to uphold good corporate governance and embed a culture of integrity and honest work culture.

The recruitment policy was developed and approved by the Board. The policy enabled the SETA to appoint against the Board-approved structure.

APPRECIATION

We wish to acknowledge the ongoing efforts of all **FoodBev SETA** employees and management.

We are proud of our achievements as **FoodBev SETA** and remain resolute that whatever the outcomes, the foundation set for the sector delivery as is evidenced by the clean audit achieved will attest to the relevance of the **FoodBev SETA** to the manufacturing sector of Foods and Beverages.

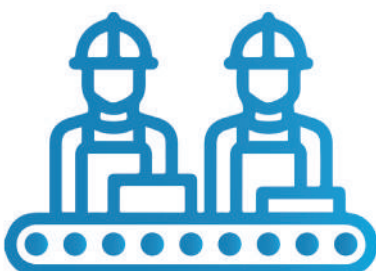
A heartfelt thank you to our stakeholders and partners for your support and confidence in our abilities.

Our sincere gratitude to the **Minister of Higher Education, Science and Technology, Dr Blade Nzimande** for his confidence in our ability to deliver on the mandate and for his encouragement and guidance.

We are equally pleased and welcome the Minister's publication of the new SETA Landscape, which re-establishes the SETAs until 2030 to ensure alignment with the National Development Plan. This promulgation will bring about change and stability to the leadership and governance within the FoodBev SETA and skills development sectors aimed at achieving an educated, skilled and a capable workforce in South Africa.

On behalf of the Accounting Authority, we pledge our unwavering support for the NSDS mandate in supporting the NDP vision.

It is my pleasure to present the 2018/2019 Annual Report of Food and Beverages Manufacturing SETA.



A handwritten signature in black ink, appearing to read 'Mapule Ncanywa', written over a horizontal line.

Ms Mapule Ncanywa
Acting Chairperson of the Accounting Authority
31 July 2019

4. REPORT OF THE CHIEF EXECUTIVE OFFICER



Ms Nokuthula Selamolela
Chief Executive Officer

It is a pleasure and an honour to present the **Food and Beverages Manufacturing SETA's Annual Report for the 2018/19 financial year** encompassing our overall performance against set targets, human resources and leadership, quality assurance, financial management, supply chain management and good corporate governance. We are equally pleased that we have made a significant contribution in support of the South African government plans to create **“a skilled and capable workforce”** to back an inclusive growth path.

In bringing about stability to the organisation, FoodBev SETA welcomed the appointments of the new Board that took office from **1 April 2018**, and of a permanent **Chief Executive Officer (CEO)** in December 2018. These appointments provided overall leadership and guidance throughout the year.

ORGANISATIONAL PERFORMANCE

The period under review was demanding; however, I am satisfied that **FoodBev SETA** has made great strides in delivering on its mandate and set targets in the face of a challenging operating environment. Overall, FoodBev SETA managed to **improve its organisational performance from 80% reported in 2017/18 to 85% in the 2018/19 financial year.**



Skills Planning and Learning Programmes

During the year under review, FoodBev SETA embarked on an extensive consultation process with the food and beverages manufacturing sector to capacitate stakeholders on internal policies and procedures, including training on the use of the online grant system for the submission of application forms, resulting in 753 large, medium and small companies submitting Annexure 2 documents.

As part of increasing access to occupationally directed learning programmes that will address scarce, critical, language and numeracy skills in the sector, FoodBev SETA spent **R245 million on Discretionary Grants in the Annual Performance Plan (APP) and registered a total of 8,983 learners.** These grants were used to intervene in several programmes such as learnership programmes (employed and unemployed); Learnerships aimed at upskilling people with disabilities, training of small business owners and their employees, **Recognition of Prior Learning (RPL)**, skills programmes, placement of learners in workplaces, bursary support for the employed, developing of artisans, bursaries for doctoral studies and unemployed bursary programmes.

4. REPORT OF THE CHIEF EXECUTIVE OFFICER



During the year under review, the number of employed learners **registered on learnerships increased by 111%**. The number of students funded to obtain full or part qualifications through **Recognition of Prior Learning (RPL) Learnerships increased by 86%**.

Skills Planning and Learning Programmes

In addition, FoodBev SETA has contributed immensely to upskilling employed and unemployed learners who participated in the various learning programmes funded by the SETA. The objectives of the learning programmes were to address the scarce and critical skills in the sector. What is more encouraging is that the number of students supported through the research and innovation bursary programme for **doctoral degrees increased by 100%**, while the number of **TVET students placed at workplaces significantly increased by 316%**.

In growing a capable public TVET Sector, FoodBev SETA rolled out a TVET Lecturer Capacitation Programme through the placement of TVET lecturers within the Food and Beverages Manufacturing Sector companies for exposure and development in the latest technological advancements and industry skills, which will contribute in the development of their lecturing skills. The TVET Lecturer Capacitation Programme took a two-pronged approach to increase the capacity of TVET Colleges by either placing TVET lecturers within the FoodBev manufacturing companies or placement of food and beverages manufacturing experts at TVET colleges as guest lecturers. A total of R416,000 was committed towards the support of nine (TVET Lecturers recruited from five TVET Colleges, namely Vhembe, Tshwane South, South West Gauteng, Capricorn and Vuselela, and hosted by the following companies Clover SA, Limpopo Dairies, Wafer King and United National Breweries respectively.

Furthermore, **FoodBev SETA is proud to have sent 70 learners on a learning programme to the People's Republic of China on a 12-month work-based integrated learning programme.** The programme targeted TVET college graduates who have completed engineering studies at various TVET colleges. The fields of studies that are covered in this programme are mechanical and electrical engineering, fitter and turners, boilermakers and millwrights. The learners were selected based on their field of studies and placed at various Chinese colleges as well as at various Chinese host companies for internship.

FoodBev SETA hosted and participated in 25 career guidance exhibitions and school talks across all nine provinces. Of the 25 career events 13 were held in rural communities and 12 in urban areas. As a result, a total of 6,669 high school learners and unemployed youth were reached.

A tracer and impact study was commissioned to empirically examine the impact of learnerships (employed and unemployed) and apprenticeships (employed and unemployed). The study was conducted to understand the learners' progress and the related impact of these training interventions. **The key findings were that FoodBev SETA's initiatives were successful and had a positive impact on society and/or beneficiaries. The skills acquired from the programmes were found to be successful and helped the beneficiaries to obtain jobs.**

FoodBev Seta supported 70 out of 100 small businesses through training in various skills programmes. These training programmes focused on skills programmes that support business growth, such as business practices and food safety handling.

4. REPORT OF THE CHIEF EXECUTIVE OFFICER



Quality Assurance

FoodBev SETA enhanced its quality assurance processes and systems by integrating its Quality Council for Trades and Occupations (QCTO) delegated functions with a broader monitoring and evaluation strategy. The pool of subject matter experts contracted to perform external moderation was increased, and the tools used were revised to include implementation of monitoring elements in addition to learning programme quality verification. The FoodBev SETA monitoring and evaluation strategy will continuously be reviewed to support and enhance implementation of the mandate.

In total, 1,960 certificates and 2,500 endorsement letters were issued to learners who successfully completed food and beverages manufacturing qualifications and skills programmes. FoodBev SETA funded most of these qualifications in an effort to address scarce and critical skills in the sector.

FoodBev SETA relied on employers, TVET Colleges, Community Colleges, Universities, NSFAS and training providers to report on learners' progress on funded programmes that do not fall directly within our scope of quality assurance. Often these key stakeholders fail to timeously report and submit completion records, which has a negative effect on the achievement of the FoodBev SETA's mandate and targets. We therefore urge all our stakeholders to work closely with us in the effective and efficient roll-out of all programmes.

In the year under review, the ETQA managed to register the qualification of the Dried Dairy Products Process Operator with the QCTO and South African Qualifications Authority (SAQA). FoodBev SETA will continue to engage with the QCTO on the registration of the remaining qualifications submitted



4. REPORT OF THE CHIEF EXECUTIVE OFFICER

Human Capital

Amid the SETA landscape uncertainties and high staff turnover, a Human Resources Manager was appointed to implement the Human Resources (HR) Plan. Part of the implementation entailed the achievement of various targets in the HR Plan such as filling approved vacant positions and making key appointments to enable FoodBev SETA to provide an efficient and effective service to stakeholders.

The HR Plan also included the finalisation of the long outstanding job grading and salary benchmarking exercise, and introducing a standardised employee performance management system to ensure that all employees have signed performance agreements that were used as a tool to effectively manage and monitor performance in line with organisational goals and objectives. During the year under review, fewer disciplinary cases were recorded, which resulted in three employees being given written warnings and one employee reinstated. No employee dismissals or suspensions were recorded.

Lastly, several HR policies were developed and implemented to ensure compliance with relevant employment legislation and to inform employees of FoodBev SETA's expectations and obligations.

Good Corporate Governance

FoodBev SETA is a **Schedule 3A public entity**. It subscribes to and is committed to complying with the principles and standards of integrity and accountability expressed in the **Public Finance Management Act (PFMA) (Act No. 1 of 1999)**, the relevant Treasury Regulations, and where applicable and practical, the King IV Report on Corporate Governance.

While the Board oversees the overall process and structure of corporate governance, each business unit and every FoodBev SETA employee is responsible for promoting good corporate governance practices.

FoodBev SETA has successfully implemented measures and controls to prevent fraud and corruption, as well as management of risk mitigation. In the year under review, we are pleased to report that there were no cases of irregular expenditure, or fruitless and wasteful expenditure due to prudent financial management.

FoodBev SETA has implemented the anonymous tip-off hotline platform outsourced to Deloitte and management investigates and escalates reported cases to the Board.

FINANCIAL OVERVIEW

During the year under review, FoodBev SETA received levy income and interest totalling R430 million compared to R384 million in the previous financial year. The total expenditure on grants was R320 million compared to R266 million in the previous financial year; this resulted in a significant improvement on the grant expenditure to revenue ratio from 77% to 83% in the year under review. FoodBev SETA reduced its surplus from R84 million in the previous financial year to R73 million. The improvement was due to conscious efforts to increase grant payments through processing and completion of registration documents. FoodBev SETA purchased fixed assets worth R1.7 million, which included leasehold improvements of R276,000. Furthermore, assets with a carrying value of R47,000 were disposed of.

FoodBev SETA is also proud to have entered into a funding partnership of R320 million with the Unemployment Insurance Fund (UIF) and the Department of Labour that contribute R270 million while we contribute R50 million, which marks a significant increase in skills funding. This project will be implemented in the new financial year.

As FoodBev SETA we have consistently maintained our record to unqualified audits due to our due diligence and prudent financial management.

4. REPORT OF THE CHIEF EXECUTIVE OFFICER

Retention of Surplus Funds

FoodBev SETA submitted a detailed request to the DHET and National Treasury for the preservation of its previous year's surplus funds; this request is not yet approved. The retained funds are utilised for, amongst others, allocation of additional numbers towards discretionary grants and engaging in different partnerships that support skills development initiatives. It is encouraging to report that the continuous mobilisation of stakeholders to participate in skills development initiatives has resulted in increased demand.



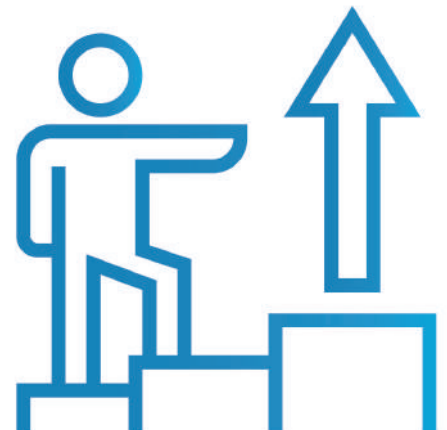
Supply Chain Management (SCM)

The Accounting Authority has implemented effective and efficient SCM systems through policies and procedures that are aligned to the Public Finance Management Act of 1999 (Act No. 1 of 1999) (PFMA), National Treasury regulations and other related legislation.

All relevant bid committees are in place. As a result, to the best of our knowledge, there were no irregular expenditure identified in the year under review that were caused by non-compliance to the supply chain policies and procedures of the organisation.

NEW OR PROPOSED ACTIVITIES

The sector profiles as indicated in the updated Sector Skills Plan (SSP), highlighted that the industry has still not been transformed as the trend of Africans in the food and beverages manufacturing sector occupying the lower occupational categories, relative to management categories continues.



4. REPORT OF THE CHIEF EXECUTIVE OFFICER

To address these sectoral and government initiatives, the FoodBev SETA has dedicated its funds for the following projects:

- Grant funding for people with disabilities, women, and bursaries for low-income unemployed youth;
- Assigning higher targets for the training of artisans;
- Collaborating with other government institutions and private sector to fund cooperatives in support of rural communities, especially women and youth;
- Increasing the allocation of bursaries for relevant management development studies to Africans, particularly females, in the food and beverages value chain;
- Funding the development of black academic researchers at Master and PhD levels to address the high-level skills shortage in the research space;
- Intensifying collaborations with employers, higher education institutions, community colleges, Technical Vocational Education and Training (TVET) colleges, government entities, private training providers, and other SETAs in order to implement skills development initiatives;
- Funding the international leadership development programme for employees in the sector who are at junior and senior management levels.

In the 2019/20 financial year, plans are in place to create new activities to build a skilled workforce through:

- Continued engagement with the QCTO on the registration of the remaining qualifications submitted after the ETQA;
- Finalisation and implementation of the outcomes of the skills audit conducted in the 2018/19 financial year, which will assist in the development of personal development plans and address any skills and performance gaps;
- Reviewing and developing of organisational policies and to ensure that they align with legislation and any amendments, that have been affected;
- Continued with the implementation of the performance management system introduced in the 2018/19 financial year to ensure that all employees have signed performance agreements that set goals and track progress throughout the year to ensure targets and objectives are achieved;
- Introduction of the Employee Assistance Programmes (EAPs) to support employees through any challenges that may affect their performance, health and wellbeing.
- The programme will include assessments, short-term counselling and referral services for employees and their household members;



4. REPORT OF THE CHIEF EXECUTIVE OFFICER

- Resuscitation of Occupational Health and Safety (OHS) initiatives and awareness within the organisation;
- Reviewing the brand and communication to reach out to society and stakeholders at large. The management and board will undergo media training to ensure that they effectively participate in the process of communicating the FoodBev SETA brand;
- Implementation of the partnership with the Unemployment Insurance Fund (UIF) and Department of Labour. The project will provide unemployed beneficiaries with training interventions across several high-demand qualifications in the sector. The project will focus on learnerships, skills programmes, small business development (new venture creation) and apprenticeships;
- In order for the food and beverages industry to have a skilled workforce and growth, the FoodBev SETA is planning to intensify its collaborations with employers, higher education institutions, rural universities, Technical Vocational Education and Training (TVET) Colleges, Community Colleges, Agri-SETA, and other SETAs, and use research to achieve NSDS III goals;

To strengthen the chambers' institutional arrangements and ensure maximum participation from members to:

- Build the capacity of member organisations on issues that impact on the industry;
- Establish work groups to discuss and resolve challenges faced by chambers;
- Convene regular combined chamber meetings/sessions and workshops to increase member participation and visibility;
- Forge beneficial and mutual partnerships with institutions that are pro skills development; and
- Increase the number of levy-paying organisations and increase the number of stakeholders that contribute towards skills development in the sector.



ACKNOWLEDGEMENTS

I am optimistic that 2019/20 will prove to be pivotal in ensuring that our programmes continue to contribute in promoting the skills development in our growing economy. This will only be realised with the assistance and support of our key stakeholders, FoodBev SETA employees and management.

Lastly, on behalf of Foodbev SETA, I am grateful that the Minister has approved and published the re-establishment of the SETAs until 2030. This is an exciting and a significant outcome for us.

I believe that the new SETA landscape will bring about stability within the organisation and better position the FoodBev SETA as a skills development partner of choice.

Ms Nokuthula Selamolela
Chief Executive Officer
31 July 2019

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the Auditor-General of South Africa.

The Annual Report is complete, accurate and free of any omissions.

The Annual Report has been prepared in accordance with the guidelines issued by the National Treasury.

The annual financial statements have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the FoodBev SETA.

The Accounting Authority is responsible for the preparation of the annual financial statements and the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal controls that have been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the HR information and the annual financial statements.

The Auditor-General is engaged in expressing an independent opinion on the annual financial statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the HR information and the financial affairs of the FoodBev SETA for the fiscal year ended 31 March 2019.

Yours faithfully,



Chief Executive Officer

Date: 31 July 2019



Acting Chairperson of the Accounting Authority

Date: 31 July 2019

6. STRATEGIC OVERVIEW



6.1 Our Vision

To have sufficient and appropriate knowledge and skills available in the Food and Beverages Manufacturing Sector.



6.2 Our Mission

- To expand the availability and accessibility of knowledge and skills in the sector, including but not limited to, rural areas;
- Establish a credible institutional mechanism that facilitates skills development with greater efficacy; and
- To remain relevant by providing quality learning standards and qualifications.



6.3 Our Values

FoodBev SETA subscribes and is committed to:

- **Service Excellence:** Take pride in satisfying stakeholder needs.
- **Accountability:** Accept responsibility and delivering on our commitments.
- **Integrity:** Act with integrity in all we do (doing what's right).
- **Respect:** Deliver on our commitments with the utmost respect towards our stakeholders.



Our vision is to have sufficient and appropriate knowledge and skills available in the Food and Beverages Manufacturing Sector.



7. LEGISLATIVE AND OTHER MANDATES

7.1 Legislative and Policy Mandates

The FoodBev SETA is a Schedule 3A public entity established in terms of the Public Finance Management Act No.1 of 1999 (as amended). The SETA derives its mandate from the Constitution of the Republic of South Africa, which gives everyone the right to education. This constitutional mandate is strengthened by the following critical pieces of legislation, which are directly applicable to the FoodBev SETA:

- The Standard Constitution of SETA regulations;
- The Skills Development Act No. 97 of 1998 (as amended);
- The Skills Development Levies Act No. 9 of 1999;
- The Sector Education and Training Authorities SETAs grant regulations regarding monies received by a SETA and related matters (grant regulations);
- Rules regarding the establishment of Sector Education and Training Authorities;
- The National Qualifications Framework Act (No. 67) of 2008 (as amended);
- The Public Finance Management Act No. 1 of 1999 (as amended); and
- The National Treasury Regulations governing public entities.

7.2 Other Policy Mandates and Frameworks

- National Skills Development Strategy III;
- National Development Plan;
- Medium Term Expenditure Framework;
- Medium Term Strategic Framework;
- Human Resources Development Strategy of South Africa;
- National Skills Accord;
- Industrial Policy Action Plan;
- White Paper for Post-School Education and Training; and
- SETA Constitution and various internal policies and procedures.

7.3 Key Policy Developments and Legislative Changes

In the year under review, the Minister of Higher Education and Training gazetted the following regulations, regulation amendments and policies:

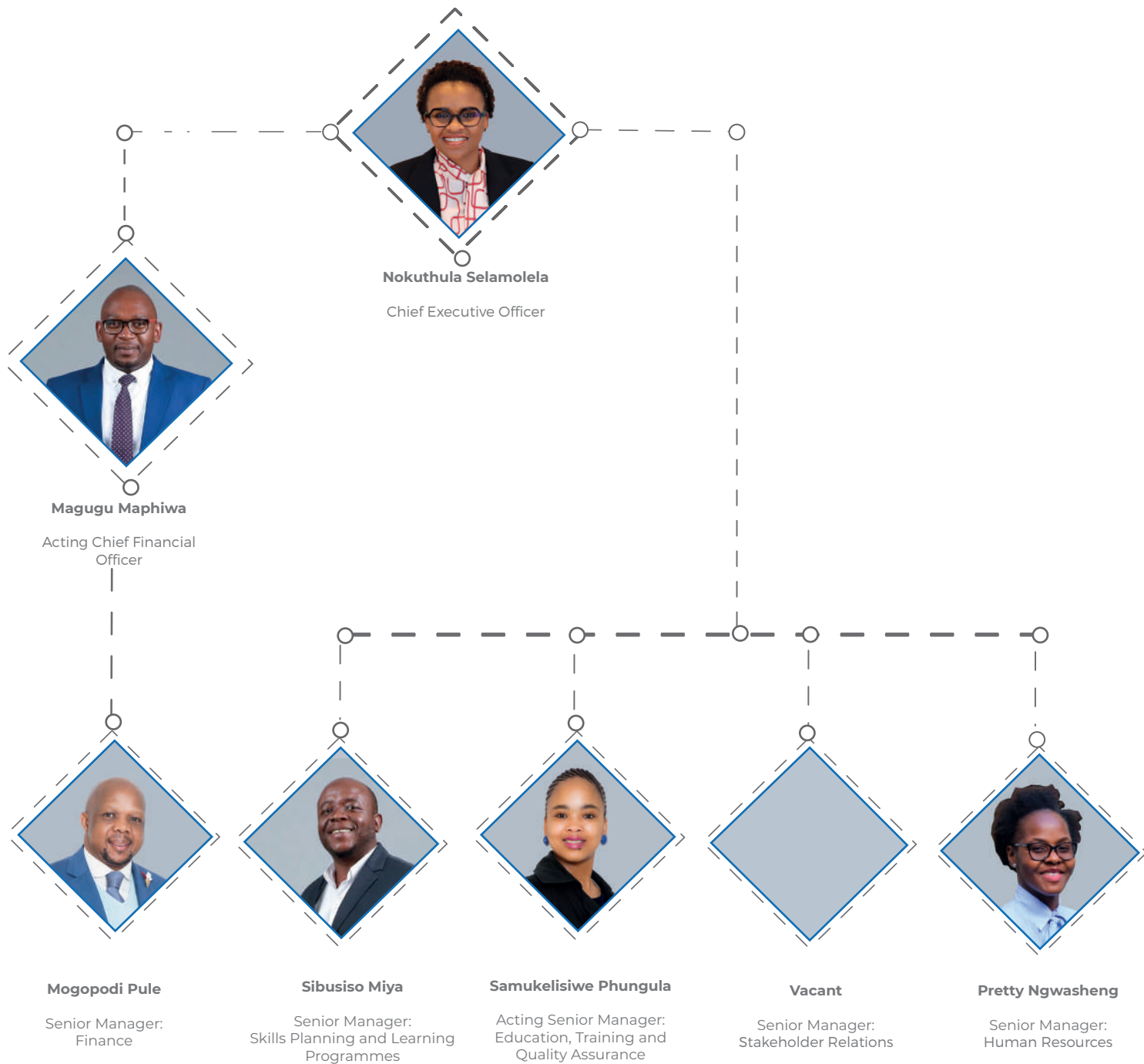
- Gazette 42290: Promulgation of the National Skills Development Plan (NSDP);
- Workplace-Based Learning Programme Regulations Agreement;
- Gazette 41856: Call for public comments on the proposed new SETA landscape for comments;
- National list of occupations in high demand 2018.

7. LEGISLATIVE AND OTHER MANDATES

7.4 Scope of Coverage

SIC Code	Main Business Description
30100	Production, processing and preservation of meat, fish, fruit, vegetables, oils and fats
30110	Production, processing and preserving of meat and meat products
30112	Manufacture of prepared and preserved meat, including sausage; by-products (hides, bones, etc.)
30113	Production of lard and other edible fats
30120	Processing and preserving of fish and fish products
30121	Manufacture of canned, preserved and processed fish, crustaceans and similar foods (except soups)
30130	Processing and preserving of fruit and vegetables
30131	Manufacture of canned, preserved, processed and dehydrated fruit and vegetables (except soups), including fruit juices, juice extracts and potato flour meal
30140	Manufacture of vegetable and animal oils and fats
30141	Manufacture of crude oil and oilseed cake and meal
30142	Manufacture of compound cooking fats, margarine and edible oils
30200	Manufacture of dairy products
30201	Processing of fresh milk (pasteurising, homogenising, sterilising and vitaminising)
30202	Manufacture of butter and cheese
30203	Manufacture of ice cream and other edible ice, whether or not containing cream or chocolate
30204	Manufacture of milk powder, condensed milk and other edible milk products, e.g. ghee
30312	Manufacture of breakfast foods
30401	Food preparation
30410	Manufacture of bakery products
30430	Manufacture of cocoa, chocolate and sugar confectionery
30440	Manufacture of macaroni, noodles, couscous and similar farinaceous products
30490	Manufacture of other food products N.E.C.
30491	Manufacture of coffee, coffee substitutes and tea
30492	Manufacture of nut foods
30499	Manufacture of spices, condiments, vinegar, yeast, egg products, soups and other food products N.E.C.
30500	Manufacture of beverages
30510	Distilling, rectifying and blending of spirits; ethyl alcohol production from fermented materials; manufacture of wine
30520	Manufacture of beer and other malt liquors and malt
30521	Breweries, except sorghum beer breweries
30522	Sorghum beer breweries
30523	Manufacture of malt
30530	Manufacture of soft drinks; production of mineral waters
30600	Manufacture of tobacco products

8. HIGH-LEVEL ORGANISATIONAL STRUCTURE



BEVERAGE MANUFACTURING

The sub-sector manufactures spirits, beer, malt, soft drinks and mineral water, with wine and beer being major outputs.



PART B

PERFORMANCE INFORMATION

1. PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) has performed the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The AGSA's report to management includes the audit conclusion on the performance against predetermined objectives.

Refer to pages 63-68 of the External Auditors Report, published as Part E: Financial Information.

1.1 Situational Analysis

Service Delivery Environment

The Strategic Plan and Annual Performance Plan (APP) for the year under review was implemented in a service delivery environment that was not without challenges. FoodBev SETA relied on employers and training providers to report and submit progress reports within agreed timelines to assist with the implementation of the APP. However, there were several challenges encountered during the year such as delayed submissions of progress reports, completions or certifications of learners on approved programmes which had a negative impact on the achievement of the set targets in the APP and SLA with Department of Higher Education and Training (DHET).

Furthermore, a number of approved programmes could not be realised and had to be cancelled due to failure to submit enrolment forms and registration documents by TVET Colleges, Universities, NSFAS, and other grant beneficiaries.

The standardisation of learner stipend was not finalised and remains a huge challenge for FoodBev SETA in that it continued to impact learner participation and performance in the approved programme. This resulted in some learners dropping out of the programme and also creating competition amongst the SETAs as a whole.

In an effort to improve on the above-mentioned challenges:

- FoodBev SETA conducted advocacy and stakeholder engagement workshops. These engagements proved to be a success in the level of compliance and quality of documents submitted by stakeholders. Notwithstanding that students still experienced challenges regarding payment of stipends by TVET Colleges due to late submission

of banking details by students. An extensive drive to capacitate TVET Colleges that receive grants is planned for the new financial year.

- FoodBev SETA implemented an accelerated monitoring of the training implementation process in the year under review, this resulted in the completion and closure of learners on various learning programmes from previous financial years both on the system and commitment register; and collection of 514 outstanding learnership certificates and completion reports from other SETAs.
- A need to develop a thoroughly researched policy to guide the determination and standardisation of learner stipend should be prioritised.

Lastly, one of the key areas that FoodBev SETA prioritised during the year under review was on the engagement of Small and Micro Enterprises (SMEs) to encourage and increase their participation in programmes offered. The SMEs expressed a desire for a customised and focused approach that will allow the SMEs to identify training providers and relevant skills programmes that would better suit and aide their businesses to grow and become self-sustainable. The recommendations were implemented in the last quarter of the financial year which yielded a better uptake of skills programmes although it was less than the set target of 100.

Organisational Environment

FoodBev SETA started the year under review with confidence after achieving its first clean audit in the financial year 2017/2018. This was further strengthened by the appointment of a new Accounting Authority on 1 April 2018; a full-time CEO on 8 December 2018, after she had held the fort as an Acting CEO for four years; and a Chief Financial Officer was appointed in an acting capacity. These appointments brought stability and confidence in providing strategic leadership and management. A total of 12 appointments were made to capacitate the organisation to deliver on its mandate and thus making the FoodBev SETA an employer of choice.

FoodBev SETA performance was set out to deliver four programmes and 47 performance indicators. Out of the 47 performance indicators, 38 were achieved and nine were not achieved. Out of the nine performance indicators, two were partially achieved and seven were not fully achieved.

1. PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

This translates to an improved organisational performance from 80% reported in 2017/18 to 81% (85% including sector funded programmes) in the 2018/19 reporting period.

Consequently, grant disbursements improved significantly from R266 million (77% of revenue) for 2017/2018 to R320 million (83% of revenue) in the 2018/19 reporting period. As a result, there was a reduction of surplus retention in the current financial year of R73 million as compared to R84 million reported in the previous year. The improvement in performance can be attributed to the fostered teamwork of management and staff under the leadership of the CEO.

Amongst other key policy developments and legislative changes gazetted by the Minister, the following posed a huge organisational risk for FoodBev SETA during the year under review:

DHET called for public comments on the proposed SETAs landscape, which included the proposal to merge FoodBev and Agri-SETA. This brought about uncertainty within the organisation in relation managing employee morale-attraction and retention of employees. As a result of these eminent changes, FoodBev recorded eight resignations due to job insecurities. However, on 15 March 2019, the Minister of Higher Education and Training promulgated the NSDP and SETA landscape which will bring about changes regarding the leadership and governance in skills development to improve and achieve an educated, skilled and a capable workforce within the country. FoodBev SETA is hopeful that the promulgation and approval of the SETA landscape will ensure stability within the organisation.

Furthermore, the Quality Council for Trades and Occupations (QCTO) invited comments regarding the QCTO's plan to revoke the quality assurance function delegated to SETAs. At the end of the financial year, no feedback had been received and the delays have brought uncertainty in the delivery of quality training. This mostly had a negative impact on the new training companies. These changes will have an impact on the FoodBev SETA's current ETQA function and allocated resources, which will have to be re-looked in the new financial year.

1.2 Strategic Outcome-Oriented Goals

The Strategy of FoodBev SETA aligns to outcome five of the 14 government outcomes, namely "A skilled and capable workforce to support an inclusive

growth path". The following outputs were taken into consideration when developing the strategic goals of the SETA:

- 1.2.1 Establish a credible institutional mechanism for skills planning;
- 1.2.2 Increase access to programmes leading to intermediate and high-level learning;
- 1.2.3 Increase access to occupationally directed plans in needed areas;
- 1.2.4 Increased access to occupationally directed schedules in required fields and thereby expanding the availability of intermediate level skills with particular focus on artisan skills; and
- 1.2.5 Enhance research, development and innovation in human capital for a growing knowledge economy.

FoodBev SETA has defined ten strategic outcome-oriented goals to realise the outcomes as mentioned earlier:

- I. Strategic Outcome-oriented Goal 1:**
Establishing a credible institutional mechanism for skills planning
- II. Strategic Outcome-oriented Goal 2:**
Increasing access to occupationally directed programmes.
- III. Strategic Outcome-oriented Goal 3:**
Promoting the growth of a public TVET college system that is responsive to sector, local, regional and national skills needs and priorities and enter into strategic partnerships with different stakeholders in the sector.
- IV. Strategic Outcome-oriented Goal 4:**
Addressing the low level of youth and adult language and numeracy skills to enable additional training.
- V. Strategic Outcome-oriented Goal 5:**
Encouraging better use of workplace-based skills development.
- VI. Strategic Outcome-oriented Goal 6:**
Encouraging and supporting co-operatives, small enterprises, NGO and community training initiatives.

1. PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

VII. Strategic Outcome-oriented Goal 7:

This goal relates mostly to the DHET rather than FoodBev SETA and, therefore, was not included as part of the strategic objectives.

VIII. Strategic Outcome-oriented Goal 8:

Building career and vocational guidance.

XI. Strategic Outcome-oriented Goal 9:

Improve effectiveness, efficiency for an optimally functioning SETA.

X. Strategic Outcome-oriented Goal 10:

Establish and maintain effective quality assurance mechanisms.

XI. Strategic Outcome-oriented Goal 11:

To create a clear framework and organisational mechanism that will be used to undertake effective quality management, monitoring, evaluation and support.

1.3 Performance information by programme

FoodBev SETA had four programmes during the year under review, as shown in the table below:

Programme 1	Administration and Support
Strategic Objective 9.1: To provide strategic leadership, management and support service to the organisation.	
Programme 2	Skills Planning
Strategic Objective 1.1: To establish a research system that will have the capacity to generate credible and reliable sector intelligence and information to support skills planning, monitoring and evaluation.	
Strategic Objective 5.1: Provision of continuous training to improve overall productivity and performance of the food and beverages manufacturing sector (quality WSPs and ATRs).	
Programme 3	Learning Programme and Projects
Strategic Objective 2.1: To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	
Strategic Objective 3.1: Partnerships between the SETA, employers and public TVET colleges are formed to assist TVET colleges with placement and to increase the capacity of lectures to meet industry needs. FoodBev SETA also enters into strategic partnerships with government departments and institutions of higher learning.	
Strategic Objective 4.1: To support AET training interventions that facilitate intermediate and high-level learning.	
Strategic Objective 6.1: FoodBev SETA aims to increase participation of small businesses including the non-levy paying employers, non-profit organisations, community-based organisations and co-operatives in the food and beverages manufacturing sector by facilitating training that will lead to their sustainability.	
Strategic Objective 8.1: It also seeks to create awareness amongst youth through the development and distribution of career guides to facilitate entry into careers that are in demand in the food and beverages manufacturing sector. It is conducting career guide events that will facilitate entry into professions that are scarce and critical in the food and beverages manufacturing sector.	
Strategic Objective 11.1: To maintain and focus on qualitative indicators and reports to ensure return on investment and the impact of training and development to the employed and unemployed learners.	
Programme 4	Quality Assurance
Strategic Objective 10.1: To ensure the establishment of the necessary capacity for adequate quality assurance of all learning programmes.	

1. PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

1.3.1 Programme 1: Administration and Support

The purpose of this programme is to provide overall management, strategic leadership and administrative services to the organisation. This programme is underpinned by five performance indicators which were all achieved. In support of the programme, a Human Resources (HR) Plan was reviewed and developed to analyse, forecast and identify the current and future human resources need for FoodBev SETA to achieve its goals. Twelve permanent positions were filled during the year under review. However, the recorded vacancy rate is still high, at 21%. An organisational structure review process was also finalised, which entailed a job evaluation and salary reviews. All FoodBev SETA employees have updated and validated job profiles.

To ensure organisational compliance, five HR policies were developed and approved by the Accounting Authority. These policies are the Recruitment, Selection and Probation policy, Training and Development Policy, Performance Management policy, Acting policy, and Remuneration, Rewards and Recognition policy.

FoodBev SETA reviewed and developed a Strategic Risk Management Register, and an Annual Procurement Plan, which was submitted to the National Treasury within the required timelines in line with the PFMA of 1999. Furthermore, an IT Strategic Plan also developed and presented to the Board. These documents were approved on 15 March 2019 and implemented in the new financial year.

1.3.2 Programme 2: Skills Planning

The Skills Planning programme is responsible for skills planning for the food and beverages manufacturing sector, in accordance with targets set by the NSDS III, which reflect the training and educational needs of the industry.

In the year under review, FoodBev SETA embarked on an extensive consultation process with the food and beverages manufacturing sector to identify the sector's skills needs, which resulted in 753 large, medium and small companies submitting Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs). These informed the PIVOTAL list. The Sector Skills Plan (SSP) was developed and presented to the DHET and Parliament and subsequently approved with minor recommendations. The SSP, over and above the PIVOTAL list, informed the critical strategic priorities of the FoodBev SETA and was implemented through the allocation of discretionary grants.

Furthermore, FoodBev SETA conducted and finalised a tracer and impact study on all FoodBev SETA-funded learnerships and apprenticeships for the period between the 2011 and 2016 financial years. The key findings were that FoodBev SETA initiatives during the mentioned time period were successful and had a positive impact on society and/or beneficiaries. The skills acquired from the programmes were found to be useful and helped the beneficiaries obtain jobs. Despite the resource constraints in the research unit, a research agenda for 2019/2020 developed and approved by the Accounting Authority, which entailed a tracer study on bursaries and internship programmes and the sector skills plan.

1.3.3 Programme 3: Learning Programmes and Projects

Learning Programmes

FoodBev SETA implemented various learning programmes through the Discretionary Grants process to increase access to occupationally directed learning programmes that will address scarce, critical, language and numeracy skills in the sector. During the year under review, FoodBev SETA spent R245 million on Discretionary Grants in the Annual Performance Plan (APP) and registered a total of (9, 412) learners through the provision of the following;

- Learnership Programmes (employed and unemployed);
- Learnership Programme for People with Disabilities;
- Recognition of Prior Learning (RPL);
- Skills Programmes;
- Candidacy Programme;
- Internships;
- Work Experience;
- TVET Student Placements and TVET Bursary Programme;
- Apprenticeship Programme;
- Adult Education and Training (AET);
- Undergraduate Bursary Programme; and
- Research and Innovation Bursary Programme.

From the interventions mentioned above, only three targets relating to Recognition of Prior Learning (RPL) Undergraduate Bursary Programme and TVET Bursary Programme were not achieved due to late cancellations by employers and non-submission of learner enrolment forms.

1. PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

TVET Lecturer Capacitation Programme

To grow a capable public TVET Sector, FoodBev SETA has undertaken to place TVET lecturers within the Food and Beverages Manufacturing Sector companies for exposure and development in the latest technological advancements and industry skills, which will contribute in the development of their lecturing skills.

The TVET Lecturer Capacitation programme took a two-pronged approach to increase the capacity of TVET Colleges by either placing TVET lecturers within the FoodBev Manufacturing companies or placement of food and beverages manufacturing experts at TVET colleges as guest lecturers. A total of R416,000 was committed towards the support of nine TVET Lecturers recruited from five TVET Colleges, namely Vhembe, Tshwane South, South West Gauteng, Capricorn and Vuselela, and hosted by the following companies Clover SA, Limpopo Dairies, Wafer King and United National Breweries respectively. Few challenges were encountered in that colleges and companies underestimated the task of scheduling workplace and guest lecturing placements. However, this delayed the full implementation and led to several extensions, late submission of close-out reports and ultimately cancellations.

Small Businesses

In the year under review, 70 out of 100 small businesses were supported through training in various Skills Programmes. These training programmes focused on skills programmes that support business growth, such as business practices and food safety handling. The non-achievement attributed to the lack of interest in the programmes offered by the SETA, in that they are not supporting or addressing important business skills needs.

Building Career and Vocational Guidance

FoodBev SETA's career and vocational guidance covered a broad spectrum of jobs in the sector. The purpose of hosting career and professional guidance was to create awareness of the full range of careers and learning pathways in the food and beverages manufacturing sector. Learners from Grades 10-12 and unemployed youth were guided on how to plan and choose appropriate qualifications post matric. During the interactions with youth, FoodBev SETA established that a vast number of learners were not fully aware of the different economic sectors, and the particular skills demand or portability of chosen careers. In the year under review, FoodBev SETA hosted and participated in 25 career guidance

exhibitions and school talks across all nine provinces. Of the 25 events, 13 were held in rural communities, and 12 were in urban areas. A total of 6,669 career guides were distributed to high school learners and unemployed youth.

Furthermore, FoodBev SETA partnered with the Department of Basic Education in their promotion of the Second Chance Programme. The programme aimed at encouraging learners in the rural communities (Mpumalanga, Northern Cape, Limpopo, Eastern Cape and KwaZulu-Natal) who have not completed their Grade 12 to write or re-write. More provinces will be targeted in the new financial year.

Monitoring and Evaluation

The purpose of the Monitoring and Evaluation (M&E) is to assist FoodBev SETA to improve its performance and achieving its intended objectives and planned targets. The M&E unit played a vital role, which resulted in an increase in the learner completion rate and conducted 85 physical site visits in the year under review. As a result, the FoodBev SETA achieved an overall performance of 72% against completion targets for all approved learning programmes.

However, there were a number of challenges experienced during the year, in that FoodBev SETA companies did not adhere to the policies and procedures, learner registration documents or progress, close out reports were not submitted to update learners' status on the database system, and termination of learners was not communicated timeously. Learners behind schedule also continued to increase as companies did not adhere to their learning programme implementation plans. To mitigate and reduce the risk, FoodBev SETA appointed 77 external moderation companies to assist the SETA to minimise the challenges.

1.3.4 Programme 4: Quality Assurance

FoodBev SETA enhanced its quality assurance processes and systems by migrating and centralising all completion targets from Skills Planning and Learning Programme to the ETQA department. This change resulted in the issuing of 1,660 credit-bearing certificates for full qualifications and 541 endorsement letters to learners. Furthermore, the ETQA managed to register the qualification of the Dried Dairy Products Process Operator with the QCTO and SAQA. FoodBev SETA will continue to engage with the QCTO on the registration of the remaining qualifications submitted.

2. PERFORMANCE INFORMATION BY PROGRAMME

Performance tables per programme (entered and completions):

For all the targets that were not achieved, several reasons for underachievement are detailed. In the case where targets were exceeded, funds were made available from the retained funds and channelled towards the skills development initiatives including discretionary grant funding. The continuous mobilisation of stakeholders to participate in skills development initiatives has resulted in the increased demand.

Below is an explanation of the percentage of actual achievement:

- 100% denotes that the target has been achieved or exceeded by the end of the financial year;
- 75%-99% means that the annual goal was almost achieved based on the substantial progress made by the end of the fiscal year;
- 50%-74% denotes that the target has not completed, but strides were made to achieve the objective. Non-achievement attributed to other factors that might have been beyond the control of the SETA.
- 0 – 49% denotes that the target has not achieved and mitigating action plans will be implemented in the new year to address the shortcomings identified.

Programme 1: Administration and support

Strategic Outcome-oriented Goal 9	Improve effectiveness, efficiency for an optimally functioning SETA						
Strategic Objective 9.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To provide strategic leadership, management and support service to the organisation.	Approved Annual Human Resources Plan	0	1	1	-	100%	Target achieved
	Number of approved positions filled	New indicator	12	12	-	100%	Target achieved
	Approved Annual Strategic Risk Register	1	1	1	-	100%	Target achieved
	Approved Annual Procurement Plan	New indicator	1	1	-	100%	Target achieved
	Approved Annual IT Strategic Plan	0	1	1	-	100%	Target achieved

2. PERFORMANCE INFORMATION BY PROGRAMME

Programme 2: Skills Planning

Strategic Outcome -oriented Goal 1	Establish a credible institutional mechanism for skills planning						
Strategic Objective 1.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To establish a research system that will have the capacity to generate credible and reliable sector intelligence and information to support skills planning, monitoring and evaluation.	An approved SSP	1	1	1	0	100%	Target achieved
	Number of research reports completed and approved that inform sector planning	0	6	6	0	100%	Target achieved; it should be noted that the number of research reports completed is inclusive of the SSP.

Strategic Outcome -oriented Goal 5	Establish a credible institutional mechanism for skills planning						
Strategic Objective 5.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
Provision of continuous training to improve overall productivity and performance of the food and beverages manufacturing sector (quality WSP and ATRs)	Number of companies evaluated and approved for workplace training	Large companies - 214	Large companies - 209	Large companies - 219	+10	105%	Target achieved and exceeded. The stakeholder capacitation workshops assisted in encouraging employers to participate in skills development initiatives by submitting the (Annexure2) applications
		Medium companies - 192	Medium companies - 198	Medium companies - 204	+6	103%	
		Small companies - 266	Small companies - 279	Small companies - 330	+51	118%	

2. PERFORMANCE INFORMATION BY PROGRAMME

Programme 3: Learning Programmes and Projects

Strategic Outcome-oriented Goal 2	Increasing access to occupationally directed programmes						
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support employed and unemployed learners to enter in various earning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of employed learners registered on learnerships	1,869	1,600	1,768	+168	111%	Target achieved and exceeded due to advocacy and stakeholder engagements resulting in an increase in registered learnerships.
	Number of unemployed learners registered on learnerships	2,152	1,600	2,399	+799	150%	Target achieved and exceeded due to advocacy and stakeholder engagements resulting in an increase in registered learnerships.
	Number of students funded to obtain full or part qualification through Recognition of Prior Learning (RPL) learnerships	New indicator	100	86	-14	86%	Target not achieved due to late cancellations and non-submission of enrolment forms from the approved companies.
	Number of employed learners registered on skills programmes	1,466	1,200	1392	+192	116%	Target achieved and exceeded due to advocacy and stakeholder engagements resulting in an increase in registered skills programmes.

2. PERFORMANCE INFORMATION BY PROGRAMME

Programme 3: Learning Programmes and Projects

Strategic Outcome-oriented Goal 2	Increasing access to occupationally directed programmes						
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of employed students funded through bursaries in higher education institutions (final year/postgraduate courses)	197	150	230	+80	153%	Target achieved and exceeded due to advocacy and stakeholder engagements resulting in an increase in registered employed students.
	Number of employees supported through Candidacy Programme	New indicator	5	7	+2	140%	Target achieved and exceeded due to advocacy and stakeholder engagements.
	Number of unemployed students funded through the TVET Bursary Programme	New indicator	100	60	-40	60%	Target not achieved due to non-submission of enrolment forms from the approved TVET Colleges.
	Number of students supported through the research and innovation bursary programme (doctoral studies)	33	30	30	0	100%	Target achieved
	Number of apprentices registered on apprenticeship programmes	204	192	229	+37	119%	Target achieved and exceeded due to advocacy and stakeholder engagements. The actual achievement includes seven learners who are enrolled under the Centre of Specialisation (CoS).

2. PERFORMANCE INFORMATION BY PROGRAMME

Programme 3: Learning Programmes and Projects

Strategic Outcome-oriented Goal 2	Increasing access to occupationally directed programmes						
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of students from the University of Technology registered on Internship Programmes	425	500	556	+56	111%	Target achieved and exceeded due to advocacy and stakeholder engagements. Over and above the 556 achieved, there were 8 additional learners that were not reported in the previous financial year (2017/18), which were funded by FoodBev SETA.
	Number of HET graduates placed in companies to gain work experience	545	500	543	+43	109%	Target achieved and exceeded due to advocacy and stakeholder engagements. Over and above the 543 achieved, there were 38 additional learners that were not reported in 2017/18 FY that were funded by FoodBev SETA.
	Number of TVET students placed at workplaces	503	405	1,280	+875	316%	Target achieved and exceeded due to advocacy and stakeholder engagements leading to more uptake of this programme. Over and above 1,280 achieved, there were three additional learners that were not reported in 2017/18 FY which were funded by FoodBev SETA.

2. PERFORMANCE INFORMATION BY PROGRAMME

Strategic Outcome -oriented Goal 3 Promoting the growth of a public TVET college system that is responsive to sector, local, regional and national skills needs and priorities and enter into strategic partnerships with different stakeholders in the sector							
Strategic Objective 3.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
Partnerships between the SETA, employers and public TVET Colleges are formed to assist TVET Colleges with placement and to increase the capacity of lectures to meet industry needs. To enter into strategic partnerships with government departments and institutions of higher learning.	Number of MoUs between TVET, employer for capacitation for work experience	12	7	13	+6	186%	Target achieved and exceeded due to additional interest from the TVET Colleges to participate in the lecturer workplace exposure programme.

Strategic Outcome -oriented Goal 4 Addressing the low level of youth and adult language and numeracy skills to enable additional training							
Strategic Objective 4.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support the AET training interventions that facilitate intermediate and high-level learning.	Number of employees registered on AET Programmes	428	250	298	+48	119%	Target achieved and exceeded due to advocacy and stakeholder engagements resulting in an increase in registered AET.

2. PERFORMANCE INFORMATION BY PROGRAMME

Strategic Outcome-oriented Goal 6	Encouraging and supporting cooperatives, small enterprises, NGO and community training initiatives						
Strategic Objective 6.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To increase participation of small businesses including the non-levy paying employers, non-profit organisations, community-based organisations and co-operatives in the food and beverages manufacturing sector by facilitating training that will lead to their sustainability.	Number of small business owners entered in skills programmes in a rural province	387	100	70	-30	70%	Target not achieved due to non-submission of learner enrolment forms from the approved companies.
	Number of people with disabilities entered in a learnership	New indicator	20	22	+2	110%	Target achieved and exceeded due to advocacy and stakeholder engagements resulting in an increase in registered learnerships.

2. PERFORMANCE INFORMATION BY PROGRAMME

Strategic Outcome-oriented Goal 8	Building career and vocational guidance						
Strategic Objective 8.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To create awareness amongst youth through the development and distribution of career guides in order to facilitate entry into careers that are in demand in the food and beverage manufacturing sector. Conducting career guide events that will facilitate entry into careers that are scarce and critical in the food and beverages manufacturing sector.	Number of career-oriented events hosted by FoodBev SETA	30	25	25	0	100%	Target achieved
	Number of career guides distributed in order to reach youth through career development awareness programmes	New indicator	6,500	6,669	+169	103%	Target achieved and exceeded due to the high number of learners who participated in career exhibitions than anticipated.

2. PERFORMANCE INFORMATION BY PROGRAMME

Strategic Outcome -oriented Goal 11	To create a clear framework and organisational mechanism that will be used to undertake effective quality management, monitoring, evaluation and support						
Strategic Objective 11.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To maintain and focus on qualitative indicators and report regularly to ensure return on investment and the impact of training and development to the employed and unemployed learners.	Number of companies visited annually in order to conduct verification of learning programmes	94	82	85	+3	104%	Target achieved and exceeded due to additional capacitation from external moderators, resulting in the ability to visit more companies than planned.

Programme 4: Quality Assurance

Strategic Outcome -oriented Goal 10	Establish and maintain effective quality assurance mechanisms						
Strategic Objective 10.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To ensure the establishment of necessary capacity for effective quality assurance of all learning programmes.	Development and registration of new QCTO qualifications	New indicator	1	1	0	100%	Target achieved
	Number of accredited training providers	New indicator	20	26	+6	130%	Target achieved and exceeded due to the high number of applications received for accreditation.

2. PERFORMANCE INFORMATION BY PROGRAMME

Completion of Target table Goal 2:

Strategic Outcome -oriented Goal 2							
Increasing access to occupationally directed programmes							
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector	Number of employed learners certified on a learnership	759	800	802	+2	101%	The achieved targets include completion results (certificates/ close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.
	Number of unemployed learners certified on a learnership	863	750	858	+108	114%	The achieved targets include completion results (certificates/ close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.

2. PERFORMANCE INFORMATION BY PROGRAMME

Strategic Outcome -oriented Goal 2	Increasing access to occupationally directed programmes						
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of RPL learnerships completed	New indicator	50	0	-50	0%	Target not achieved due to learner registration taking place in the third and fourth quarters of the year. These learners are anticipated to complete in the following financial year.
	Number of employed learners certified on a skills programme	694	600	541	-59	90%	Target not achieved for SETA funded but is achieved overall after considering sector funded certified by FoodBev SETA (refer to Sector Funded Completion table).
	Number of employed students completing final year and postgraduates	177	80	158	+78	198%	The achieved targets include completion results (certificates/ close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.

2. PERFORMANCE INFORMATION BY PROGRAMME

Strategic Outcome-oriented Goal 2	Increasing access to occupationally directed programmes						
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of employees completing the Candidacy Programme	New indicator	2	2	0	100%	The achieved targets include completion results (certificates/close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.
	Number of unemployed bursary students completing in TVET College	New indicator	50	0	-50	0%	Target not achieved due to learner registration taking place in the third and fourth quarter of the year.
	Number of Postgraduate students completing research and innovation programme (Doctoral studies)	18	15	18	+3	120%	The achieved targets include completion results (certificates/close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.

2. PERFORMANCE INFORMATION BY PROGRAMME

Strategic Outcome-oriented Goal 2	Increasing access to occupationally directed programmes						
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of unemployed bursary students completing from HET/Out	New indicator	100	43	-57	43%	Target not achieved due to non-submission of learner certificates.
	Number of students from university of technologies completing an internship	302	250	282	+32	113%	The achieved targets include completion results (certificates/ close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.
	Number of HET graduates completing for work experience programme	205	200	285	+85	143%	The achieved targets include completion results (certificates/ close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.

2. PERFORMANCE INFORMATION BY PROGRAMME

Strategic Outcome -oriented Goal 2	Increasing access to occupationally directed programmes						
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of TVET students placed at workplaces	275	190	199	+9	105%	Target achieved and exceeded due to increased site visits, resulting in an increase in registered TVET students placed at workplaces.
	Number of apprenticeships successfully completing artisan trade test	84	80	90	+10	113%	The achieved targets include completion results (certificates/ close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.

2. PERFORMANCE INFORMATION BY PROGRAMME

Completion Target for Goal 3:

Strategic Outcome -oriented Goal 3	Promoting the growth of a public TVET college system that is responsive to sector, local, regional and national skills needs and priorities and enter into strategic partnerships with different stakeholders in the sector						
Strategic Objective 3.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
Partnerships between the SETA, employers and public TVET Colleges are formed to assist TVET Colleges with placement and to increase the capacity of lectures to meet industry needs. To enter into strategic partnerships with government departments and institutions of higher learning.	Number of TVET lecturers who have completed the work experience programme	12	14	8	-6	57%	Target not achieved due to cancellation and requests for extensions by companies and colleges.

2. PERFORMANCE INFORMATION BY PROGRAMME

Completion Target for Goal 4:

Strategic Outcome-oriented Goal 4	Addressing the low level of youth and adult language and numeracy skills to enable additional training						
Strategic Objective 4.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To support the AET training interventions that facilitate intermediate and high-level learning.	Number of employees registered on AET Programmes	208	125	159	+34	127%	The achieved targets include completion results (certificates/ close-out reports) received in the 2018/19 period for programmes which were completed in prior financial years. FoodBev SETA only reports on completions when the required supporting evidence has been submitted and verified.

2. PERFORMANCE INFORMATION BY PROGRAMME

Completion Target for Goal 6:

Strategic Outcome-oriented Goal 6	Encouraging and supporting cooperatives, small enterprises, NGO and community training initiatives						
Strategic Objective 6.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To increase participation of small businesses including the non-levy paying employers, non-profit organisations, community-based organisations and co-operatives in the food and beverages manufacturing sector by facilitating training that will lead to their sustainability.	Number of small businesses owners completing the skills programmes	74	100	0	-100	0%	Target not achieved due to learner registration taking place in the third and fourth quarter of the year. These learners are anticipated to complete in the following financial year.

2. PERFORMANCE INFORMATION BY PROGRAMME

Completion Target for Goal 8:

Strategic Outcome -oriented Goal 8	Building career and vocational guidance						
Strategic Objective 8.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation	Actual Achievement %	Comments
To create awareness amongst youth through the development and distribution of career guides in order to facilitate entry into careers that are in demand in the food and beverage manufacturing sector. Conducting career guide events that will facilitate entry into careers that are scarce and critical in the food and beverages manufacturing sector.	Number of career-oriented events hosted by FoodBev SETA	30	25	25	0	100%	Target already reported under entered, which was erroneously repeated as a completion target in the APP.
	Number of career guides distributed in order to reach youth through career	New indicator	6,500	6,669	+169	103%	Target already reported under entered, which was erroneously repeated as a completion target in the APP.

3. LINKING PERFORMANCE WITH BUDGETS

Programme/ Activity/ Objective	2017/2018			2018/2019		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	42,051	33,666	8,385	44,784	37,262	7,522
Mandatory Grants	66,479	67,770	(1,291)	72,348	74,911	(2,563)
Discretionary Grants	286,432	185,076	101,356	361,795	229,807	131,988
Projects Administration	27,335	13,099	14,236	18,484	15,477	3,007
Total	422,297	299,611	122,686	497,411	357,457	139,954

4. REVENUE COLLECTION

Sources of Revenue	2017/2018			2018/2019		
	Estimate	Actual Amount Collected	Over/(Under) Collection	Estimate	Actual Amount Collected	Over/(Under) Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Fines and Penalties	-	8,083	8,083	5,000	13,686	8,686
Skills Development Levy	320,411	334,445*	14,034	340,141	370,412	30,271
Interest received - investment	32,385	41,012	8,627	42,000	46,652	4,652
Other	-	383	383	-	174	174
Total Revenue	352,796	383,923	31,127	387,141	430,924	43,783
Retained funds	69,501	69,501	-	110,270	110,270	-
Total funds available for spending	422,297	453,424	31,127	497,411	541,194	43,783

* Restated to separate from Retained Funds

5. CAPITAL INVESTMENT

During the year under review, FoodBev SETA purchased fixed assets worth R1.7 million, this includes leasehold improvements of R276,000. Furthermore, assets with a carrying value of R47,000 were disposed of in the current year following the approval of the disposal obtained in the prior fiscal year. FoodBev SETA has an asset management policy that serves as a guide in handling the management of assets. Also, the asset register is reviewed and updated regularly to safeguard and to control the movement of an asset.

6. ADDITIONAL PERFORMANCE INFORMATION: UNPLANNED SECTOR FUNDED ENTERED LEARNING PROGRAMMES

Strategic Outcome-oriented Goal 2	Increasing access to occupationally directed programmes			
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of employed learners registered on learnership	68	0	11
	Number of unemployed learners registered on learnership	43	0	123
	Number of employed learners registered on skills programme	36	0	207
	Number of apprentices registered on apprenticeship programmes	0	0	11

6. ADDITIONAL PERFORMANCE INFORMATION: UNPLANNED SECTOR FUNDED COMPLETION LEARNING PROGRAMMES

Strategic Outcome-oriented Goal 2	Increasing access to occupationally directed programmes			
Strategic Objective 2.1:	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019
To support employed and unemployed learners to enter in various learning programmes that address the scarce and critical skills in the food and beverages manufacturing sector.	Number of employed learners certified on a learnership	74	0	64
	Number of unemployed learners certified on a learnership	105	0	72
	Number of employed learners certified on a skills programme	582	0	425
To support the AET training interventions that facilitate intermediate and high-level learning.	Number of employees registered on AET Programmes	0	0	1

The above learning programmes were achieved through sector funding and are excluded from the annual performance reporting, as these are not planned for in the Annual Performance Plan. However, these are registered and certified by FoodBev SETA.

DAIRY MANUFACTURING

The sub-sector manufactures dairy products including fresh milk, cheese, butter, ice-cream, yoghurt and edible ice.



PART C

GOVERNANCE

1.GOVERNANCE

1. INTRODUCTION

FoodBev SETA is a Schedule 3A public entity. It subscribes to and is committed to complying with the principles and standards of integrity and accountability expressed in the PFMA of 1999, the relevant Treasury Regulations and, where applicable and practical, the King IV Report on Corporate Governance. While the Board oversees the overall process and structure of corporate governance, each business unit and every FoodBev SETA employee is responsible for promoting good corporate governance practices.

2. GOVERNANCE STRUCTURE

Executive Authority in the SETA environment rests with the Minister of Higher Education and Training. It is the Minister that appoints members of the Accounting Authority/Board. Furthermore, the Minister determines its remuneration as per the tariffs set by National Treasury. All compliance documents required by the Executive Authority were submitted on time. Quarterly reports were submitted to both National Treasury and the DHET in accordance with the PFMA of 1999 and compliance requirements. DHET conducted verification visits at FoodBev SETA, all issues raised during the visit reports were addressed.

3. THE ACCOUNTING AUTHORITY/BOARD

The Board is responsible for directing, administering and controlling the affairs of the FoodBev SETA in a transparent, fair and accountable manner. The Board is supported by various committees to carry out the oversight role of ensuring that the activities of the organisation are managed in the way that is consistent with the ethical leadership and values of FoodBev SETA. The roles and responsibilities of the Board and each sub-committee are set out in the SETA Constitution and Delegation of Authority of the SETA. The primary responsibility of the Board is to take decisions on any matter related to the performance of its functions in terms of the Skills Development Act, PFMA of 1999 and the SETA Constitution. The Board was appointed effective 1 April 2018 and attended an induction on 2 - 4 April 2018, which focused on the following:

- Skills Development Act of 1998
- PFMA of 1999
- SETA Constitution
- Corporate Governance and Ethical Leadership

3.1 Composition of the Accounting Authority

The Board consisted of 15 members, including the Chairperson, and is constituted as follows:

- Levy Paying Employers/Organised Employer – six representatives
- Representative Trade Unions/Organised Labour – six representatives
- Professional Bodies – one representative
- Small Business – one representative
- Independent Chairperson - one representative

During the year under review, the Chairperson of the Board, Mr Tom Mkwanazi, resigned effective 31 August 2018. Ms Mapule Ncanywa was subsequently appointed as Acting Chairperson of the Board. The DHET is in the process of filling all board vacancies to ensure the full composition of the FoodBev SETA board.



3. THE ACCOUNTING AUTHORITY/ BOARD

The previous Board's term of appointment was until 31 March 2018 and a new Board was appointed on 1 April 2018. The details of the Board members for the 2018/19 financial shown in the table below:

Name	Designation	Date Appointed	Date Resigned	Areas of Expertise	No. of Meetings Attended
1. Tom Mkhwanazi	Chairperson	01.04.2018	31.08.2018	<ul style="list-style-type: none"> Strategic Leadership 	8
2. Mapule Ncanywa	Acting Chairperson of the Board	01.04.2018	n/a	<ul style="list-style-type: none"> Strategic Leadership 	14
3. Geoff Penny	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Strategic Leadership 	16
4. Trevor Van Wyk	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Human Capital Management 	11
5. Gerhardus Hamman	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Human Resources Management 	16
6. Richard Hutton	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Human Resources Development 	12
7. Mary Lou-Harry	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Employment Equity Stakeholder Management Employee Wellness Training and Development Compensation and Benefits Management 	15
8. Nthabe Zondo	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Corporate Strategies Organisational Effectiveness Brand Management Communication and Advertising Fundraising 	15
9. Raymond Mnguni	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Labour Matters 	17
10. Dannyboy Katishi Masemola	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Labour Matters 	17
11. Andile Nkosibomvu	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Labour Matters 	16
12. Nqobile Tshabangu	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Labour Matters 	9
13. Nolubabalo Maqungo	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Labour Matters 	16
14. Carnen De Wee	Board Member	01.04.2018	n/a	<ul style="list-style-type: none"> Labour Matters 	16

3. THE ACCOUNTING AUTHORITY/ BOARD

3.2 Composition of Audit and Risk Committee

The Audit and Risk Committee has performed the functions of an audit committee as contemplated in the PFMA of 1999. The Audit and Risk Committee serves as a mechanism of the Accounting Authority to monitor and reinforce the effectiveness of both the internal control system, and the internal and external audit (Auditor-General) functions in accordance with the Audit and Risk Committee and Internal Audit Charters. The attendance of audit committee meetings by audit committee members were, as shown in the table below:

Name	Designation	Date Appointed	Date Resigned	Qualifications	Areas of Expertise	No. of Meetings Attended
Phuti Semanya	Chairperson	01.09.2016	Term ended 31.07.18	• CA (SA), Master in International Accounting	• Accounting	3
Tracy Randall	Chairperson	01.09.2016 Term extended 01.08.2018	n/a	• Bachelor's in Accounting Science	• Risk Management	8
Tom Tshitangano	Member	01.09.16 Term extended 01.08.2018	n/a	• Master of Commerce in Development Finance	• IT	7
Nthabe Zondo	Member	03.04.2018	n/a	• Master of Science (International Marketing Management)	• Corporate Strategies • Organisational Effectiveness • Brand Management • Communication and Advertising & Fund Raising	6
Raymond Mnguni	Member	01.04.2018	n/a	• Diploma in ABET	• Labour	8

3.3 Board Committees

Board and sub-committee meetings take place every quarter, and special meetings convened as and when required. All sub-committees met during the year under review, except for the Executive Committee (EXCO) which did not meet because the Minister has not yet approved the committee. Communication regarding the committee composition was received from the Minister's office, wherein she highlighted that female representation was needed in this committee. The SETA subsequently adjusted the structure as requested, and approval is awaited.

The following board committees were fully operational except for the Executive Committee. It should be noted that the function of EXCO was discussed at board level.

3. THE ACCOUNTING AUTHORITY/ BOARD

Committee	No. of Members	Name of Members	No. of Meetings Attended
Finance and Remuneration	5	<ul style="list-style-type: none"> • Andile Nkosibomvu • Gerhardus Hamman • Mapule Ncanywa • Richard Hutton • Nqobile Tshabangu 	5 5 4 5 2
Governance and Strategy	4	<ul style="list-style-type: none"> • Trevor Van Wyk • Carnen De Wee • Nolubabalo Maqungo • Mapule Ncanywa 	4 4 4 3

3.4 Board and Committee Member Remuneration

The remuneration of Board and Committee Members paid in accordance with the National Treasury circular for remuneration tariffs for the Boards and Committee Members. The daily rates applied included a meeting fee (in addition to preparation fees where applicable) relevant to Board and Committee meetings attended as indicated in the table below:

Member	Accounting Authority Remuneration Fees R'000	Travel R'000	Total R'000
1. Tom Mkhwanazi	104	2	106
2. Mapule Ncanywa	215	7	222
3. Nthabe Zondo	173	3	176
4. Geoff Penny	175	6	181
5. Gerhardus Hamman	193	8	201
6. Richard Hutton	116	2	118
7. Mary-Lou Harry	106	2	108
8. Trevor Van Wyk	21	2	23
9. Andile Nkosibomvu	237	12	249
10. Carnen De Wee	148	-	148
11. Katishi Masemola	158	4	162
12. Nolubabalo Maqungo	162	7	169
13. Nqobile Tshabangu	85	5	90
14. Raymond Mnguni	220	16	236
Total	2,113	76	2 189

3. THE ACCOUNTING AUTHORITY/ BOARD

3.5 Audit and Risk Committee Memeber Remuneration

The attendance of audit committee meetings by audit committee members is as shown in the table below:

Committee	Accounting Authority Remuneration Fees R'000	Travel R'000	Total R'000
Phuti Semanya	57	1	57
Tracy Randall	135	5	140
Tom Tshitangano	68	-	68
Fana Mkwanzazi	24	-	24
Total	284	6	290

3.6 Portfolio Committees

During the year under review, FoodBev SETA did not appear before the portfolio committee on Higher Education and Training.

3.7 Risk Management

FoodBev SETA has a risk management framework that provides guidance on risks escalation to the various governance committees within the organisation. The Risk Committee, chaired by the ACFO, is a standing sub-committee of the Audit and Risk Committee of the Board which assesses, evaluates, monitors and advises the Board on the adequacy of the organisation's risks responses and how best management should mitigate against the risks for the achievement of objectives. The Board understands that risk management, and the internal control environment, is a whole process in guiding the organisation to achieve its objectives and has implemented a robust risk management system to respond appropriately to significant risks. The adopted risk management approach focused on effectively mitigating against organisational risks that could harm the business reputation and stakeholders.

3.8 Internal Control

The implementation of internal controls is ultimately the responsibility of the Board. However, the Chief Executive Officer, who exercises an oversight role through management, internal auditors and the Audit and Risk Committee (ARC) assumes the delegation role to ensure the effectiveness of the internal controls. Reporting at FoodBev SETA is structured so that critical issues get escalated through the management team, and ultimately to the Board where appropriate. The Board has delegated to the Audit and Risk Committee responsibility for reviewing, in detail, the effectiveness of the SETA's system of internal controls. After completing these reviews, the committee reports its findings to the Board so that it can take a view on reported outcomes. The committee has noted and reported all fundamental matters to the Board.

3.9 Compliance with Laws and Regulations

FoodBev SETA continued to comply with the compliance checklist that responds to the provisions of the PFMA of 1999, Treasury Regulations and all other relevant legislation governing Schedule 3A public entities. These include, amongst others:

- The Constitution
- Skills Development Act of 1998 as amended
- Skills Development Levies Act as amended

3. THE ACCOUNTING AUTHORITY/ BOARD

- SETA Grant Funding Regulations
- PFMA of 1999
- Treasury Regulations
- National Skills Development Strategy III
- Labour Law Act
- Basic Conditions of Employment Act
- Protection of Personal Information Act 4 of 2013
- Promotion of Access to Information Act 54 of 2002
- Electronic Communication Act of 2005
- Occupational Health and Safety Act

The management of FoodBev SETA reports to the ARC every quarter on the regulation and compliance universe to ensure that there is consistent compliance with all laws and regulations that govern the organisation.

3.10 Fraud and Corruption

FoodBev SETA has adopted a zero-tolerance approach towards fraud and corruption in the current financial year in the bid to uphold good corporate governance and embed a culture of integrity and honest work culture. During the year under review, the Fraud Prevention Plan was reviewed and approved to assist FoodBev SETA in managing fraud risk and raise the level of fraud awareness among the internal and external stakeholders. The Fraud Prevention Plan intends to reduce the risk of fraud and provide mitigating measures that will protect the interests of the organisation. A whistle-blowing policy is in place to support the fraud prevention plan. FoodBev SETA has an anonymous tip-off hotline platform outsourced to Deloitte. All reported cases are investigated, escalated to the Board and the resolutions implemented.

3.11 Minimising Conflict of Interests

At the beginning of each financial year or with the appointment of new employees and Board members, such employees are requested to declare their interests through the declarations of interest forms. The statement of interest forms declare if they or anyone related to them would engage in any remunerative work that has the potential of posing a conflict of interest with their work and the organisation. Human Resources facilitated the recording of any interest that might impact the FoodBev SETA. Furthermore, at each Management, Supply Chain Bid Evaluation Committee and Bid Adjudication Committee, Recruitment and Selection Panels/Committee, Board and committee meetings, a declaration of interest form on agenda items is completed and signed. Where interest is declared, the member would be requested to recuse him/herself when the item is discussed. During the year under review, one matter relating to non-disclosure of a conflict of interest by an employee has been escalated to the Audit and Risk Committee, and disciplinary processes put in place.

3.12 Code of Conduct

All employees of FoodBev SETA are required to comply and adhere to the provisions of the Code of Conduct. The Code adopts a zero tolerance to corruption approach and employees are required to make declarations on an annual basis which seeks to achieve accountability and transparency. Employees within the organisation continue to uphold the principles set out in the Code and are committed to conducting themselves in a manner that always maintains the principles of accountability and integrity.

The Human Resources department ensures that new employees are informed and well acquainted with the Code and its provisions during their induction programme. Awareness of the Code is also continuously conducted for existing employees. As part of the organisation's commitment to zero tolerance against corruption, as outlined in the Code, the organisation has made provision for a hotline dedicated to reporting any allegations of actual or perceived corrupt conduct. All matters reported to the hotline are directly conveyed to the Board and the ARC and dealt with decisively.

3. THE ACCOUNTING AUTHORITY/ BOARD

3.13 Health Safety and Environmental Issues

As an organisation, FoodBev SETA cares about the health, safety and welfare of its employees and recognises that their wellbeing is a prerequisite for organisational performance and its success. The Occupational Health and Safety function primarily focused on creating and maintaining a safe working environment and preventing workplace accidents. A significant obstacle in achieving these objectives was the dormant (departmental) safety committees and the lack of awareness and capacity amongst employees to fulfil the responsibilities of safety representatives.

3.14 Social Responsibility

FoodBev SETA has hailed this year's charity drive and World AIDS day at Zamokhuhle Care Centre in Zandspruit. The centre serves as a day-care and after-care for 85 homeless children, orphans and abused children provided with food and assistance with homework. In addition, FoodBev SETA supported the centre with non-perishable food parcels and cleaning materials, pre-loved clothes and toys for the children. The FoodBev SETA team also assisted with cleaning, cooking and harvesting the old crops in the garden.

3.15 Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2019. The Audit and Risk Committee is an independent committee constituted to review the control, governance and risk management of the organisation in terms of Regulation 27(1) and Section 51(1)(a)(ii) of the PFMA of 1999, as amended. The Committee has adopted a formal charter that has been approved by the Accounting Authority and has executed its duties in the year under review, in line with the charter.

During the period, the Committee comprised Mr Phuti Semenya (independent chairperson) whose contract ended on 31 July 2018, Ms Tracy Randall (independent member and chairperson), Mr Tom Tshitangano (independent member), Mr Fana Mkwanzazi (independent member), Ms Nthabe Zondo (non-executive director) and Mr Raymond Mnguni (non-executive director). The Audit and Risk Committee was in place and fully functional for the period 2018/19.

The Audit and Risk Committee meets at least four times per annum and has the authority to convene additional meetings as and when necessary. There were four normal and four special meetings held during the financial year 2018/19. Critical issues were discussed, minutes recorded and reports submitted to the Executive Authority following each meeting.

Attendance of Audit and Risk Committee Meetings by Members:

Committee Member	No. of Quarterly Meetings Attended	No. of Meetings/ Special Meetings Attended	Constituency Represented
Phuti Semenya	1	2	Independent Chairperson (Resigned in July 2018)
Tracy Randall	4	4	Independent Chairperson (Appointed July 2018)
Tom Tshitangano	4	3	Independent Member
Nthabe Zondo	3	3	Board Member
Raymond Mnguni	4	4	Board Member
Fana Mkwanzazi	1	1	Independent Member

During the 2018/19 financial year, the Audit and Risk Committee:

- Reviewed the effectiveness of internal control systems by approving the internal audit plan and internal audit charter, and reviewed internal audit reports on a quarterly basis;

3. THE ACCOUNTING AUTHORITY/ BOARD


- Assessed the adequacy, reliability and accuracy of financial information provided by management;
- Reviewed the effectiveness of the internal audit function, through assessment of the quality of reports submitted to the committee;
- Reviewed the SETAs processes for compliance, legal and regulatory provisions;
- Reviewed the SETAs processes for risk management and ethics management;
- Reviewed the expertise, resources and experience of the organisation's finance function;
- Reviewed, and where appropriate, recommended changes to the Annual Financial Statements as presented by the SETA for the year ended 31 March 2019;
- Reviewed the accounting policies and practices, as reported in the Annual Financial Statements, and confirmed that they were appropriate;
- Reviewed the information of the predetermined objectives as reported in the Annual Report;
- Reviewed the AGSA's Management Report and management's response thereto;
- Reviewed adjustments resulting from the audit of the SETA;
- Provided a channel of communication between the Accounting Authority and management, internal auditors, and external auditors; and
- Ensured that a combined assurance model was applied to provide a coordinated approach to all assurance activities and ensured that it was appropriate to address all significant risks faced by the organisation.

The Audit and Risk Committee ensured that the organisation's internal audit function was independent and had the necessary resources and authority to discharge its duties.

Having considered, analysed and reviewed the information provided by management, internal audit, external auditors and the risk committee of management, the Audit and Risk Committee confirms that:

- The internal controls of the organisation were effective in most material aspects throughout the period under review;
- Appropriate policies supported by reasonable and prudent judgement and statements were applied;
- The Adequate and effective controls are in place to safeguard assets;
- The financial statements comply, in all material respects, with the relevant provisions of the PFMA of 1999 and GRAP;
- The skills, independence, audit plan, reporting, and overall performance of the external auditors was acceptable; and
- That there are adequate skills, knowledge and expertise in the finance function of the organisation.

The Audit and Risk Committee is happy to note the external auditor's report relating to the fair representation of the Annual Financial Statements by the SETA with no findings. The Committee further notes the report relating to material misstatements of the performance information. The Committee is satisfied that management was reviewing the performance information every quarter. The Audit and Risk Committee concurs and accepts the conclusion of the Auditor-General on the Annual Financial Statements and performance information and is of the opinion that the Annual Financial Statements and Performance Information be accepted and read together with the report of the Auditor-General.



Ms Tracy Randall
Chairperson of the Audit Committee

MANUFACTURE OF FOOD PREPARATION PRODUCTS

The sector manufactures goods that are used in making a meal or beverage. Products produced include noodles, spices and sauces.



PART D

HUMAN RESOURCE MANAGEMENT

1. HUMAN RESOURCE MANAGEMENT

FoodBev SETA's mandate of ensuring that the workforce of the organisation provides the stakeholders with exceptional service was achieved. In addition to the above HR continue to provide strategic support to the core business by developing and implementing, among other things, HR processes, policies and methods that are required to attract, develop and retain key talent.

1.1 Overview of Human Resource Matters

HR remained an integral part in ensuring that FoodBev SETA, in the year under review, invested in several initiatives to ensure the attainment of organisational goals. These initiatives are discussed in further detail below.

1.2 Human Resources Priorities

During the year under review, FoodBev SETA had identified five priorities to enhance human capabilities, namely:

1.2.1 Development of Talent Management Process

A talent management process was developed and implemented. FoodBev SETA embarked on an organisational structure review. The process entailed the study of the corporate structure to align it with the organisation strategy, development of new job profiles, which resulted in the successful grading of various jobs (positions) within the organisation. The key positions of the CEO and HR Manager were filled to assist with the implementation. The salary benchmarking was conducted to determine the remuneration of the posts to compete in the market to attract and retain employees. The Performance Management System has been rolled out to measure the performance of employees to identify their true potential; this is detailed in paragraph 1.4 below.

1.2.2 Development of Recruitment Policy and Strategy

The recruitment policy was developed and approved by the Board. Said policy was implemented and assisted FoodBev SETA in attaining its key performance indicator and target of appointing (12) approved positions in the organisational structure. The fulfilment of this indicator is an indication that the recruitment and selection process remains one of the essential functions in the organisation and FoodBev SETA remains committed to guaranteeing that the stakeholders obtain quality service and interaction from the organisation.

1.2.3 Finalisation of the Skills Audit

The Skills Audit has been finalised and partially implemented. Only the qualifications and experience were prioritised as the first phase to aid the matching and placement of employees. The last phase, which will include the individual skills audit recommendations, will be prioritised in the new financial year.

1.2.4 Partnerships with Institute of Higher Learning

Partnerships with the Institutions of Higher Learning to implement Executive and Management Development Programmes has been put on hold pending the finalisation of the skills audit, which has been concluded. The implementation has been rolled over to the new financial year.

1.2.5 Inter-SETA transfer

An initiative to research and identify the most relevant SETA to FoodBev SETA has been embarked upon. The outcome was that the ETDP SETA was noted to promote and facilitate the delivery of education, training and development to enhance the skills profile. The application for a transfer was submitted to both EDTP SETA and FASSET (the current SETA) and handed over to DHET for final approval.

1. HUMAN RESOURCE MANAGEMENT

1.3 Employee Performance Management Framework

During the year under review, FoodBev SETA has successfully implemented and rolled out a Performance Management Policy. In terms of the Policy, employees are required to enter into performance contracts with their respective line managers, which is binding between the parties and allows line managers to assess and manage the employees' performance continuously. The policy provides for a continuous, developmental and meaningful process, which requires quarterly assessment meetings between the employee and line manager at the end of each quarter to ensure an effective Performance Management System. To encourage a positive output, the process is aligned with a performance reward in the form of a discretionary performance bonus to be awarded to employees who achieved a performance rating of 3 and above on the predetermined targets.

1.4 Policy Review and Development

The following five policies were developed and approved by the Board to ensure alignment with the organisational mandate:

- Recruitment Selection and Probation Policy;
- Training and Development Policy;
- Performance Management Policy;
- Acting Policy; and
- Remuneration, Rewards and Recognition Policy.

After the approval of the policies, HR held two training sessions on 29 September 2018 and 21 February 2019, to train employees and build awareness.

1.5 Employee Wellness Programmes

FoodBev SETA is in the process of negotiating and reviewing proposals from various service providers for the provision of an Employee Wellness Programme (EWP), which will allow employees to take control of their wellbeing and consequently result in the facilitation of higher levels of productivity within the organisation.

1.6 Employee Engagement

Employee engagement positively contributes to employee morale, productivity and a sense of belonging. A total of five (5) employee engagements were held with employees and organised labour aimed at obtaining and providing organisational feedback.

1.7 Achievements

FoodBev SETA is pleased to report that on 8 December 2018, the Minister effected and finalised the permanent appointment of the Chief Executive Officer.

The organisation has reviewed, developed and finalised its organisational structure. Furthermore, a job evaluation exercise was conducted, resulting in the successful grading of various jobs (positions) within the organisation, which will be implemented in the 2019/20 financial year, together with the approved salary scales.

The organisation, through meaningful engagement, has resuscitated its relationship with organised labour. Following the resuscitation and positive engagements, the organisation and the recognised trade union (NEHAWU) have agreed to conduct quarterly meetings to discuss issues that affect employees within the organisation. As a result, three union and management meetings were held.

1. HUMAN RESOURCE MANAGEMENT

1.8 Challenges

In the year under review, the SETA licence continued to present a threat to the recruitment and selection process, which led to the organisation experiencing a high turnover rate and difficulty in attracting key talent. During the last financial year, the Minister of Higher Education and Training promulgated the National Skills Development Plan 2030 (NSDP), which will come into effect on 1 April 2020. The new NSDP gave the SETAs unlimited lifespan yet notwithstanding the new NSDP, the huge risk still remains because FoodBev SETA is part of the identified SETAs earmarked for a merger. As with any merger, there are a host of challenges and to a large extent relates to uncertainty, job security and other psychological impacts of change.

Furthermore, it must be highlighted that the changing landscape in Skills Development, which will result in the Quality Council for Trades and Occupations (QCTO) taking over the quality assurance functions for trades and occupations, which historically has been conducted by the ETQA divisions, may present a threat in attracting and retaining talent in this division.

1.9 Future Human Resource Plans

- To implement the skills audit recommendations.
- To review the organisational policies and to ensure that they align with legislation and any amendments which have been affected.
- To apply the management development training programme and to finalise the partnership between recognised Business Schools.
- To resuscitate Occupational Health and Safety (OHS) initiatives and awareness within the organisation. To achieve this goal, the HR department commits to reviewing and updating the Occupational Health and Safety policy, which is currently in place. The Human Resources department will also hold training sessions with employees to discuss the purpose, application and impact of the OHS policy.
- To contribute towards the achievement of the Employment Equity targets in the organisation in terms of advancement and development of employees in designated groups and increase the appointment of underrepresented racial groups and persons with disability in line with demographics. The organisation, through its recruitment and selection process, will work towards having a workforce that is reflective of the demographics of South Africa and the Gauteng province. The organisation commits that it will ensure that other racial groups are represented considering that there is currently an oversupply of women and Africans within the organisation.



2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by salary band

Occupational Level	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel Cost	No. of Employees 31 March	Personnel Cost per Employee (R'000)
Top Management	4,085	21%	2	2 042
Senior Management	4,559	23%	3	1 520
Professional qualified	4,083	21%	8	510
Skilled	3,247	17%	10	325
Semi-skilled	3,307	17%	16	207
Unskilled	150	1%	2	75
Temporary (Interns)	89	0%	4	22
Total	19, 520	100%	45	4, 701

The total personnel expenditure indicated above includes acting allowances as well as salaries and leave payout of employees who resigned from FoodBev SETA before 31 March 2019.

Performance rewards

Occupational Level	Performance Rewards (R'000)	Personnel Expenditure 2017/18 (R'000)	Performance Rewards as a % of Personnel Cost
Top Management	186	2,160	9%
Senior Management	324	3,555	9%
Professional Qualified	335	4,247	8%
Skilled	258	2,985	9%
Semi-Skilled	241	3,408	7%
Unskilled	11	133	8%
Total	1, 355	16, 488	8%

It should be noted that temporary employees are not eligible for performance rewards; hence they are not indicated and reported in the table above.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Training costs

Skills Development has increasingly become an essential component of HR as a means of improving performance and organisational effectiveness. Some training interventions were provided and facilitated mainly through the provision of bursaries and skills programmes to encourage long-term learning, as indicated in the table below.

Occupational Level	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees Trained
Top Management	4,085	9	0,0%	1
Senior Management	4,559	10	0,1%	1
Professional Qualified	4,083	99	0,5%	2
Skilled	3,247	112	0,6%	7
Semi-Skilled	3,307	116	0,6%	4
Unskilled	150	0	0,0%	0
Total	19, 431	346	1,8%	15

A total of 15 employees attended at least one intervention with an aim of addressing skills gap identified and improving competency levels. Pending the finalisation of a skills audit, no unskilled employees received training, hence no training expenditure is indicated in the table above for that occupational level. A total amount of R346,000 was spent on employee development and training during the year under review.

Employment and vacancies as at 31 March 2019 per Occupational Level

During the year under review, 12 positions were filled. The following table summarises the number of approved, filled and vacant positions on the staff establishment as at 31 March 2019, excluding the interns.

Occupational Level	Number of Employees 31 March 2018	Approved Posts 31 March 2019	Number of Employees 31 March 2019	Vacancies 31 March 2019	Vacancy Rate %
Top Management	1	2	2	0	0%
Senior Management	3	5	3	2	40%
Professional Qualified	8	11	8	3	27%
Skilled	8	12	10	2	17%
Semi-Skilled	17	20	16	4	20%
Unskilled	1	2	2	0	0%
Total	38	52	41	11	21%

As at 31 March 2019, FoodBev SETA recorded a vacancy rate of 21%. The rate is inclusive of the newly created positions in the new organisational structure.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Employment changes

The table below provides an indication of trends of FoodBev SETA's employment profile by occupational levels during the year under review excluding Interns.

Occupational Levels	Employment at the Beginning of the Period	External Appointments 2018/2019	Internal Appointments 2018/2019	Terminations 2018/2019	Employment at end of the Period*
Top Management	1	0	1	0	1
Senior Management	3	1	0	1	3
Professional qualified	8	1	0	1	8
Skilled	8	1	1	1	8
Semi-Skilled	17	5	0	4	18
Unskilled	1	2	0	1	2
Total Permanent	38	10	2	8	40
Fixed term contract	0	1	0	0	1
Grand Total	38	11	2	8	41

In total, 12 permanent appointments were made during the year, which excludes one fixed term contract appointment. It should be noted that the internal appointments had no effect on the employment at the end of the period since the candidates were still within the organisation.

Reasons for staff leaving

Reason	Number	% of Total no. of Staff Leaving
Death	0	0%
Resignation	7	87.5%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Abscondment	1	12.5%
Total	8	100%

A total of seven employees resigned and cited career and salary progression was the main reasons for leaving FoodBev SETA. One employee absconded, and the formal processes followed.

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written warning	1
Dismissal / Retrenchment	0
Reinstatement	1
Total	4

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Equity target and employment equity status

FoodBev SETA Employment Equity is profiled according to gender, disability, race, salary grade and by occupational levels. The employment equity targets aligned with the country's Economically Active Population (EAP) percentage distribution within the Gauteng region. The EAP includes people from 15 to 64 years of age who are either employed or unemployed and seeking employment and is used to assist employers in the analysis of their workforce to determine the degree of under-representation of the designated groups. The following table highlights the FoodBev SETA Employment Equity Profile as at 31 March 2019.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	1	0	0	0	0	0	1
Senior Management	2	0	0	0	1	0	0	0	0	0	3
Professional Qualified	2	0	0	1	5	0	0	0	0	0	8
Skilled	5	0	0	0	4	0	0	0	0	1	10
Semi-Skilled	5	0	0	0	11	0	0	0	0	0	16
Unskilled	0	0	0	0	1	0	0	0	0	1	2
Total Permanent	14	0	0	1	23	0	0	0	0	2	40
Fixed term contract	0	0	0	0	0	0	0	0	1	0	1
Grand Total	14	0	0	1	23	0	0	0	1	2	41

Persons with Disability

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professional Qualified	0	0	0	0	0	0	0	0	0	0	0
Skilled	0	0	0	0	1	0	0	0	0	0	1
Semi-Skilled	1	0	0	0	0	0	0	0	0	0	1
Unskilled	0	0	0	0	0	0	0	0	0	0	0
Total Permanent	1	0	0	0	1	0	0	0	0	0	2
Fixed term contract	0	0	0	0	0	0	0	0	0	0	0
Grand Total	1	0	0	0	1	0	0	0	0	0	2

During the year under review, the overall African representation stands at 90%, which is significantly above the Gauteng EAP target of 78%. In terms of other demographics, FoodBev SETA does not have Coloureds and Indians representatives. Whites are under-represented by 14% which is below the required target of 16%. The 50/50 goal for gender representation of males and females is not achieved. Male employees are under-represented by 11%. In addition, an Employment Equity Report and Plan was submitted to the Department of Labour on 15 January 2019.

PROCESSED AND PRESERVED MEAT, FISH, FRUIT AND VEGETABLES.

This sub-sector manufactures prepared and preserved meat, canned, processed and dehydrated fruit and vegetables, vegetable and animal oils and fats, processed fish, crustacean and similar foods. Production, processing and preservation of meat and meat products slaughtering, dressing and packing of livestock, including poultry and small game for meat, lard and other edible fats. Its also includes processing and preserving of fish and fish products, fruit and vegetables.



PART E

FINANCIAL INFORMATION

Report of the Auditor-General to Parliament on Food and Beverages Manufacturing Sector Education and Training

Auditor's Report

Food Beverages Manufacturing
Sector Education and Training Authority
(FOODBEV)
31 July 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the Auditor-General to Parliament on Food and Beverages Manufacturing Sector Education and Training Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Food and Beverages Manufacturing Sector Education and Training Authority set out on pages 70 to 106 which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the 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 Food and Beverages Manufacturing Sector Education and Training Authority (FOODBEV SETA) as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) and the Skills Development Act of South Africa, 1998 (Act No.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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the 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 codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of accounting authority for the financial statements

6. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statement in accordance with the Standards of GRAP and the requirements of the PFMA and SDA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the Food and Beverages Manufacturing Sector Education and Training Authority'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.

Auditor-general's responsibilities for the audit of the financial statements

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

Report of the Auditor-General to Parliament on Food and Beverages Manufacturing Sector Education and Training Authority

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance segies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2019:

Programmes	Pages in the Annual Performance Report
Programme 3: Learning Programme and Projects	26 - 32
Programme 4: Quality Assurance	32 - 41

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:

- Programme 3 - Learning programme and projects
- Programme 4 - Quality assuranceOther matters

Report of the Auditor-General to Parliament on Food and Beverages Manufacturing Sector Education and Training Authority

Other matters

15. I draw attention to the matters below.

Achievement of planned targets

16. Refer to the annual performance report on pages 24 to 41 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a significant number of targets.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 4: Quality assurance. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

19. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

20. The accounting authority is responsible for the other information. The other information comprises the 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 in this auditor's report.

21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Report of the Auditor-General to Parliament on Food and Beverages Manufacturing Sector Education and Training Authority

Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the Auditor-General to Parliament on Food and Beverages Manufacturing Sector Education and Training Authority

Annexure - Auditor-General's responsibility for the audit

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with respect to the selected subject matters.

Financial statements

2. 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 by the board of directors, which constitutes the accounting
 - conclude on the appropriateness of the board of directors, which constitutes the accounting authority's 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 related to events or conditions that may cast significant doubt on the Food and Beverages Manufacturing Sector Education and Training Authority ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

Communication with those charged with governance

3. 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.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



Food and Beverages Manufacturing Sector Education and Training Authority

Annual Financial Statements

INDEX

The reports and statements set out below comprise the annual financial statements:

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Food and Beverages Manufacturing Sector Education and Training Authority

Annual Financial Statements

Statement of Financial Performance for the Period 31 March 2019

	Note(s)	2018/19 R'000	2017/18 R'000
Revenue			
Non-Exchange Revenue			
Skills Development Levy: Income	3	370 412	334 445
Fines, penalties and forfeits	4	13 686	8 083
Other income	6	174	383
Total revenue from non-exchange transactions		384 272	342 911
Exchange Revenue			
Interest received - investment	5	46 652	41 012
Total revenue		430 924	383 923
Expenditure			
Employee related costs	8	(13 664)	(11 359)
Depreciation and amortisation		(1 489)	(1 173)
Lease rentals on operating lease	9	(2 521)	(2 645)
Debt Impairment	12	(101)	(91)
Employer grant and project expenses	7	(320 195)	(265 945)
Other administration expenses	8	(19 487)	(18 398)
Total expenditure		(357 457)	(299 611)
Surplus for the year		73 467	84 312

Food and Beverages Manufacturing Sector Education and Training Authority

Annual Financial Statements

Statement of Financial Position as at 31 March 2019

			Restated
	Note(s)	2018/19 R'000	2017/18 R'000
Assets			
Current Assets			
Trade and other receivables from non-exchange transactions	12	380	1 723
Trade and other receivables from exchange transactions	13	467	444
Inventory	14	42	40
Cash and cash equivalents	15	713 142	618 235
		714 031	620 442
Non-Current Assets			
Property, plant and equipment	10	3 089	3 162
Intangible assets	11	504	244
		3 594	3 406
Total Assets		717 625	623 848
Liabilities			
Current Liabilities			
Trade and other payables from non-exchange transactions	16	27 097	8 170
Trade and other payables from exchange transactions	17	4 527	3 384
Provisions	18	5 886	5 646
		37 510	17 200
Total Liabilities		37 510	17 200
Net Assets		680 115	606 648
Reserves			
Administration reserve		3 636	3 446
Discretionary grant reserve		676 479	603 202
Total Net Assets		680 115	606 648

Food and Beverages Manufacturing Sector Education and Training Authority

Annual Financial Statements

Statement of Changes in Net Assets for the year ended 31 March 2019

	Administration reserve	Discretionary grant reserve	Employer grant reserve	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
Balance at 01 April 2017	1 072	521 264	-	-	522 336
Changes in net assets					
Surplus for the period	-	-	-	84 312	84 312
Allocation of unappropriated surplus	10 174	58 094	16 044	(84 312)	-
Excess reserves transferred to Discretionary reserve	(7 800)	23 844	(16 044)	-	-
Balance at 31 March 2018 - Restated	3 446	603 202	-	-	606 648
Changes in net assets					
Surplus for the period	-	-	-	73 467	73 467
Allocation of unappropriated surplus	11 586	45 023	16 858	(73 467)	-
Excess reserves transferred to Discretionary reserve	(11 396)	28 254	(16 858)	-	-
Balance at 31 March 2019	3 636	676,479	-	-	680 115
Note	2				

Food and Beverages Manufacturing Sector Education and Training Authority

Annual Financial Statements

Cash Flow Statement for the year ended 31 March 2019

	Note(s)	2018/19 R'000	Restated 2017/18 R'000
Cash flows from operating activities			
Cash receipts from stakeholders			
Levies, interest and penalties received		385 492	342 541
Interest income		46 652	41 012
		<u>432 144</u>	<u>383 553</u>
Cash paid to stakeholders, suppliers and employees			
Grants and project payments		(305 575)	(263 882)
Compensation of employees		(20 875)	(18 446)
Payments to suppliers and other		(9 063)	(24 713)
		<u>(335,513)</u>	<u>(307 041)</u>
Net cash flows from operating activities	19	96 631	76 512
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1 269)	(3 526)
Proceeds from disposal of assets		-	24
Purchase of intangible assets	11	(455)	(105)
Net cash flows from investing activities		(1 724)	(3 607)
Net increase/(decrease) in cash and cash equivalents		94 907	72 905
Cash and cash equivalents at the beginning of the year		618 235	545 330
Cash and cash equivalents at the end of the year	15	713 142	618 235

Food and Beverages Manufacturing Sector Education and Training Authority

Annual Financial Statements

Statement of Comparison of Budget and Actual Amounts for the year ended 31 March 2019

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	

Statement of Financial Performance

Revenue

Other income		-	-	174	174	28.2
Fines and Penalties		5 000	5 000	13 686	8 686	28.3
Skills development levies-income	340 141	-	340 141	370 412	30 271	28.4
Interest received - investment	17 049	24 951	42 000	46 652	4 652	28.5
Retained funds	-	110 270	110 270	-	(110 270)	28.6
Total revenue including retained funds	357 190	140 221	497,411	430 924	(66 487)	

Expenses

Administration expenses	(44 784)	-	(44 784)	(37 262)	7 522	28.7
Employer grant and project expenses	(312 406)	(140 221)	(452 627)	(320 195)	132 432	28.8
Total expenditure	(357 190)	(140 221)	(497 411)	(357 457)	139 954	
Surplus for the year	-	-	-	73 467	73 467	

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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The implementation of the new GRAP standards has not resulted in any change in accounting policy. The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

1.1 Basis of preparation

The Annual Financial Statements (AFS) have been prepared on the historical cost basis except where adjusted for fair values as required by the respective accounting standards, all figures presented are rounded off to the nearest thousand.

1.2 Functional and Presentation Currency

These financial statements are presented in South African Rands which is FoodBev SETA's functional currency.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources estimation uncertainty

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

Estimation of Useful Lives and Residual Value

Management considers the impact of technology, condition of the asset, if there are any approved plans by board to dispose of the asset. The old furniture and fittings were disposed. The estimation of residual values of assets is based on management's judgement whether the asset will be sold or will be used to the end of their useful lives and at what condition the assets will be at the time. Management are of the opinion that all other assets of the SETA that will not be disposed, have a useful life that is equal to the economic life of the assets. Management therefore considers the residual value to not be materially significant.

Impairment of assets

Management makes estimates and judgements with regards to the impairment of non-cash generating assets. Management considers the subsequent measurement criteria and indicators of potential impairment as indicated in the GRAP statements. If an indication exists that management determines recoverable amount.

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Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities.

Segment Reporting

FoodBev SETA does not have an activity or unit that meets the definition of a 'Segment' as defined, as FoodBev SETA administrative units and functional department do not undertake activities that generate economic benefits or service potential separately from the SETA as a whole. Management have assessed that FoodBev SETA operates as one segment both from a service and geographical point of view. Management have not divided the financial information into different segments as required by GRAP 18. We draw the reader's attention to Note 2 where revenue is allocated into administration, mandatory and discretionary grant activities.

1.4 Revenue from Non-exchange Transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners. Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue is recognised when it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. The following represent the classes of Revenue from Non-exchange Transactions:

Levy Income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), registered member companies (employers) of the FoodBev SETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS). Companies with an annual payroll of less than R500,000 are exempted in accordance with section 4 (b) of the Skills Development Levy Act (1999) as amended, effective 1 August 2005.

Eighty percent (80%) of skills development levies are paid over to the FoodBev SETA (net of the 20% contribution to the National Skills Fund).

Skills development levies transfers are recognised when it is probable that the future economic benefits will flow to the FoodBev SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training ("DHET") either makes an allocation or a payment, whichever comes first, to FoodBev SETA.

Revenue is adjusted for inter SETA transfers due to employers changing SETA's. Such adjustments are separately disclosed as Inter SETA transfers. The amount of the inter-SETA adjustment is calculated according to the Standard Operating Procedure issued by DHET.

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

A net receivable / payable is recognised for SARS adjustments. An estimate as a result of retrospective adjustments by SARS due at year end is based on historical trends and actual data where these amounts are available subsequent to year end.

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FoodBev SETA refunds an amount to employer in the form of grants, based on information received 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 FoodBev 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 overpayment, net of bad debts and provision for irrecoverable amounts.

FoodBev SETA recognises a payable in respect of Skills Development Levy refunds due to levy exempt employers. This payable is a provision based on levies received from possible levy exempt entities.

Levy exempt income is monies received from employers who are exempt from paying SDL levies, as per the Skills Development Circular 09/2013. FoodBev SETA recognises a payable in respect of SDL levy refunds due to levy exempt employers. This payable is a provision based on the levies received from possible levy exempt entities. FoodBev SETA transfers all monies received from levy exempt employers to discretionary grant income after the expiry date of five years from date of receipt of the funds, if not refunded to the respective employer through the SARS system.

Employer's levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act for the purpose:

	2018/19	2017/18
Administration costs of the SETA	10,50%	10,50%
Employer grant fund levy	20,00%	20,00%
Discretionary grants and projects	49,50%	49,50%
	80,00%	80,00%

Interest and Penalties

Interest and penalties on the skills development levy is recognised when it accrues based on the amount received or allocation made by DHET. Interest and penalties received from SARS as well as the interest received on investments are utilised for discretionary grants and projects.

Government Grants and other donor funding

Funds transferred by the Government and other donor funding are accounted for in the financial statements of the FoodBev SETA as a liability until the related eligible expenses are incurred, when the liability is utilised the revenue is recognised as other income in the statement of financial performance.

Conditional government grants and other conditional donor funds received are recorded as deferred income when they are receivable and then recognised as income when the conditions attached to the grant are met. Unconditional grants are recognised as other income when the amounts have been received. Other revenue such as grant recoveries, bad debts recovered, insurance payouts, etc.

1.5 Revenue from Exchange Transactions

Revenue from Exchange transactions is the revenue in which one entity receives an inflow of benefits or has liabilities extinguished after giving approximately equal value of goods, services or use of assets to another entity in exchange.

Revenue is measured at fair value of the consideration received or receivable.

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Investment income

Investment income is accrued on a time proportion basis, taking into account the principal outstanding, the effective interest rate over the period to maturity, comprises of interest income on funds invested and is accrued using the effective interest method. Interest from investments is recognised when the bank has credited the investment with interest due in line with the maturity date of the investment.

1.6 Grants and project expenditure

Mandatory Grants

DHET allocates 20% of the total levies received from the employers to Mandatory Grants. Mandatory Grant expenditure and the related payable is recognised when the employer has submitted an application within the stipulated deadline, and is approved by the Board after evaluation process. FoodBev SETA accrues for Mandatory Grants on a monthly basis and payments are made on a quarterly basis.

Discretionary Grants & Project Expenditure

DHET allocates 49.5% of the total levies received from the employers to Discretionary Grants and Project Expenditure. Discretionary grant expenditure and the related payable are recognised when the grant claim form and other relevant documents are submitted and signed by the employer and FoodBev SETA. Where grant claim forms are received at year end and they are not signed or accompanied by relevant supporting documents an accrual is raised. Payments are disbursed by FoodBev SETA to employers as per the Grant Funding Policy for each learning programme.

Project expenditure comprises:

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

Discretionary grants and project expenditure are recognised as expenses in the period in which they are incurred.

Discretionary grant and projects that are approved by the Board but not contracted are disclosed as Commitments approved but not contracted.

Projects

Projects grant expenditure and the related payable is recognised when the employer has submitted an application within the stipulated deadline, is approved by the Board after evaluation process, has submitted the required grant claim forms and other relevant documents for registration, interval and exit processes. FoodBev SETA processes payments using a tranche system according to the Grant funding policy for each learning programme.

An accrual is made for projects approved at year-end when the service in terms of the contract has been delivered but the required documentation has not been submitted to FoodBev SETA at the end of the reporting period.

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Commitments

Commitments are disclosed where FoodBev SETA, in the normal course of operations, entered into contractual agreement with entities relating to grants or where there is a contractual letter of award. Commitments are measured at the amount the entity would pay to settle future obligations as per contractual relationship with the beneficiaries.

Commitments are included in the disclosure note to the financial statements. Commitments are derecognised when either the grant programmes are terminated through a signed termination agreement, or when the contractual obligation is fully paid. Commitments are different from liabilities and provisions as there is no present obligation but a contractual obligation to fulfill.

1.7 Irregular, fruitless and wasteful expenditure

Irregular expenditure means the incurrence of a financial transaction by the SETA that is incurred in contravention of, or not in accordance with the requirements of:

- The PFMA and Treasury regulations,
- The Skills Development Act,
- SETA policies and procedures,
- Any applicable legislation

Irregular expenditure or fruitless and wasteful expenditure is incurred when the resulting transaction is recognised in the accounting records. It is disclosed in a note in the financial statements when it has been identified and confirmed as Irregular Expenditure or Fruitless and wasteful expenditure. Where an instance of irregular expenditure has been identified, the incident is investigated and confirmed by a Loss Control Unit, recorded in the register, reported to the Board, recovery process is implemented, and if irrecoverable, condonation and write off in terms of the National Treasury Irregular Expenditure framework.

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

Where instances of possible fruitless and wasteful expenditure are identified, the incident is immediately reported to the AA, investigated and recorded, where appropriate recovered from the party involved. FoodBev SETA takes disciplinary steps against any employee who makes or permits fruitless and wasteful expenditure.

1.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Property, plant and equipment are subsequently measured at cost less any subsequent accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line method of each item for property, plant and equipment, to allocate the cost of each item of asset to estimated residual value over the estimated useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Item	Depreciation method	Average useful life
Office Furniture and fixtures	Straight line	8 - 11 years
Office equipment	Straight line	7 - 11 years
Computer equipment	Straight line	5 - 9 years
Leasehold improvements	Straight line	1 - 3 years

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The useful lives and residual values of items of property, plant and equipment are reviewed annually and adjusted prospectively at the end of each reporting period. The depreciation charge is recognised in the surplus or deficit.

Derecognition

FoodBev derecognises its item of property, plant equipment and/or significant part of an asset upon disposal or when no future economic benefits or service potential can be derived from the asset

1.9 Intangible assets

Intangible assets that are separately acquired are initially measured at cost and subsequently carried at cost less any accumulated amortisation and impairment losses. Amortisation is recognised in surplus or deficit on a straight-line method over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life for the current and comparative periods is as follows:

Item	Depreciation method	Average useful life
Licenses	Straight line	12 months
Computer software, other	Straight line	5 - 12 years

The amortisation method and rate life of items of intangible assets is reviewed annually. The carrying amount of the intangible asset is reviewed regularly to assess whether there is an indication that the carrying amount exceeds the recoverable amount. Gains and losses on disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in surplus or deficit.

1.10 Impairment of Non-cash-generating assets

Impairment is the loss in the future economic benefits or service potential of an asset over and above the systematic recognition of the loss through depreciation or amortisation. With the exception of cash investments, all FoodBev SETA assets are designated as non-cash generating because all are used for service delivery only.

FoodBev SETA assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the SETA estimate the recoverable service amount of the asset. Where the carrying amount of an asset

Impairment is the loss in the future economic benefits or service potential of an asset over and above the systematic recognition of the loss through depreciation or amortisation. With the exception of cash investments, all FoodBev SETA assets are designated as non-cash generating because all are used for service delivery only.

FoodBev SETA assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the SETA estimate the recoverable service amount of the asset. Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount. FoodBev SETA does not have any assets that are carried at revaluation amount.

In assessing value in use the FoodBev SETA has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciation replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

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In determining fair value less cost to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the assets market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the FoodBev SETA determines fair value less cost to sell based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist, the FoodBev estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognised in surplus or deficit.

1.11 Leases

Operating leases - lessee

Operating lease is a lease other than a finance lease. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the FoodBev SETA. Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor 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 lease term. 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 the termination takes place.

1.12 Provisions and contingencies

Provisions are recognised when the FoodBev SETA has a present legal or constructive obligation as a result of a past event; and it is probable that an outflow of economic benefits or service potential will be required or can be made to settle the obligation. Provisions are measured as management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the amount of the provision is material.

Contingent liabilities are possible obligations whose existence will be confirmed by the occurrence or non-occurrence of an uncertain future event not wholly within the control of FoodBev SETA. Contingent liabilities are not recognised but are disclosed in the notes to the AFS, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.13 Employee benefits

The cost of employee benefits is recognised as an expense during the period in which the employee renders the related service. If the benefit is unpaid, a liability is recognised.

Leave

FoodBev SETA recognises a liability and an expense for accumulating leave as and when employees render services that entitle them to leave days. The amount of the liability and expense is determined as the additional amount payable as a result of unused leave days owing to employees at the end of the period.

Medical Benefits

The FoodBev SETA provides medical benefits as part of the cost to company package given to its employees. Payments are charged as a salary expense as they fall due.

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Provident Fund Benefits

The FoodBev SETA provides for a Provident Fund for all its employees through a defined contribution plan. Payments to the fund are charged as part of salary expense as they fall due.

Performance Bonus

The performance bonus is recognised when the entity has a constructive obligation to pay bonuses and when a reliable estimate can be made. FoodBev SETA provides for upcoming year's bonus payments, which is amortised in the following year for usage and write off residual balance.

1.14 Financial instruments

Initial recognition

FoodBev SETA recognises the financial instruments using trade date accounting when FoodBev SETA becomes a party to the contractual provision of the instrument.

Initial Measurement

Financial assets and financial liabilities are measured at fair value plus, in case of a financial asset or financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of financial instrument.

Subsequent measurement

FoodBev SETA measures all financial assets and financial liabilities after initial recognition using the following categories:

- (a) Financial instruments at fair value,
- (b) Financial instruments at amortised cost
- (c) Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Financial Assets

The FoodBev SETA's principal financial assets are trade receivables and other receivables, and cash and cash equivalents

Trade and other receivables

Trade and other receivables are measured at amortised costs using the effective interest method less provision of impairment. A provision for impairment of receivables is recognised when there is objective evidence that FoodBev SETA will not be able to collect all amounts due according to the original terms. The amount of the provision is a difference between the receivable carrying amount and the present value of future cash flows discounted at the effective interest rate. Movement in the provision is recognised in the statement of financial performance.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, investments and deposits held by FoodBev SETA, CPD and domestic banks. Cash and cash equivalents are measured at amortised costs. Cash includes cash on hand and cash with banks. Cash equivalents are short term, highly liquid investments that are held with registered banking institutions with a period maturity of three months or less and that are subject to insignificant risk of change.

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1.14 Financial instruments (continued)

Derecognition of financial assets

A financial asset shall be derecognised when FoodBev SETA realises the contractual rights to benefits specified in the contract, the rights expire and FoodBev SETA surrenders those rights, or loses control of the contractual rights that comprise a financial assets. On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds received shall be recognised in the net surplus or deficit for the period.

Financial liabilities

The FoodBev SETA's principal financial liabilities are trade and other payables. All financial liabilities are subsequently measured at amortised cost, using effective rate method comprising original debts less principle payments and amortisations.

Derecognition of financial liabilities

The SETA derecognises financial assets using trade date accounting, only when:

- (a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- (b) the SETA transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- (c) the SETA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the SETA derecognises the asset, and recognise separately any rights and obligations created or retained in the transfer.

Fair value considerations

The fair values at which financial instruments are carried at the reporting 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. The fair values will be estimated using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that the FoodBev SETA could realise in the normal course of business. The carrying amounts of financial assets and financial liabilities with a maturity of less than one year are based on cost as fair value due to the short-term trading cycle of these items.

Offsetting Financial instruments

Financial assets and financial liabilities are offset if there is any intention to either settle on a net basis, or realise the asset and settle the liability simultaneously and a legally enforceable right to set off exists.

1.15 Reserves (Net Assets)

FoodBev SETA sub-classifies reserves into various categories based on the restrictions on the usage of skills development funds received in accordance with the Skills Development Act, 1998 (Act No. 97 of 1998). FoodBev SETA measures reserves using accrual basis accounting, and thus reserves are not an indication of cash used or available at the end of the year.

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Administration reserve

This reserve represents the carrying amount of the non-current assets and inventory of FoodBev SETA.

Employer grant reserve

This reserve represents funds maintained for paying back to employers a percentage of the contributed levies (mandatory grants). The residual balance of this reserve is transferred to discretionary grant reserve in line with the Grant regulations.

Discretionary grant reserve

This reserve represents discretionary grant funds set aside to fund PIVOTAL and Non-PIVOTAL programmes of the SETA in order to address the scarce and critical skills needed in the food and manufacturing sector. The reserve is supported by retained surplus for the year, net current assets, and commitments disclosed in the notes to the annual financial statements. The reserve represents surplus or deficit for the year which is reallocated to respective reserves at year end.

1.16 Inventories

Inventory consists of consumables on hand at reporting date. Inventories are initially measured at cost, and subsequently measured at the lower of cost and net replacement value. Cost is determined on a first in first out basis. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Current replacement cost is the cost that the entity would incur to acquire the asset at reporting date.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- Distribution at no charge or for a nominal charge; or
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

1.17 Related party transactions

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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.

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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.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.18 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date)

FoodBev SETA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

FoodBev SETA will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.19 Comparative figures

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

1.20 Budget information

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

The 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. Comparative information is not required.

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the FoodBev. As a result of the adoption of accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the AFS, first, the reasons for overall growth or decline in the budget are stated, followed by the details of overspending or underspending on line items.

The approved budget covers the fiscal period from 1 April 2018 to 31 March 2019.

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Notes to the Annual Financial Statements for the year ended 31 March 2019

Restated

Figures in Rand thousand

2. Allocation of Surplus for the Year to Reserves (R'000)

	Total per Statement of Financial Performance	Administration reserve		Employer grants reserve		Discretionary reserve	
		Administration	Administration	Mandatory skills planning grant	Discretionary grants	Discretionary grants	Total discretionary
Skills development levy: income	48 848	48 848	-	-	-	-	-
Admin levy income (10.5%)	321 640	-	-	91 769	229 871	229 871	229 871
Grant levy income (69.5%)	13 686	-	-	-	13 686	13 686	13 686
Skills development levy: penalties and interest	46 652	-	-	-	46 652	46 652	46 652
Investment income	98	-	-	-	98	98	98
Other income	430 924	48 848	-	91 769	290 307	290 307	290 307
Total revenue	(37 262)	(37 262)	-	-	-	-	-
Administration expenses	(320 195)	-	-	(74 911)	(245 284)	(245 284)	(245 284)
Employer grants and project expenses	(357 457)	(37 262)	-	(74 911)	(245 284)	(245 284)	(245 284)
Total expenses	73 467	11 586	-	16 858	45 02	45 02	45 023
Net surplus per Statement of Financial Performance allocated							

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Notes to the Annual Financial Statements for the year ended 31 March 2019

Figures in Rand thousand

2. Allocation of Surplus for the Year to Reserves (R'000) (continued) 2018 - Restated

	Total per Statement of Financial Performance	Administration reserve	Employer grants reserve	Discretionary reserve	
		Administration	Mandatory skills planning grant	Discretionary grants	Total discretionary
Skills development levy: income					
Admin levy income (10.5%)	43 841	43 841	-	-	-
Grant levy income (69.5%)	290 604	-	83 814	206 790	206 790
Skills development levy: penalties and interest	8 083	-	-	8 083	8 083
Investment income	41 012	-	-	41 012	41 012
Other income	383	-	-	383	383
Total revenue	383 923	43 841	83 814	256 268	256 268
Administration expenses	(33 666)	(33 666)	-	-	-
Employer grants and project expenses	(265 945)	-	(67 770)	(198 175)	(198 175)
Total expenses	(299 611)	(33 666)	(67 770)	(198 175)	(198 175)
Net surplus	84 312	10 174	16 044	58 093	58 093

For fair presentation, changes were made in the current year accounting policy for administration reserve closing balance resulting in restatement of comparatives in the Statement of Changes in Net assets. This change did not affect account balances and transactions but this disclosure note only.

3. Skills development levy income (R'000)

The total levy income per the Statement of Financial Performance is as follows:

	2018/19	2017/18
Levy income: Administration		
Levies received from SARS	48 772	43 841
Levy income transfer: Employer Grants		
Levies received	91 769	83 814
Levy income transfer: Discretionary Grants		
Levies received	229 758	207 054
Exempt Employer: Transfer to/from Discretionary	113	(264)
Total Levy income transfer: Discretionary Grants	229 871	206 790
	370 412	334 445

Food and Beverages Manufacturing Sector Education and Training Authority

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Figures in Rand thousand	2018/19 R'000	2017/18 R'000
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Restated

4. Skills Development Levy: Interest and Penalties

Interest	6 407	3 479
Penalties	7 279	4 604
	13 686	8 083

Penalties are levied by SARS on employers who pay levies after due date. Interest accrues at the prescribed rate of 10% per annum.

5. Investment income

Interest revenue

Interest Received	46 652	41 012
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6. Other income

Discretionary grant recoveries	174	349
Disposal of assets	-	24
Bad debts recovered	-	10
	174	383

7. Employer grant and project expenses

Mandatory grants

Disbursed	74 911	67 770
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Discretionary grants

Disbursed	229 807	185 076
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Project administration expenditure

Disbursed	15 477	13 099
	320 195	265 945

Project administration expenditure consists of:

Employee Costs: Projects	7 911	7,400
Direct project administration expenses:		
Research	2 306	159
Scarce Skills	384	186
Advertising	289	676
Catering & Refreshments	15	12
Legal Fees	45	1
External Moderation	2 332	2 293
Travel & Accommodation	1 219	1 218
Courier and Postage	258	265
TVET capacity building	120	153
World Skills Conference	-	571
QCTO Qualification	127	120
Printing	56	45
China Project	318	-
Chambers	97	-
	15 477	13 099

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		Restated
Figures in Rand thousand	2018/19 R'000	2017/18 R'000
8. Other Administration expenses		
Advertising	112	207
Assessment rates & municipal charges	191	186
External audit Fees	1 825	1 964
Bank charges	60	61
Cleaning	41	71
Catering and Refreshments	90	105
Consulting and professional fees	658	518
Consumables	218	154
Conferences and seminars	412	381
IT expenses	3 928	3 946
Insurance	119	101
Legal Fees	1 463	1 422
Marketing	223	179
Postage and courier	110	214
Printing and stationery	174	195
Repairs and maintenance	59	117
License fees	16	23
Security	362	329
Staff welfare	72	125
Telephone and fax	90	66
Training	531	419
Travel - local	1 479	1 365
Electricity	233	244
Board remuneration	2 113	2 810
Audit Committee Remuneration	284	298
Internal Audit fees	1 268	606
Quality Control for Trade and Occupation mandatory expense	2 513	1 807
Recruitment costs	380	39
Ministerial support	399	304
Whistleblowing	18	17
Loss on disposal of assets	46	125
	19 487	18 398

Food and Beverages Manufacturing Sector Education and Training Authority

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Figures in Rand thousand	Restated	
	2018/19	2017/18
	R'000	R'000

8. Other Administration expenses (continued)

Cost of employment

Salaries and wages

Salaries	20 192	17 320
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Social contributions

Pension contributions: defined contribution plans	1 383	1 439
	21 575	18 759

Allocation of cost of employment

Employee-related costs-Admin	13 664	11 359
Employee-related costs-Project	7 911	7 400
	21 575	18 759

Average number of employees	41	43
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Prior year amount for employee related costs for projects disclosed on the note was previously overstated by R424,000. This change did not affect account balances and transactions but this disclosure note only.

9. Lease rentals on operating Lease

Leases

Operating lease - Building	1 995	2 050
Operating lease - Equipments	526	595
	2 521	2 645

10. Property, plant and equipment

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office Furniture and fixtures	2 130	(348)	1 782	2 175	(273)	1 902
Office equipment	819	(496)	323	831	(568)	263
Computer equipment	2 418	(1 684)	734	1 746	(1 473)	273
Leasehold improvements	1 562	(1 311)	251	1 286	(561)	724
Total	6 929	(3 839)	3 089	6 038	(2 875)	3 162

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Restated

Figures in Rand thousand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment (R'000) - 2019

	Opening balance	Additions	Disposal cost	Depreciation	Accumulated depreciation for disposals	Total
Furniture and fixtures	1 902	110	(155)	(206)	131	1 782
Office equipment	263	212	(224)	(129)	201	323
Computer equipment	273	671	-	(210)	-	734
Leasehold improvements	724	276	-	(750)	-	250
	3 162	1 269	(379)	(1 295)	332	3 089

Reconciliation of property, plant and equipment - 2018 (R'000)

	Opening balance	Additions	Disposal cost	Depreciation	Accumulated depreciation for disposals	Total
Furniture and fixtures	106	2 020	(759)	(169)	704	1 902
Office Furniture and fixtures	190	221	(284)	(83)	219	263
IT equipment	470	-	(36)	(192)	31	273
Leasehold improvements	-	1 286	-	(562)	-	724
	766	3 527	(1 079)	(1 006)	954	3 162

The Board approved in the previous financial year the disposal of old furniture and fittings and some of the office equipment of FoodBev SETA. The last batch of assets was disposed in the current year.

11. Intangible assets

	2019			2018		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	
Licenses	718	(296)	422	280	(182)	98
Computer software	2 010	(1 927)	82	1 993	(1 848)	146
Total	2 728	(2 223)	504	2 273	(2 030)	244

Reconciliation of intangible assets - 2019 (R'000)

	Opening balance	Additions	Amortisation	Total
Licenses	98	438	(114)	422
Computer software	146	16	(80)	82
	244	454	(194)	504

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		Restated
Figures in Rand thousand	2018/19	2017/18
	R'000	R'000

11. Intangible assets (continued)

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Licenses	82	105	(89)	98
Computer software, other	224	-	(78)	146
	306	105	(167)	244

12. Trade and other receivables from non-exchange transactions

Levies	324	1 520
Recoveries - gross*	156	294
Less Debt impairment	(100)	(91)
	380	1 723

*Grant recoveries have been split between gross and impairment to achieve fair presentation, comparatives have been restated accordingly. This change did not affect account balances and transactions but this disclosure note and note 19.

13. Trade and other receivables from exchange transactions

Deposits - Growthpoint	467	444
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14. Inventories

Consumable stores	42	40
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15. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2	2
Short term deposits	8 761	10 081
Investments	704 379	608 152
	713 142	618 235

As required by Treasury Regulations 31.3.3, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short-term bank deposits was 6.4% (2018: 6.3%)The weighted average interest rate on funds held at South African Reserve Bank, Corporation for Public Deposit was 7.1% (2018: 7.1%). First National Bank has a B rating for short -term deposits and a BB for long-term deposits as rated by Standard and Poor. There is no rating for Corporation for Public Deposits.

16. Trade and other payables from non-exchange transactions

Accrued expenses - Payables	12 087	-
Skills Development Grants :Discretionary	9 076	2 257
Skills Development Grants :Mandatory payable	226	214
Skills Development Grants : Mandatory accruals	5 708	5 699
	27 097	8 170

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		Restated
Figures in Rand thousand	2018/19	2017/18
	R'000	R'000

17. Trade and other payables from exchange transactions

Accrued expenses - Payables	1 759	1,232
Trade Creditors	1 445	830
Accrued leave pay	1 080	1 053
Operating lease liability	30	105
Accounting Authority fees and PAYE	213	164
	4 527	3 384

18. Provisions

Exempt Employers Provision	4 064	3 951
Bonus Provision	1 822	1 695
	5 886	5 646

Exempt Employers Provision

The amount of R4,064m (2018:R3,951m) relates to levies contributed by employers who are exempted from contributing skills development levies.

In line with the skills development circular no. 09/2013, FoodBev transfers all monies received from levy exempt companies to discretionary grant income after the expiry of 5 years from date of receipt of funds. Current year transfer is R1.287m. SARS collects the levies on behalf of DHET, the responsibility to refund the employers remain with SARS.

Bonus Provision

Employees sign performance contracts as part of their conditions of service at the beginning of each financial year, employees are assessed bi- annually and the bonus is paid in the month of December and the amount is dependent on the outcome of individual performance evaluation.

Reconciliation of provisions - 2019 (R'000)

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Exempt Employers Provision	3 951	1 400	-	(1 287)	4 064
Bonus Provision	1 695	1 822	(1 355)	(340)	1 822
	5 646	3 222	(1 355)	(1 627)	5 886

Reconciliation of provisions - 2018 (R'000)

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Exempt Employers	2 839	848	-	264	3 951
Bonus Provision	1 549	1 695	(995)	(554)	1 695
	4 388	2 543	(995)	(290)	5 646

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Figures in Rand thousand	2018/19	Restated 2017/18
	R'000	R'000

19. Reconciliation of net cash flow from operating activities to net surplus

Surplus	73 467	84 312
Adjustments for:		
Depreciation	1 295	1 005
Amortisation	194	168
Loss on disposal of assets and debt impairment	148	192
Movements in provisions	240	1 258
Changes in working capital:		
Inventories	(2)	14
Receivables from exchange transactions	(23)	40
Other receivables from non-exchange transactions	1 243	(478)
Payables from exchange transactions	18 927	(3 694)
Payable from non-exchange transactions	1 142	(6 305)
	96 631	76 512

20. Contingent assets and liabilities

Contingent liabilities

20.1 In terms of SETA Grant Regulations, SETAs must allocate mandatory grant to a levy paying employer who has registered for the first time in terms of Section 5 of the Skills Development Levies Act, who has submitted an application for a mandatory grant within 6 months of registration. Due to this requirement, FoodBev SETA has a contingent liability to set aside funds for all employers that registered as from 1 November 2018 to 31 March 2019. Consequently the total potential mandatory grant pay-out is R141 345.

20.2 There is a pending case lodged at the Labour Court against FoodBev SETA by an ex-employee whose employment contract was terminated. The case was dismissed by CCMA and there has not been any movement in this case during the current year.

20.3 Former chairperson of the board sued FoodBev SETA for board fees not paid during his suspension period. On 2 August 2018, the FoodBev SETA legal team filed a Notice of Intention to Defend. Since the filing thereof, there has been no communication in this matter from the former board chairperson. The estimated amount he would have earned in fees for that period is about R350 000. This amount is based on the actual meetings he would have attended had he not been removed.

20.4 The possible litigation of R1.5m against FoodBev SETA was brought by training providers (Moripe and Nkqubela Colnsulting). The Nkqubela matter was removed from the trial roll on 26 November 2018. No further legal action has been brought forward to FoodBev SETA for more than a year.

Contingent asset

20.5 NEHAWU launched an urgent application regarding an employee whose employment was terminated. This was defended by FoodBev SETA attorneys. The matter was struck from the roll for lack of urgency. Upon taxation, the taxing master only taxed the bill insofar as it related to the urgency portion of the judgement. FoodBev SETA attorneys are trying to recoup costs in respect of the application in its entirety, thus they have launched a rule 13 application in the Labour Court to recover the entire costs of the application as NEHAWU withdrew the application without a tender for costs. The application is to recover an amount over R300 000. The taxed bill for the urgency application is approximately R47 617. FoodBev SETA attorneys further estimate future costs to be R90 000.

Food and Beverages Manufacturing Sector Education and Training Authority

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Notes to the Annual Financial Statements for the year ended 31 March 2019

21. Commitments

Discretionary Grant Reserve Description of Grant	Audited Opening balance	Terminations /Adjustments	Approved by Accounting Authority and contracted 2018/19	Utilised Prior years	Utilised Current project 2018/19	Total Commitments
Unemployed Learnerships	128 948	(21 033)	115 596	(34 692)	(33 972)	154 847
Employed Learnerships	72 914	(15 204)	52 280	(11 807)	(10 552)	87 632
Recognition of Prior Learning (RPL)	-	-	1 020	-	(40)	980
Learnership for PWD	-	-	1 672	-	(456)	1 216
Skills Programme	9 264	(1 344)	12 511	(2 818)	(2 180)	15 433
Work Experience/ Internship	62 192	(11 439)	102 846	(30 509)	(20 042)	103 048
Candidacy Programme	240	(120)	1 260	-	-	1 380
Unemployed Bursaries	62 794	(19 793)	-	(24 760)	-	18 241
Research & Development	1 184	(150)	4 500	(303)	(689)	4 542
Employed & MDP Bursaries	12 531	(1 701)	18 200	(3 116)	(2 483)	23 431
Adult Education Training	4 009	(669)	2 875	(669)	(288)	5 258
Apprenticeship S13	7 272	(27)	-	(1 157)	-	6 088
Apprenticeship S28	700	-	-	-	-	700
Artisans	67 363	(6 600)	42 130	(4 136)	(1 444)	97 314
Centre of Specialisation	-	-	1 155	-	-	1 155
SME's (LP,NLP,NGOs,CBOs)	2 092	328	658	(857)	-	2 221
Trade unions	2 763	(2 309)	-	(454)	-	-
TVET Placements	31 114	(3 938)	47 664	(7 248)	(25 344)	42 247
TVET Bursary	-	-	1 770	-	(30)	1 740
TVET GCRA Bursaries	3 460	-	-	-	-	3 460
NSFAS Project (MoU)	2 581	(2 581)	-	-	-	-
Special Project 2017/18	19 707	-	-	(3 488)	-	16 219
Special Project 2018/19	-	-	13 064	-	(6 084)	6 980
Maluti, Tshwane South and Ekurhuleni SETA Offices	540	-	-	(132)	-	408
TVET Lecture Capacity	688	-	440	(57)	-	1 071
TOTAL	492 356	(86 580)	419 641	(126 203)	(103 604)	595 611

The opening balance has been restated by an amount of R575 977 however the same adjustment was done on the termination resulting in a nil effect on the closing balance.

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	2018/19	Restated 2017/18
Figures in Rand thousand	R'000	R'000

21. Commitments (continued)

Total discretionary grants approved and contracted	595 611	492 932
Total discretionary grants approved but not contracted	29 045	88 822
Total discretionary grants approved but out of contract *	12 770	-
	637 426	581 754

*These grants were contracted in 2015/16 and further extended to 2017/18. FoodBev SETA is awaiting submission of completion report.

Notice No. 35940 of 2012 of the Grant Regulations defines a commitment as a contractual obligation (an agreement (written) with specific terms between the SETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which a SETA will be obliged to make a payment against the discretionary grant.) that will obligate the SETA to make a payment in the ensuing year.

Furthermore, FoodBev SETA monitoring and evaluation unit terminated prior year programme to the value of R87m due to programmes not being commenced and/or completed.

Operating Commitments

Approved and contracted	476	673
	637 902	582 427
Total Commitments		
Percentage of Reserves	94%	82%

The Grant Regulation requires FoodBev SETA to have spent or committed (through actual contractual obligations) at least 95% of discretionary funds available to it by 31st of March 2019 and a maximum of 5% of uncommitted funds may be carried over to the next financial year. Unless otherwise granted permission by National Treasury, the remaining surplus of discretionary funds must be paid by the SETA by 1 October 2020 to the National Treasury.

FoodBev SETA have committed 94% (R638m) of the available discretionary funds (R676m). The 6% of uncommitted funds may be carried over to the next financial year pending approval by the National Treasury.

22. Operating lease liability roll forward

Opening balance	105	180
Actual rent expense	(2 070)	(2 129)
Amortised rental over lease period	1 995	2 054
	30	105

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		Restated
Figures in Rand thousand	2018/19 R'000	2017/18 R'000

22. Operating lease liability roll forward (continued)

22.1 Total future minimum rental payments due (Buildings):

Not later than one year	1 872	1 331
Later than one year and not later than five years	1 142	-
	3 014	1 331

The rental relates to the office building leased from Growthpoint properties which was entered into on 1 November 2018 for a two year period ending on 31 October 2020. The lease payments escalates at 8% per annum on 1 November of each year. The lease of the office premises was smoothed over the lease term to equalise the future escalations in the lease payments.

22.2 Total future minimum rental payments due (Equipment):

Not later than one year	433	91
Later than one year and not later than five years	145	-
	578	91

The rental relates to leasing of equipments which was entered into on 1 August 2018 for a two-year period ending 31 July 2020. The lease payments do not escalate, therefore there was no need to perform lease smoothing.

23. Material losses through criminal conduct, irregular, fruitless and wasteful expenditure

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure relating to previous year	-	-
Fruitless and wasteful expenditure relating to previous year	-	-
Less condoned/written off	-	-
Closing balance	-	-

There was no Fruitless and Wasteful Expenditure that was incurred in the current year.

Irregular expenditure

Reconciliation of irregular expenditure

Irregular expenditure - identified in the current year	-	1 668
Irregular expenditure - identified in the current year relating to prior year	306	592
Less amounts condoned	(306)	(2 260)
	-	-

This irregular expenditure relates to old contracts and service providers that are still active and are being paid in the current year. They will be recorded as such until the expiry of the or when new service providers are secured. Disciplinary action was taken against employees who were responsible in the previous years.

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24. Board and Management Remuneration in R'000s

Executive and Management

2018/19

	Basic R'000	Travel Allowance R'000	Acting Allowance R'000	Pension Fund R'000	Bonus	Total
N Selamolela - CEO*	1 724	303	267	213	173	2 680
F Ngwendu ****	402	-	-	-	-	402
C Khoza **	889	78	-	92	112	1 171
M Pule	1 015	120	-	99	111	1 345
S Miya	905	120	-	90	101	1 216
M Maphiwa - Acting CFO	1 189	388	-	-	13	1 590
P Ngwasheng**	646	25	-	78	-	749
	6 770	1 034	267	572	510	9 153

* Appointed permanently in December 2018

** Resigned in December 2018

*** Appointed in August 2018

**** Settlement agreement

2017/18

	Basic R'000	Travel Allowance R'000	Acting Allowance R'000	Pension fund R'000	Bonus R'000	Total
N Selamolela - Acting CEO	1 252	302	129	218	138	2 039
F Ngwendu*	1 003	61	-	125	-	1 189
C Khoza	935	72	-	142	90	1 239
M Pule	918	120	-	105	89	1 232
S Miya	829	120	-	95	40	1 084
M Maphiwa - Acting CFO**	121	-	-	-	-	121
	5 058	675	129	685	357	6 904

*Terminated in February 2018

**Appointed in March 2018

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24. Board and Management Remuneration in R'000s (continued)

Non-executive

2018/19

	Accounting Authority fees	Reimbursed travel	Total
B Mkhwanazi (Chairperson)*	104	2	106
C De Wee	148	-	148
A Nkosibomvu	237	12	249
K Masemola	158	4	162
C Hamman	193	8	201
G Penny	175	6	181
M Harry	106	2	108
M Ncanywa (Acting Chairperson)**	215	7	222
R Mnguni	220	16	236
N Maqungo	162	7	169
N Tshabangu	85	5	90
N Zondo	173	3	176
R Hutton	116	2	118
T Van Wyk	21	2	23
	2 113	76	2 189

*Resigned - August 2018

**Appointed Acting Chairperson - August 2018

Audit and Risk Committee

	Members' fees	Reimbursed travel	Total
P Semanya (Chairperson)*	57	1	58
T Tshitangano	68	-	68
T Randal (Chairperson)**	135	5	140
F Mkwanazi***	24	-	24
	284	6	290

* Resigned in July 2018

**Appointed Chairperson in February 2019 (Acting Chairperson from July 2018 to February 2019)

***Appointed in December 2018

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24. Board and Management Remuneration in R'000s (continued)

Non-executive

2017/18

	Accounting Authority fees	Reimbursed travel	Total
J Komape (Chairperson: Re-instated December 2017)*	183	7	190
T Tshabalala*	277	10	287
A Nkosibomvu	329	19	348
D Khumalo*	417	33	450
G Hamman	216	9	225
G Penny	241	4	245
L Giba (Deceased)	47	1	48
L Thomas*	224	4	228
R Mnguni	233	15	248
S Hone*	200	53	253
N Tshabangu	130	6	136
W Prinsloo*	154	4	158
E De Lange*	158	4	162
	2 809	169	2 978

* Term ended on 31 March 2018

Audit and Risk Committee

	Members' fees	Reimbursed Total travel	Total
P Semenya	104	1	105
T Tshitangano	87	1	88
T Randall	108	3	111
	299	5	304

25. Financial instruments

Foodbev SETA operations are exposed to interest rate, credit, liquidity and market risk. The risk management process relating to each of these risks is discussed under the headings below. Financial instrument were not discounted as they will be settled or recovered within a short period of time. The effect of discounting was not considered material.

Interest rate risk

The FoodBev SETA manages its interest risk by effectively investing surplus funds in short-term deposits and call account with different accredited financial institutions according to the FoodBev SETA investment policy. Any movement in the interest rates will affect interest income. Interest income is utilised for additional discretionary grants and therefore will not affect the operations of the FoodBev SETA adversely. The FoodBev SETA exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet

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25. Financial instruments (continued)

Cash flow interest rate risk

	Floating rate		Fixed rate		Non-interest bearing		TOTAL
	Amount	Effective interest rate	Amount	Weighted average effective interest rate	Amount	Weighted average period until maturity in years	
Year ended 31 March 2019							
Assets							
Cash	713 142	7%	-	-	-	-	713 142
Loans and accounts receivable	-	-	-	-	847	-	847
Total financial assets	713 142		-	-	847	-	713 989
Liabilities							
Borrowings	-	-	-	-	-	-	-
Loans and accounts payable	-	-	-	-	37 510	-	37 510
Total financial liabilities	-		-	-	37 510	-	37 510
Year ended 31 March 2018							
Total financial assets	618 235	7%	-	-	-	-	620 401
Total financial liabilities - restated	-	-	-	-	(17 200)	-	(17 200)
	618 235		-	-	(15 034)	-	603 201

Credit Risk

Financial assets which would potentially subject FoodBev SETA to the risk of non-performance consist mainly of cash and cash equivalents and accounts receivable.

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25. Financial instruments (continued)

The ageing of Trade and Other Receivable from non-exchange transactions

	2019		2018		
	Gross	Impairment	Gross	Impairment	
Past due 0 - 30 days	54	-	1 723	-	-
Past due 31 - 120 days	2	-	-	-	-
Past due 120 days	101	(101)	-	-	-
Total	157	(101)	1 723		-

Cash and Cash equivalents

	2019		2018		
	Gross	Impairment	Gross	Impairment	
Not past due	713 142	-	618 235	-	-

Liquidity risk

The FoodBev SETA manages liquidity risk through proper management of working capital, capital expenditure. Adequate reserves and liquid resources are maintained.

2018/19	Carrying amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
Trade and other payables from exchange transactions	4 527	4 527	4 527	-	-	-

2017/18	Carrying amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
Trade and other payables from exchange transactions	3 384	3 384	3 384	-	-	-

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26. Related parties

FoodBev SETA as a Schedule 3A public entity is related to all entities in national government spheres. However, as per

GRAP 20, we only disclose transactions and balances undertaken not at arm length.

Related parties of FoodBev SETA are:

1. Accounting authority (refer to Note 24 for disclosure)
2. Audit and Risk Committee (refer to Note 24 for disclosure)
3. Executive and senior managers (refer to Note 24 for disclosure)
4. Relatives of the above (no transactions)
5. Employers of Accounting Authority members
6. Entities under common control are entities operating under the auspices of Department of Higher Education and Training (DHET), which are QCTO, NSFAS, NSA, TVET's, Universities and other SETAs

Transactions with employers of the members of Board in R'000

The transactions below arise due to the nature of the Board Members' employment and the fact that the employers contribute Skills Development Levy to the FoodBev SETA. The transactions listed below are for the payment of mandatory and discretionary grants.

Employer	Board Member	Mandatory Grant	Discretionary Grant ⁶	Total	Levies Received
Rhodes Food Group	Gerhardus Hamman	1 267	3 463	4 730	4 655
Sea Harvest Corporation	Mary-Lou Harry	903	2 627	3 530	3 168
Pioneer Foods	Trevor van Wyk	3 716	7 939	11 655	23 151
Woodlands Dairy	Richard Hutton	470	1 953	2 423	1 731
TOTAL		6 356	15 982	22 338	32 705

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Figures in Rand thousand	2018/19 R'000	Restated 2017/18 R'000
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26. Related parties (continued)

Transactions with other national public entities

Quality Council for Trades and Occupations (QCTO)	2 513	1 807
DHET	399	304
	2 912	2 111

27. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Reserves are made up of administrative and discretionary and will be used to pay for all outstanding commitments for FoodBev SETA. FoodBev SETA will submit to National Treasury the request to retain surplus funds for the 2018/19 financial year. FoodBev SETA management has identified projects in the sector that need to be funded and surplus funds will be used to fund those projects.

28. Budget differences

Material differences between budget and actual amounts

28.1 Budget adjustment

The retention of surplus funds that was approved by National Treasury necessitated FoodBev SETA to revise the budget. Other revenue line items were also reviewed.

The adjusted revenue including surplus funds was used to fund the special projects approved by the Accounting Authority.

28.2 Other Income

Other income is made up of grant recoveries from employers who did not implement learning programmes. No budget is set for grant recoveries as these have not been material historically.

28.3 Fines and Penalties

Actual income received from fines and penalties are above budgeted amounts due to conservative budgeting on this line as it is not the main source of revenue and it is difficult to estimate future revenues with certainty.

28.4 Skills Development levy: Income

The levies received were more than the budget amount due to higher than anticipated salary adjustment by member employers.

28.5 Interest received - investments

Interest income is higher than the budgeted amount due to the high cash reserves held at approved banking institutions, coupled with conservative budgeting on this line.

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28. Budget differences (continued)

28.6 Retained funds

Retained funds are utilised to fund special projects which were approved by National Treasury and the Accounting Authority. No actual revenue is included in the revenue lines as these were recognised in the prior years.

28.7 Administration expenses

Administration expenses were below budget due to underspending in employee costs due to some vacant positions, Board fees due to EXCO not holding meetings, legal fees (due to many prior year cases being closed), equipment rental, advertising, and AGM cost (all due to cost containment).

28.8 Employer grants and project expenses

The underspending in grant expenses is as a result of non-submission of the required registration and close out/exit documents in order to effect payments.

29. New accounting pronouncements

Standards issued but not effective

FoodBev has not applied the following standards and interpretations, as the effective dates have not yet been gazetted by the Minister:

- **GRAP 20:** Related -party disclosures
Impact: FoodBev SETA has applied this standard.
- **GRAP 32:** Service concession arrangements:grantor Impact: No impact - no arrangements.
- **GRAP 34:** Separate financial statements
Impact: Minimum impact as FoodBev SETA is not part of group of entities.
GRAP 35: Consolidated financial statements
Impact: No impact - FoodBev SETA is not part of group of entities,
- **GRAP 36:** Investments in Associates and Joint ventures
Impact: No impact - FoodBev SETA is not part of any joint arrangement nor has it any significant influence in any entity.
- **GRAP 37:** Joint arrangements
Impact: No impact - FoodBev SETA is not part of any joint arrangement
- **GRAP 38:** Disclosure of interest in other entities
Impact: No impact - FoodBev SETA does not have interest in other entities

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- **GRAP 104:** Financial instruments

Impact: Minimum impact

- **GRAP 108:** Statutory receivables

Impact: – Measurement of statutory receivables may have an impact but principally based on GRAP 104

- **GRAP 109:** Accounting by principals and agents

Impact: Possible impact due to SARS collecting on behalf of SETAs

- **GRAP 110:** Living and non-living resources

Impact: No impact

- **IGRAP 1:** Applying the probability test on initial revenue recognition (amendments)

Impact: No impact - FoodBev SETA does not apply probability test on initial revenue recognition

- **IGRAP 17:** Service concession arrangements where a grantor controls a significant residual interest in an asset

Impact: No impact - no arrangements

- **IGRAP 18:** Recognition and derecognition of land

Impact: No impact - FoodBev SETA does not own a land

- **IGRAP 19:** Liabilities to pay levies

Impact: No impact - FoodBev SETA does not pay levies as defined in IGRAP 19

- **GRAP 20:** Accounting for adjustments to revenue

Impact: No impact - Any adjustments to revenue are in line with GRAP standard and other relevant legislations

- Guideline Accounting for arrangements undertaken in terms of the national housing programme

Impact: No impact - Not relevant to FoodBev SETA





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