MPUMALANGA REGIONAL TRAINING TRUST

MRTT

Empowerment Through Training

2014/2015

Annual Report

MPUMALANGA REGIONAL TRAINING TRUST

Annual Report

2014/2015 Financial Year

Contents

PART A

GENERAL INFORMATION

Public Entity's General Information

Registered Name
Mpumalanga Regional Training Trust

Registration Number
1993/006132/08

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Bankers
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Saveway Crescent
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1035

Company/ Board Secretary
Ms T Mthethwa

List of Abbreviations/Acronyms

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
B&CC	Building and Civil Construction
BBBEE	Broad-Based Black Economic Empowerment
CATHSSETA	Culture, Arts, Tourism, Hospitality, Sport Sector Education and Training Authority
CEO	Chief Executive Officer
CCoE	Construction Centre of Excellence
CFO	Chief Financial Officer
CI	Corporate Identity
CRDP	Comprehensive Rural Development Programme
CRO	Community Resource Organisation
CETA	Construction Education and Training Authority
DBSA	Development Bank of Southern Africa
DoE	Department of Education
ETDP	Education, Training and Development Practices
ETQA	Education and Training Quality Assurance
EWSETA	Energy and Water Sector Education and Training Authority
EXCO	Executive Council
FAR	Fixed Asset Register
FCMM	Financial Capability Maturity Model
FET	Further Education and Training
GRAP	Generally Recognised Accounting Practice
HoD	Head of Department
HRM	Human Resources Management
HTA	Hospitality and Tourism Academy
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDP	Individual Development Plan
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardisation
MEC	Member of the Executive Council
MerSETA	Manufacturing, Engineering and Related Services Education and Training Authority
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MRTT	Mpumalanga Regional Training Trust
MTEF	Medium-term Expenditure Framework
NPC	Non-Profit Company
NQF	National Qualifications Framework
NYDA	National Youth Development Agency
NYS	National Youth Services
OTP	Office of the Premier
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PMS	Performance Management System
PPP	Public Private Partnership
QMS	Quality Management System
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SETA	Sector Education Training Authority
SLA	Service Level Agreement
SMCO	Senior Management Committee
SMME	Small Medium and Micro Enterprises
SOP	Standard Operating Procedure
TR	Treasury Regulations

Foreword by the Member of the Executive Council (MEC)

The Mpumalanga Regional Training Trust provides the vehicle with which we endeavour to deliver relevant and significant strategies in accelerating our effort as Government to mitigate against the challenges of shortage of critical and scarce skills, unemployment and poverty in the Province. We do so mainly by focussing on empowering learners – primarily from disadvantaged communities, industry workers and government employees to participate in the broader economic sphere of the Mpumalanga Province in accordance with the imperatives of the Mpumalanga Provincial Human Resource Development Strategy (HRDS).

As government, we constantly demonstrate our commitment to our responsibility to cater for the unskilled and unemployed out-of-school groups and ensure that they are sustainably introduced into the system of skills training and actively participate in the economic mainstream. As part of our rural development programme, the entity has continued to provide accredited skills in construction, manufacturing and engineering programmes to out of school youth in the eight identified CRDP (Comprehensive Rural Development Programme) municipalities in the province which will assist them to create employment and or be self employed.

The entity has started the process of Artisan Development Programme in collaboration with other stakeholders and role players as pronounced by the honourable Premier of the Province, Mr DD Mabuza in his State of the Province Address (SOPA) 2014 in response to the National call of addressing the dire shortage of artisans across the country.

The Mpumalanga Province has continued to implement programmes as mandated by the Honourable State President Mr J Zuma in his state of the Nation Address (SONA) 2014, where he emphasised the need to continue producing electrician, plumbers and many other professionals to build our country's economy. The entity has provided accredited training to learners in plumbing, carpentry, bricklaying, plastering and many other trades in order to create jobs and for economic development.

While most of the training is provided on campus, MRTT is also geared to provide institutional training at accredited workshops and through its Mobile workshops which travel to remote areas and enable members of local communities to access skills development interventions close to their homes. These programmes have made it possible for the entity to make access to skills development to poor communities. There are also challenges that are encountered during the process of providing skills to the out-of-school youth from poor communities in that most of them cannot afford to pay their tuition fees and to this effect the entity has provided these learners with financial assistance to ensure that skills are developed in order for them to be self employed or be part of the labour market.

One of the major challenges faced by the entity is securing sufficient work placement for trained learners since most of

HON Mrs. MR Mhaule

the prospective employers have their own in-house training centres however the province is intensifying efforts in ensuring that more partnerships are fostered with the private sector and industry.

The Department of Education has continued to support MRTT in producing a skilled workforce that is able to compete globally in fulfilment of Outcome 5: "**A skilled and capable workforce to support an inclusive growth path**" in line with the Medium Term Strategic Framework.

As MEC and the Department responsible for training and development of our people, we are very proud and excited by the year end reporting of the entity and we will continue to support MRTT in their skills development endeavours.

Empowerment through Training

Mrs. MR Mhaule (MPL)
MEC for Education
Date: 29 May 2015

Foreword by the Chairperson

As Chairperson of the board, once again, it gives me pleasure to present another end of the year Annual Report of Mpumalanga Regional Training Trust (MRTT) for the financial year 2014/15.

The report is aimed at highlighting the achievements of the year under review, including a reflection on challenges faced by MRTT during this reporting period.

It goes without saying that MRTT continues to play a critical role within the skills development sector in ensuring that the demand of the labour market are met through skilled people, while also contributing to a sustainable economic growth. As a result, we continue to view MRTT as relevant and significant in accelerating effort to mitigate challenges of shortage of skills and unemployment in the province and the country as a whole.

I am pleased that MRTT has successfully implemented the Premier's vision of artisan development in this province focusing on out-of-school youth. We are indeed a trusted ad reliable skills development agency of government and I'm proud to report that our partnership with Hydra Arc in delivering the Premier's vision has already yielded positive results for our young people in the province. As MRTT, we managed to recruit a total of 329 young people for the artisan development programme and they are currently busy with their practical training at Hydra Arc in Secunda. We have enrolled learners in Boiler-making, Pipe Fitting and Welding.

While reporting in the previous financial year, we cited workplace training as one of the key challenges hampering artisan development within our province and the country as large. As such, MRTT is working closely with the provincial government to arrest this situation by forming partnership with key industries and private business to assist our artisan trainees with the necessary required workplace integrated training within their field of study. MRTT is currently playing a critical role in the established Mpumalanga Provincial Human Capital work stream forum aimed at addressing and securing

> ***"As MRTT, we managed to recruit a total of 329 young people for the artisan development programme"***

workplace integrated training under the leadership of the Premier's advisers, which includes participating stakeholders such as Eskom, Sasol, Department of Education, Department of Economic Development etc.

In addition, our efforts in artisan development are still continuing with our internal training centres and community projects aimed at providing skills and alleviating poverty within our communities. In reporting on our plan for our internal training centres and community based training projects in the year under review, MRTT has managed to achieve **1 157** learners in Construction, Manufacturing and Engineering skills set target of training and 212 learners in Hospitality and Tourism studies.

The Mobile unit, through its community based projects also managed to train **313 youth in short skills and 370 in learnership** from different communities within the province.

MRTT continues to participation in several government funded skills development initiatives, one of such is the Comprehensive Rural Development Programme (CRDP). Through the CRDP programme, MRTT has played a huge and successful role in delivering quality training to the most vulnerable communities of our society. In the year under review, we were engaged in delivering building construction related training programmes to a total of **713** out-of-school youth, in **(8) eight** local municipalities.

It is evident from this report that MRTT is indeed contributing towards skills development in the Province and the country at large. We are proud to partake in such a demand environment, whereby skills development and training is highly needed to drive the economic growth and development across all spheres of government and industry sectors of the economy.

In closing, I would like to take this opportunity to thank our mother department, the Department of Education, for their continuous support and in particular the Honourable MEC, Ms MR Mhaule.

My sincere appreciation also goes to the members of the Board, MRTT management and staff for their sterling efforts in ensuring the delivery of quality training in the Province.

Mrs FD Mthembu
Chairperson of the Board: MRTT
Date: 29 May 2015

Mrs FD Mthembu
Chairperson of the MRTT Board

Chief Executive Officer's Overview

General financial review of the public entity

The Mpumalanga Regional Training Trust (MRTT) had mixed results with regard to its financial performance for the 2014/15 financial year. Government grant allocation decreased by 12.5% year-on-year, whereas, there was a steady increment of 14% in terms of revenue from exchange transaction(s) – own generated revenue year-on-year. Conversely, there was an increase in expenditure from R123 million to R135 million, that is, 9% compared to the previous financial year. The deficit year-on-year increases significantly due to the reduced government budget allocation and with increasing expenditure year-on-year. The financial position of the entity has significantly improved with regards to its asset base, the increase was 50% compared to the previous financial year. Both the solvency and liquidity shows a drastic improvement in the last five (5) financial years, the entity will continue to operate in the foreseeable future – (liquidity/short-term) and in the long-term (solvency), there is clear evidence that the total assets remains adequate to cover against total liabilities of the entity. The entity revalued its properties in March 2015 as per its accounting policy (every 5 years), the properties were revalued by an independent appraiser registered with as a Professional Association of Valuers with the South African Council for Property Valuers Profession.

Spending trends of the public entity

	2012/13 R'000	2013/14 R'000	2014/15 R'000
Expenditure	87 934	123 261	134 544

Capacity constraints and challenges facing the public entity

The MRTT introduced the performance management system; performance assessment(s) were done for all the quarter(s) and the performance bonuses were paid based on the outcome(s) of the employee's performance appraisals. The Provincial Executive Council resolved to introduce and implement a moratorium in the filling of vacant position in the approved organisational structure.

> *"The financial position of the entity has significantly improved with regards to its asset base"*

Discontinued activities/Activities to be discontinued

There were no discontinued and/or planned discontinued activities during the 2014/15 financial year.

New or proposed activities

The entity advertised the positions for the new Board of Directors; the new Board is expected to assume its duties as from the 1st of June 2015. The entity has introduced a new target to train.

1 000 out-of-school youth towards artisan development. The entity regained the lost accreditation with the following Seta's, namely, EWSeta; CETA.

Requests for rollover of funds

No requests were made for the rollover of funds to the next financial year.

Supply chain management

Planned training was conducted for Supply Chain Management (SCM) staff, as well as other staff members. There are amended policies in place that incorporate the adjustment in the threshold, as well as recommendations from

the Auditor-General's 2013/14 Report for procuring goods and services.

All concluded unsolicited bid proposals for the period under review

There were no unsolicited bid proposals concluded during the 2014/15 financial year to report on.

Whether SCM processes and systems in place

SCM processes are in place in terms of procurement for goods and services; and contract management, a process is in place to optimise the human resources and IT functions with the Supply Chain Management function.

Challenges experienced and how resolved

Challenges that were experienced are being addressed; using the Auditor-General's action plan on reported audit findings, and progress is monitored and evaluated continuously throughout the year.

Audit report matters in the previous financial year and addressing these

An action plan on reported audit findings, the Provincial Treasury AG and the Financial Capability Maturity Model (FCMM) were developed and progress on the findings is discussed at Senior Management Committee level. The Audit Committee and the Board of Directors meetings took place.

Outlook/ Plans for the future to address financial challenges

MRTT will embark on the following financial survival strategies to mitigate its financial risks:

- A multi-faceted fundraising plan that will be implemented and carefully monitored.
- Further diligent attention will be paid to the development of increased internal sources of funding, e.g. leveraging funding through the Jobs Fund at the Development Bank of Southern Africa (DBSA); the Industrial Development Corporation (IDC); the National Youth Development Agency's National Youth Fund, and other financiers.

Events after the reporting date

There are no post-reporting events to report on.

Economic viability

The entity's financial and/or economic viability remains "hard-pressed" by the prevailing economic condition(s) faced by the South African economy, with negligible to slow economic growth; high rates of unemployment and poverty levels. These challenges are further worsened by the impending introduction of Community Education and Training which are intended to provide "second-chance learning opportunities

Mr. ND Moropane
CEO: MRTT

Statement of Responsibility and Confirmation of Accuracy for the Annual Report

for out-of-school youth and adults". The budgetary constraints, accompanied by uncertainty regarding the absence of an enabling legislation in terms of the establishment of MRTT as a public entity.

Acknowledgements or appreciation

I would like to express my sincere gratitude to the MEC for Education, Ms MR Mhaule, for providing support to the MRTT and trust this support would continue in future. Furthermore, I would like to express appreciation to the various SETAs that the MRTT works with – i.e. CETA; MerSETA; CATHSSETA, etc. I furthermore wish to take this opportunity to thank the Board of Directors for their continued support and guidance in ensuring that the MRTT meets its set objectives and fulfils its mandate. And last but not least, I would like to acknowledge the enormous hard-work and/or contribution(s) by the MRTT employees to success of the entity.

ND Moropane
Chief Executive Officer: MRTT
29 May 2015

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

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

The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2015.

Yours faithfully

Chief Executive Officer
Name: ND Moropane
Date: 29 May 2015

Chairperson of the Board
Name: Mrs FD Mthembu
Date: 29 May 2015

Mandate

As a public entity reporting through the Board of Directors to the MEC of Education in the Mpumalanga Province, MRTT is mandated:

- To develop the human resource base of the Mpumalanga Province through the provision of experiential, practical, technical, hospitality, tourism, entrepreneurship and life skills training; and
- To empower learners, primarily the disadvantaged communities, industry workers and government employees to participate in the broader economic sphere of the province.

Vision

To be recognised as an accredited sustainable skills development agency throughout Southern Africa.

Mission

To provide quality customised training interventions, practical workplace training, placement and after-care according to the demands of the market that we serve for job creation and poverty alleviation.

Values

- Accountability;
- Transparency;
- Committed;
- Innovation;
- Integrity;
- Professionalism and
- Respect.

"One mandate is to develop the human resource base"

Legislative and Other Mandates

Mandates	Purpose
Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).	This legislation requires education to be transformed and democratised in accordance with the values of human dignity, human rights and freedom, as well as non-racism. It guarantees basic education for all, with the provision that everyone has the right to basic education, including adult basic education and the provision of further education and training (FET).
Skills Development Act, 1998 (Act No. 97 of 1998).	This Act is aimed at increasing the skills levels of human resources in the workplace and supporting career-pathing.
South African Qualifications Authority Act, 1996 (Act No. 58 of 1995).	It provides for the development and implementation of the National Qualifications Framework (NQF) and for this purpose to establish the South African Qualifications Authority (SAQA,) and to provide for matters connected therewith.
Labour Relations Act, 1995 (Act No. 66 of 1995).	It regulates the organisational rights of trade unions and promotes and facilitates collective bargaining in the workplace and at sectoral level. This Act is aimed at promoting and maintaining sound labour practices.
Public Finance Management Act, 1999 (Act No. 1 of 1999).	Its aim is to regulate financial management and to ensure that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government; and to provide for matters connected therewith.
Companies Act, 2008 (Act No. 71 of 2008).	Its aim is to provide for the incorporation, registration, organisation and management of companies; and to provide for equitable and efficient mergers and takeovers of companies.
Employment Equity Act, 1998 (Act No. 55 of 1998).	Its aim is to promote the constitutional right of equality and the exercise of true democracy; to eliminate unfair discrimination in employment; and to ensure the implementation of employment equity to redress the effects of discrimination.
Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997).	Its aim is to give effect to the right to fair labour practices referred to in section 23(1) of the Constitution, by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; as well as to provide for matters connected therewith.
Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).	Its aim is to provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; as well as the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work.

The legislative mandate refers to the legislation that governs the existence of the Mpumalanga Regional Training Trust (MRTT) and its operations as such. The following legislation bears evidence to this effect:

Other: Legislative Framework

- Registered in terms of Schedule 3C of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).
- MRTT is registered as a Non-Profit Company (NPC) in terms of the New Companies Act, 2009 (Act No. 71 of 2008, with ***registration number 93/06132/08***.
- Registered and a constituent member of the Education, Training and Development Practitioner Sector Education Training Authority (ETDP SETA) in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) and the Skills Development Levies Act, 1999 (Act No. 78 of 1999) – Skills Levy No. L10073499
- Registered as a National Training Provider with the Department of Labour – Registration No. ID 453.

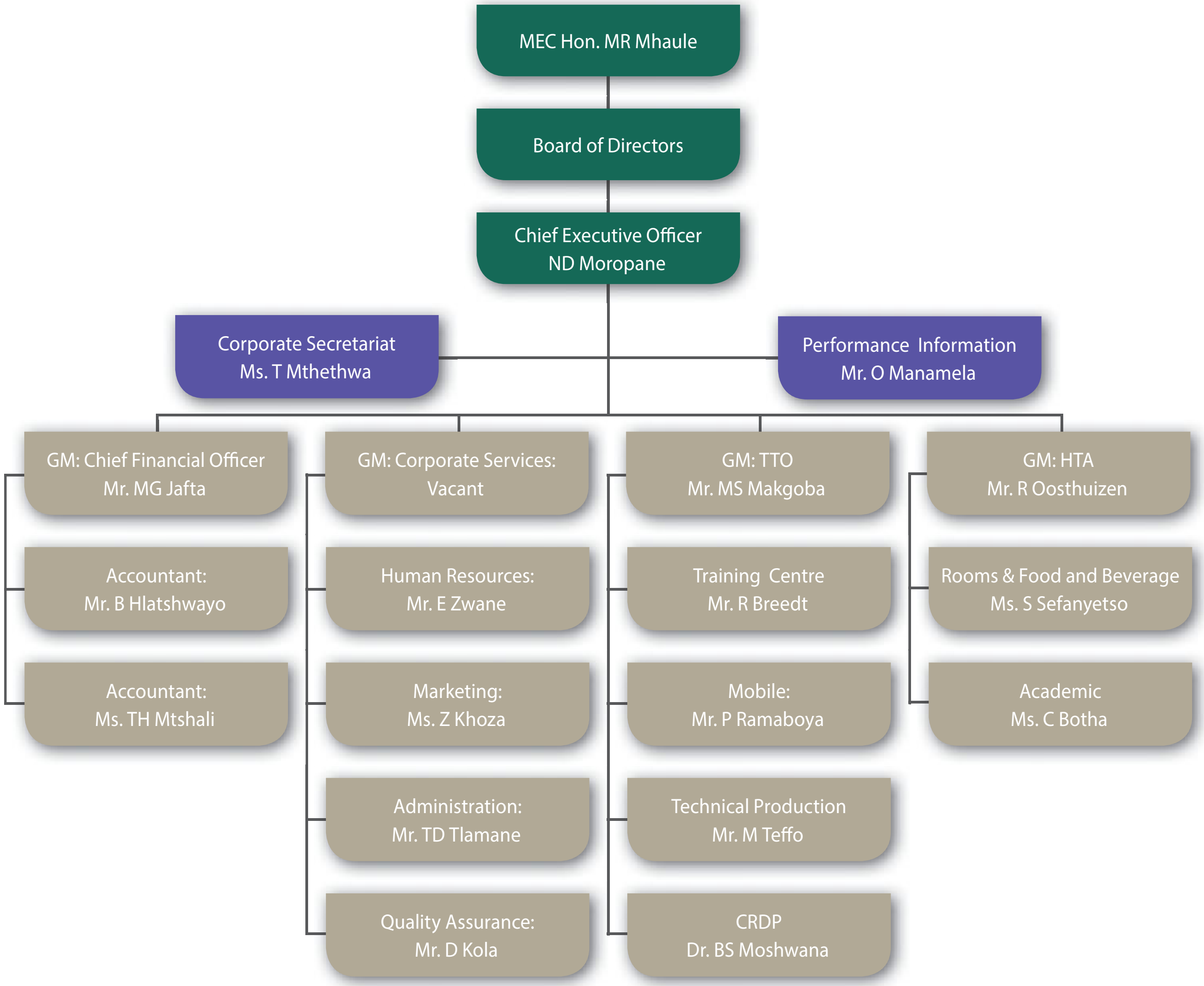
MRTT Accreditation Status

MRTT is currently in possession of the following Education and Training Quality Assurance (ETQA) Accreditation Certificates:

- Construction Education and Training Authority (CETA) (No. 6P5112).

Organisational Structure

- Manufacturing, Engineering and Related Services SETA (MerSETA) (No. 17-QA/ACC/0510/10).
- Energy and Water Sector Education and Training Authority (EWSETA) (MatuaENER090428).
- Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) (No. 613/R/000034/2005).



PART B

PERFORMANCE INFORMATION

Auditor’s Report: Predetermined Objectives

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor’s report.

Refer to page 72 of the Report of the Auditors Report, published as Part E: Financial Information.

Situational Analysis

Limited infrastructure to reach out to all areas of the province simultaneously constitutes a challenge

Service delivery environment

The entity's service delivery takes place largely in the training centres targeting, mainly learners from deep rural areas within the three major districts of the Mpumalanga Province, namely the Nkangala, Ehlanzeni and Gert Sibande Districts. The potential clientele base in these districts includes government departments, state-owned entities, municipalities, community-based organisations and privately owned companies as well as out-of-school youth. In these focal areas, the institution's interventions are driven by the increase in the intake of out-of-school youths, so that they could have access to skills programmes, more in particular in the hospitality, tourism, technical and entrepreneurial fields.

The entity continues to offer construction-related trades in eight identified municipalities through the Comprehensive Rural Development Programme (CRDP) in the province. The identified municipalities are Bushbuckridge, Chief Albert Luthuli, Dipaleseng, Dr JS Moroka, Mkhondo, Nkomazi, Pixley ka Seme and Thembisile Hani. A total of 713 learners received accredited institutional training in construction, manufacturing and engineering skills. The entity had initially registered 720 learners in construction-related trades however there is a challenge of learner dropout from training programmes due to various reasons, including permanent employment. This is an inevitable situation because most of the learners trained are from deep rural indigent and destitute communities whereby an opportunity of a permanent employment is always prioritised.

MRTT is faced with the challenge of securing workplace integrated learning for all its learners upon completion of their institutional training. However, efforts are made to establish working relationships and partnerships with municipalities, as well as small-to-medium privately owned companies in the province. The entity has, during the year under review, approached a number of institutions including government departments in pursuit of partnerships that will see our trained learners receiving workplace integrated learning and placement opportunities.

The other challenge facing MRTT, is the issue of learners exiting from the programmes before receiving their qualifications. This challenge was mitigated via constant learner support and feedback. The entity's hospitality sector faces a capacity challenge due to an increase in demand for the programmes offered. The facilities are used at maximum capacity and the MRTT cannot keep up with the increase in applications.

Organisational environment

Human Resource Policies were reviewed on 05 and 06 June 2015 to align them with the new labour legislations and also to keep them updated and relevant. Despite the numerous

challenges that the entity has encountered regarding the implementation of the performance management policy, the performance management policy was finally implemented and complied with.

The entity has made significant appointments in two senior positions. Two women were appointed to the positions of General Manager: Technical Training Operations and Company Secretary and Legal Services Manager.

In year under review, the entity was faced with a multiple labour relations challenges that have resulted in legal strike by employees. However, the entity is addressing all the challenges by way of building consensus and relationships amongst its employees and other relevant stakeholders.

The entity has further reviewed its organisational structure in order to comply with the moratorium on filling of vacant funded positions. The moratorium required the entity to remove all funded and non funded vacant positions from its approved organisational structure. The revised organisational structure was approved by the entity's Board of Directors on the 25th March 2015. The moratorium has affected the entity in a negative way as some of the critical positions were also affected. The position of Auto-Spray painter is critical for MERSETA accreditation and the position of Health and Safety Officer is critical for compliance with the Health and Safety Act.

"More learners are aware of the opportunities that exist in the hospitality field"

> *"There have been significant changes in the actual duties and responsibilities of most employees"*

Key policy developments and legislative changes

There were no new key policy developments and legislative changes effected during the period under review.

Strategic outcome oriented goals

The entity has developed and is working towards the achievement of the four Strategic Goals, which are central to addressing some of the skills shortages in the province, as reflected in the Strategic Plan. These goals were developed in line with Outcome 5 of the Medium-term Strategic Framework, namely: "A skilled and capable workforce to support an inclusive growth path". The four key Strategic Goals developed are the following:

- Providing Access to Skills Development
- Providing an Effective Support System
- Marketing of Products and Services
- Providing Workplace Training, Coaching and Mentoring

A tremendous effort and resource allocation over the years were at the centre of the implementation and achievement of these goals consequently yielding positive results.

The entity has a mandate to develop the human resources base of the province via the development of skills by providing

experiential, practical, technical, hospitality, tourism, entrepreneurship and life skills training.

The entity has made positive strides to ensure compliance with internal training policies and the SETA set criteria. Financial management and governance were enhanced by the implementation of, and compliance with legislation, such as the PFMA; Generally Recognised Accounting Practice (GRAP); Generally Accepted Accounting Practice (GAAP) and International Financial Reporting Standards (IFRS) as well as King III on Corporate Governance.

The entity has continued to form partnerships with government departments, municipalities and industry for the placement of learners for workplace training, coaching and mentoring. The services of placement providers were sought to assist in this process as the entity views this placement of learners as critical and important. A total number of 1 041 learners were placed for workplace integrated learning. We are also in the process of negotiating with the CETA for approving MRTT to be recognised as an employer for the purposes of placing learners for integrated learning and practical experiential learning. Upon the granting of this approval, we would be able to utilise the projects that we are currently implementing for different government departments to ensure the fulfilment of this goal.

In order to boost the marketing of products and services and subsequently learner recruitment, the entity conducted 12 school visits, 11 learner recruitment adverts, 7 MRTT Corporate Advertising were placed in relevant print and electronic media. The strategies yielded positive results, however learners keep on dropping out of training programmes due to different personal reasons like permanent employment, relocation and so on.

> *"The entity has continued to form partnerships with government departments, municipalities and industry for the placement of learners for workplace training, coaching and mentoring"*

Performance Information by Programme

Programme 1: Hospitality and Tourism Academy

Programme Objective

To provide overall capacity-building in Hospitality and Tourism as per CATHSSETA identified scarce skills audit within prescribed standards in accordance with sound business principles to attain financial sustainability by 2014.

The Hospitality and Tourism Academy programme comprises the following sub-programmes:

- Sub-programme: Academic
- Sub-programme: Rooms
- Sub-programme: Food and Beverage

Strategic Objectives

Strategic Objective	Provision of theoretical and practical skills training.
Objective Statement	To provide theoretical and practical skills training to 700 learners by 2014/15.

Strategic Objective	Provision of graded accommodation services and workplace training.
Objective Statement	Provision of accredited accommodation services for income generation and learner workplace training by 2014/15.

Strategic Objective	Provision of graded Food and Beverage services and workplace training.
Objective Statement	Provision of accredited Food and Beverage services for income generation and learner workplace training by 2014/15.

Strategic Objectives Planned and Actual Achievements

Programme: Hospitality and Tourism Academy					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Provision of theoretical and practical skills training.	*191 learners.	140 learners.	212 learners.	72 learners.	Over achievement due to very high learner demand and external funded learners on the programme.
Provision of graded accommodation services and workplace training.	Grading and accreditation maintained.	100% of learners trained in Academic.	100% of learners trained in Academic.	No deviation.	No comment on deviation as the target was achieved.
Provision of graded Food and Beverage services and workplace training.	Grading and accreditation maintained.	100% of learners trained in Academic.	100% of learners trained in Academic.	No deviation.	No comment on deviation as the target was achieved.

Key Performance Indicators, Planned Targets and Actual Achievements

Sub-Programme: Academic

Business Focus

Capacity building in hospitality & tourism as per CATHSSETA identified scares skills audit within the prescribed standards to enable meaningful participation in the development of the industry.

Progress Analysis on 2014/15 Priorities

The core priorities of the sub-programme are the provision of theoretical knowledge and practical skills training in the areas of Food Production, Food Service and Accommodation Services. These programmes are accredited and approved by CATHSSETA (Culture, Arts, Tourism, Hospitality, Sport Sector Education and Training Authority).

During the year under review, the sub-programme trained the following number of learners:

- 169 learners in Food Production
- 24 learners in Food and Beverage Service
- 19 learners in Accommodation Services

Challenges faced by the sub-programme during the period under review related to inadequate resources, infrastructure and recruitment of learners for training as per the quarterly plans. Curriculum and Learning Programme revisions are also required to meet new challenges in the SETA and Qualification amendments which are under revision and/or to be re-registered.

Funding to facilitate improvements to the current infrastructure, an increase in resources and capacity and timeously facilitating learner marketing and recruitment will assist in improving efficiency in this sub-programme. (See table of indicators on page 22).

"Funding to facilitate improvements to the current infrastructure will assist in improving efficiency in this sub-programme"

Sub-Programme: Academic					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 101: Number of learners that received training in approved unit standards for the National Certificate in Professional Cookery.	38 learners.	40 learners.	62 learners were registered trained, assessed and moderation was conducted.	22 learners.	Over achievement due to very high learner demand and external funded learners on the programme.
PPI 102: Number of learners that received training in approved unit standards for the Assistant Chef Skills Programme.	105 learners.	60 learners.	107 learners were trained, assessed and moderation was conducted.	47 learners.	Over achievement due to very high learner demand and special funded projects by Spar and South African Chef Association.
PPI 103: Number of learners that received training in the approved unit standards for the National Certificate in Accommodation Services.	25 learners.	20 learners.	19 learners completed training, assessed and learning outcomes moderated.	1 learner.	1 learner left the programme due to permanent job offer.
PPI 104: Number of learners that received training in the approved unit standards for the National Certificate in Food and Beverages Services.	23 learners.	20 learners.	24 learners completed training, assessed and learning outcomes moderated.	4 learners.	Over achievement due to high learner demand for this programme and to make provision for abscondence.
PPI 105: Income generated from Learner Training Fees.	R1 498 585	R 1 217 800	R1 548 551	R330 751	Over achievement due to external programmes.

This sub-programme's objectives contribute to the success and achievement of the provincially mandated goal to train underprivileged and disadvantaged learners by offering either affordable and/ or funded learning opportunities which translate into real employable opportunities in the Hospitality and Tourism Industry.

Challenges in achieving these goals are that learners from disadvantaged backgrounds often mainly focus on the available funding or stipends and are not focussed on necessarily achieving a career in this industry. As better opportunities that are more financially sustainable for them come along, they abscond from the learning programme.

A further challenge is that the setting and adhering to the annual performance plan often rigidly undermines the entity's ability to be adaptable and flexible in responding to urgent demands or sudden changes in the market.

Lastly, a decrease in interest and marketability of the Food and Beverage Services and the Accommodation Services Learning Programmes is evident and the entity requires reconsidering these two courses.

Strategy to overcome areas of under performance

Learners are constantly encouraged to complete the training programmes.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub-Programme: Rooms

Business Focus

The provision of coaching and mentoring of learners in the workplace and successful management of the hospitality operations, in accordance with sound business principles. The sub-programme will strive to retain the 3 star Tourism Grading for the Hospitality and Tourism Academy.

Progress Analysis on 2014/15 Priorities

During the year under review the Sub-programme targeted to coach and mentor 100% of learners send from Academic Sub-programme and managed to achieve the set target. The Sub-programme also managed to retain the 3 star Tourism grading for the Hospitality and Tourism Academy. (See table of indicators on page 24)

> ***"The sub-programme will strive to retain the 3 stars Tourism Grading for the Hospitality and Tourism Academy"***

Sub-Programme: Rooms					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 106: Percentage of learners coached and mentored in the workplace in Accommodation Services.	25 learners.	100% of learners trained in Academic.	100% learners trained in Academic were coached and mentored in the workplace.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 107: Revenue generated in Rooms Sub-programme.	R1 774 947	R1 331 000	R 1 777 046	R446 046	Over achievement due to room occupancy increasing during the period under review.
PPI 108: Retain and Maintain 3 Star Tourism Grading.	3 Star Grading.	Retain 3 Star Tourism Grading.	3 Star Tourism Grading was retained.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 109: Attain set room occupancy.	55%	40%	51%	11%	Over achievement of 11% due to business increasing during the period under review.

The sub-programme has achieved all set targets thereby supporting the strategic outcomes orientated goals of providing workplace training, coaching and mentoring.

Strategy to overcome areas of under performance

No strategy to overcome areas of non performance because all outputs have been achieved as planned

Changes to planned targets

There were no changes made to planned targets during the year.

Sub-Programme: Food and Beverage

Business Focus

The provision of coaching and mentoring of learners in the workplace and successful management of the Food and Beverage Operations, in accordance with sound business principles.

Progress Analysis on 2014/15 Priorities

The sub-programme targeted to coach and mentor 100% of all learners sent from the Sub-programme Academic and has achieved the set target. The sub-programme targeted to reach a 38% food cost, 34% beverage cost and maintain a 86% safety and hygiene standard. All of these set targets were over achieved. (See table of indicators on page 25)

Sub-Programme: Food and Beverage					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 110: Percentage of learners coached and mentored in the workplace in Professional Cookery.	38 learners.	100% of learners trained in Academic.	100% learners trained in Academic were coached and mentored in the workplace.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 111: Percentage of learners coached and mentored in the workplace in Assistant Chef Skills Programme.	63 learners.	100% of learners trained in Academic.	100% learners trained in Academic were coached and mentored in the workplace.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 112: Percentage of learners coached and mentored in the workplace in Food and Beverage Services.	23 learners.	100% of learners trained in Academic.	100% learners trained in Academic were coached and mentored in the workplace.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 113: Revenue generated in Food and Beverage Sub-programme.	R2 014 934	R 1 778 700	R2 182 931	R404 231	Over achievement due to business increasing during the period under review
PPI 114: Maintain set standard food cost percentage.	35%	38%	34%	4%	Over achievement due to effective controls implemented.
PPI 115: Maintain set standard beverage cost percentage.	29%	34%	29%	5%	Over achievement of 5% due to effective controls implemented.
PPI 116: Maintain set hygiene standards as per Health and Safety Regulation 5 & 6 of 1999.	89%	85%	86%	1%	Over achievement due to implementation of hygiene and food safety procedures.

The sub-programme has achieved and/or over-achieved all set targets thereby supporting the strategic outcomes orientated goals of providing workplace training, coaching and mentoring.

Strategy to overcome areas of under performance

No strategy to overcome areas of non performance because all outputs have been achieved as planned.

Changes to planned targets

There were no changes made to planned targets during the year.

Linking performance with budgets

	2014/2015			2013/2014		
Sub-Programme	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Academic	5 174	4 004	1 170	3 154	3 062	9
Rooms	5 828	8 146	(2 318)	6 316	5 625	691
Food and Beverages	6 287	7 312	(1 025)	3 987	3 073	914
TOTAL	17 289	19 462	(2 173)	13 457	11 760	1 614

Programme 2: Technical Training Operations

Programme Objective

To develop skills in technical and other areas, quality training through mobile units and provide workplace experiential training.

The Technical Training Operations programme comprises the following sub-programmes:

- Sub-Programme: Training Centres
- Sub-Programme: Mobile Training
- Grant: Comprehensive Rural Development Programme (CRDP)
- Sub-programme: Technical Production

Strategic Objectives

STRATEGIC OBJECTIVE	Construction, Manufacturing and Engineering Skills Development.
OBJECTIVE STATEMENT	To provide accredited construction, manufacturing and engineering skills training to 5500 learners through institutional training and provide Trade testing and Recognition of Prior Learning to 164 candidates by 2014/15.

STRATEGIC OBJECTIVE	Construction, Manufacturing and Engineering Skills Development.
OBJECTIVE STATEMENT	To provide customised and accredited construction, manufacturing and engineering skills training to 3300 learners and 1000 learners with Learnership and Apprenticeship through mobile training by 2014/15.

STRATEGIC OBJECTIVE	Provision of relevant skills for participation on the Comprehensive Rural Development Programme (CRDP).
OBJECTIVE STATEMENT	Provision of accredited construction skills training to 1890 learners through CRDP by 2014/15.

STRATEGIC OBJECTIVE	Provision of workplace training.
OBJECTIVE STATEMENT	Management of production projects for income generation and workplace training by 2014/15.

Strategic Objectives Planned and Actual Achievements

Programme 2: Technical Training Operations					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Construction, Manufacturing and Engineering Skills Development.	1 202 learners.	1 100 learners.	1 157 learners.	57 learners.	Over achievement because training input costs were reduced to accommodate learners from poor communities.
Construction, Manufacturing and Engineering Skills Development.	631 learners.	400 learners.	313 learners.	87 learners.	Under achievement due to the fact that training commenced late in the year hence all targeted learners could not be trained.
Provision of relevant skills for participation in the Comprehensive Rural Development Programme (CRDP).	740 learners.	720 learners.	713 learners.	7 learners.	Under achieved due to learners who dropped out of training programmes.
Provision of workplace training.	131 learners.	130 learners.	153 learners.	23 learners.	23 Learners over achievement due to secured projects of building school toilets, RDP houses, extension of workshops at Emalahleni centre.

Key performance indicators, planned targets and actual achievements

Sub-Programme: Training Centres

Business Focus

To develop skills in technical and other demand led areas at various MRTT Training Centres.

Progress Analysis on 2014/15 Priorities

For 2014/15 financial year the Sub-programme planned to train 1100 learners through Institutional Training at Emalahleni Training Centre, Kabokweni Training Centre and Ekandustria Training Centre, a total of 1 157 learners were trained.

The Sub-programme could not assess 45 candidates in the Construction Trades through RPL and Trade testing due to delays in the renewal of accreditation for the Construction Centre of Excellence. The accreditation was renewed at the end of the financial year. (See table of indicators below)

Sub Programme: Training Centres

Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 201: Number of learners that received accredited institutional training in construction, manufacturing and engineering qualification and skills.	1 202 learners.	675 learners to be trained in Construction, manufacturing and engineering full qualification.	281 learners.	394 learners.	Under achievement due to learners who have shown interest in the programmes cannot afford to pay their fees.
		425 learners to be trained in Construction, manufacturing and engineering skills.	876 learners.	451 learners.	Over achievement due to the fact that training input costs were reduced to accommodate learners from poor communities.
PPI 202: Number of candidates assessed in RPL and Trade testing in the construction trades.	44 and 32 declared competent.	45 candidates.	The planned target was not achieved.	45 candidates.	The renewal of the accreditation for the Trade Test centre was not yet completed.
PPI 203: Generated income from private learners fees.	R3 475 102	R 1 800 000	R2 679 552.76	R879 552.76	Over achieved due to secured projects of building school toilets and RDP houses.

The achievements of this target assist the entity in realising and achieving the set goal of providing access to skills development.

Strategy to overcome areas of under performance

Renovation of the Kabokweni Training Centre and Ekandustria Training Centre for MERSETA training so that more learners could be registered. The financial assistance programme for learners will also be sustained so as to cater and provide training for learners who are from indigent and destitute communities.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub-Programme: Mobile Training

Business Focus

To provide quality training through mobile units in response to the Provincial Growth and Development Strategy (PGDS).

Progress Analysis on 2014/15 Priorities

The following priorities were achieved during the 2014/15 financial year:

- 313 learners on customised, specialised and accredited short skills;
- 370 learners for training in Learnerships and Apprenticeships.

Sub-Programme: Mobile Training					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 204: Number of learners who received customised, specialised and accredited institutional training in construction, manufacturing and engineering skills.	178 learners.	400 learners.	Registered and trained 313 learners on customised and short skills.	87 learners.	Under achieved because training commenced late during the fourth term of the financial year.
PPI 205: Number of learners trained on Learnerships and apprenticeships.	453 learners.	400 learners.	370 learners.	30 learners.	Under achieved due to the fact that 40 learners out of 410 learners registered for the programme dropped out during the course to the year.

> *"The financial assistance programme for learners will also be sustained so as to cater and provide training"*

Provided customised training to 313 learners and Learnership to 370 learners through mobile training during 2014/15 financial year.

Strategy to overcome areas of under performance

Trainees who completed off-job and partial on-job training will be uploaded and be issued statements of results for the unit standards they achieved.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub-Programme: Comprehensive Rural Development Programme (CRDP)

Business Focus

To uplift and enable rural communities' full responsibilities for their own rural development initiatives. The Programme`s core mandate is to empower and equip rural unemployed youth with relevant skills to better their lives.

Progress Analysis on 2014/15 Priorities

For 2014/15 Financial year, the entity, through the Comprehensive Rural Development Programme (CRDP) registered 720 learners in accredited construction, manufacturing and engineering skills programmes in 08 identified Municipalities of Mpumalanga province. 713 of the 720 trainees were able to complete the programme whereas 7 dropped out of the programme during the financial year for various reasons. The statistics of training are distributed as follows:

- Dr JS Moroka – Registered 90 learners and 89 Completed.
- Thembisile Hani – Registered 90 learners and 90 Completed
- Mkhondo – Registered 90 learners and 89 Completed
- Bushbuckridge – Registered 90 learners and 89 Completed
- Nkomazi – Registered 90 learners and 89 Completed
- Pixley- ka-Seme – Registered 90 learners and 89 Completed
- Chief Albert Luthuli – Registered 90 learners and 89 Completed
- Dipaleseng – Registered 90 learners and 89 Completed

The total number of learners registered was 720 which later decreased to 713. Trained learners were incubated in various work place experiential areas within each benefiting Municipality as tabled above. Learners further received Business Skills and job preparedness programme [entrepreneurship] and certificated by NYDA.

Sub-Programme: CRDP					
Performance Indicator	**Actual Achievement 2013/2014**	**Planned Target 2014/2015**	**Actual Achievement 2014/2015**	**Deviation from planned target to Actual Achievement for 2014/2015**	**Comment on deviations**
PPI 206: Number of learners who received accredited institutional training in construction, manufacturing and engineering skills.	740 learners.	720 learners targeted for accredited construction, manufacturing and engineering skills related programmes.	713 learners.	7 learners.	Under achieved due to learners who dropped out of training programmes.
PPI 207: Income generated from Learner Training Fees.	R 24 358 800	R23 219 000	R23 219 000	No deviation as the target was achieved.	No comment on deviation as the target was achieved.

The programme has since realised a major shift in terms of community development in that our learners that graduated from the programme have been able to participate in both government and community initiatives such participating in a Randza Xikolo xa wena campaign which is a project facilitated by the Department of Education in renewing dilapidated schools, participating in the popular Nelson Mandela Day community work as well as building various community structures such as churches in the benefitting CRDP municipalities.

Strategy to overcome areas of under performance

Seeing that the CRDP has a comprehensive approach in programme implementation practices, MRTT will continue to interact with all government departments and other stakeholders to instil confidence in our learners and aims to better their technical skills so as to participate fully in the economy of the Province.

Secondly, that the out of school learners who participate in the programme will continuously be motivated in realising their dream in becoming entrepreneurs and by so doing will be bridging the unemployment gap.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub-Programme: Technical Production

Business Focus: Production sub-programme will create/provide workplace experiential training for MRTT learners, and also generate extra income for the company.

Progress Analysis on 2014/15 Priorities

The sub-programme targeted the improvement of work integrated learning and placement of learners. The sub-programme planned to coach and mentor 48 learners during the financial year however we managed to coach and mentor 52 learners thus over-achieving this planned activity with 4 learners. The fields in which these activities took place were: Motor mechanic, boiler making and panel-beating. We further coached and mentored in electrical and boiler-making fields.

Sub–Programme: Technical Production					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 208: Number of learners that have been coached and mentored in workplace for experiential training in construction related trades (CETA).	131 learners.	130 learners coached and mentored in construction related trades (CETA).	163 learners.	33 learners.	Over achievement due to secured projects of building school toilets, RDP houses, extension of workshops at Emalahleni centre.
PPI 209: Number of learners that have been coached and mentored in experiential learning in manufacturing and engineering related trades (MerSETA).	New indicator.	48 learners to be coached and mentored for workplace experiential training in engineering related trades (MerSETA).	52 learners.	4 learners.	Over achievement due to secured projects.
PPI 210: Revenue generated from projects and workplace training.	R 4 731 666	R 1 684 432	R22 298 132	R20 613 700	Over achieved due to secured projects of building school toilets and RDP houses.

The projects that were initiated assisted the institution to create entrepreneurship spirit within its operational jurisdiction as well as empowering the communities with the necessary skills to address their economic needs whereby providing workplace training, coaching and mentoring.

Strategy to overcome areas of under performance

No strategy to overcome areas of non performance because all outputs have been achieved as planned.

Changes to planned targets

There were no changes made to planned targets during the year.

Linking performance with budgets

Programme	2014/2015			2013/2014		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Training Centres	14 477	18 244	(3 767)	11 555	12 249	(694)
Mobile	20764	19 577	1 187	30 255	18 414	11 841
CRDP	20 442	23 712	(3 270)	24 359	25 890	(1 531)
Technical Production	2 547	6 433	(3 886)	1 908	4 337	(2 429)
TOTAL	58 229	67 966	(9 737)	68 277	60 890	7 387

Programme 3: Corporate Services

Programme Objective

To provide administrative support; coordination of quality processes, oversight role over financial function and sound marketing strategies by employees who contribute effectively. The Corporate Services Programme has the following Sub-Programmes:

- Sub-Programme: Quality Assurance
- Sub-Programme: Finance
- Sub-Programme: Marketing
- Sub-Programme: Administration
- Sub-Programme: Human Resources Management
- Sub-Programme: Corporate Secretariat
- Sub-Programme: Performance Information Division

Strategic Objectives

Strategic Objective	Quality of learning provision.
Objective Statement	To assure compliance to internal training policies and SETA set criteria by 2014/15.

Strategic Objective	Financial Management.
Objective Statement	To strengthen financial management and governance through adherence, Implementation and compliance to legislation – PFMA, GRAP, GAAP, IFRS by 2014/15.

Strategic Objective	Recruitment of learners, Project canvassing, Corporate Marketing & Brand Management.
Objective Statement	Through Marketing increase learner intake, income generation for programme and secure Training projects by 2014/15.

Strategic Objective	Administrative Support Management.
Objective Statement	To provide effective and efficient administrative support in line with Company Policies and applicable government legislation by 2014/15.

Strategic Objective	Human Resource Management.
Objective Statement	To manage the Company's Human Resources in accordance with the best Human Resource Practices by 2014/15.

Strategic Objective	Legal and Secretarial Management.
Objective Statement	To manage the company's Legal- and Secretarial departments in accordance with best practices and legal requirements by 2014/15.

Strategic Objective	Management of Quality Performance Information.
Objective Statement	To manage the performance information systems in accordance with the required national and provincial framework by 2014/15.

Strategic Objectives Planned and Actual Achievements

Programme 3: Corporate Services					
Strategic objectives	**Actual Achievement 2013/2014**	**Planned Target 2014/2015**	**Actual Achievement 2014/2015**	**Deviation from planned target to Actual Achievement for 2014/2015**	**Comment on deviations**
Quality of learning provision.	Complied to internal training policies and SETA set criteria.	Compliance to internal training policies assured.	Assured compliance to internal training policies.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
Financial Management.	Complied with legislation.	Management of financial resources.	Financial resources managed.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
Recruitment of learners, Project canvassing, Corporate Marketing & Brand Management.	1 422 Learners were recruited and 9298 MRTT promotional brochures distributed.	4 SLA training projects and 9 Learner recruitment advertisements.	3 SLA training projects and 9 Learner recruitment advertisements.	1 SLA Training project.	Awaiting the signing of UIF, ETPD SETA and Department of Public Works Gauteng secured projects.
Administrative Support Management.	Effective and efficient administrative support provided.	Management of administrative support.	Administrative support managed.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
Human Resource Management.	Managed Human Resources in the entity.	Manage implement, monitor HR policies and programmes.	HR policies managed, implemented and monitored.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
Legal and Secretarial Management.	Legal- and Secretarial matters managed.	Manage Legal and Secretarial matters.	Legal and Secretarial matters managed.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
Management of Quality Performance Information.	Performance Information Managed.	Quality Manage performance Information.	Performance Information Managed.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.

Key performance indicators, planned targets and actual achievements

Sub Programme: Quality Assurance

Business Focus

The quality assurance sub-programme is responsible for the coordination and maintenance of quality processes, and continuous improvement of services to the customer and the realisation of excellence and exceeding customer requirements at all times.

Progress Analysis on 2014/15 Priorities

The sub-programme has ensured that Monitoring and Evaluation processes are conducted so as to meet the expected requirements by various stakeholders including the SETAs. The following were also achieved:

- The Quality Management System (QMS) was updated in accordance with SETA requirements to ensure that the operations are within the parameters of ETQA regulations.
- The quarterly audits were conducted to ensure that the sub-programme meet the accreditation requirements and improvement of quality.
- The primary accreditation with CETA was renewed and programme approval with other SETAs was also maintained.
- Assessors and moderators' registration status was renewed and skills programmes offered by MRTT were also registered for compliance with the relevant SETAs.
- Monitoring and evaluation was conducted in all programmes to ensure the sub-programme comply with the SETAs requirements.
- The contracted Service provider for the development of Placement Strategy has concluded the draft and submitted to all relevant stakeholders for their inputs.
- The learners were placed for both work integrated and permanent employment.
- The relationship with DEDET was established for the formation/establishment of incubation/cooperatives.
- The working relation with municipalities and government departments was established to offer trained learners placement opportunities.

(See table of indicators on page 35)

> *"The learners were placed for both work integrated and permanent employment"*

Sub–Programme: Quality Assurance					
Performance Indicator	**Actual Achievement 2013/2014**	**Planned Target 2014/2015**	**Actual Achievement 2014/2015**	**Deviation from planned target to Actual Achievement for 2014/2015**	**Comment on deviations**
PPI 301: Number of audits and management reviews conducted.	Conducted 3 audits on compliance to internal training policies and procedures and 1 management review.	Conduct 3 audits on compliance to internal training policies and procedures and 1 management review.	Conducted 3 audits on compliance to internal training policies and procedures and 1 management review.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 302: Number of procedures reviewed in line with ISO 9001: 2008.	Reviewed 6 QMS procedure to ISO 9001:2008 on management review.	Review 6 QMS procedures to ISO 9001: 2008.	Reviewed 6 QMS procedure to ISO 9001: 2008 on Management review.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 303: Number of Accreditation/Programme approval renewed and maintained with SETAs.	Maintained 2 programme approval with MerSETA and CATHSSETA.	Maintain 1 programme approval with MerSETA.	Maintained 1 Programme approval with MerSETA.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
	Renewed 1 accreditation with CETA and 1 programme approval with EWSETA.	Maintain 1 Primary accreditation with CETA & 1 Programme approvals with CATHSSETA.	Maintained 1 Primary accreditation with CETA & 1 Programme approvals with CATHSSETA.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 304: Percentage of Skills Programmes, Learnerships and Apprenticeships registered.	Registered all skills programmes, Learnerships and Apprenticeship.	Register 100% Skills Programmes, Learnerships and Apprenticeships.	Registered 100% skills programmes, learnerships and apprenticeships.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 305: Percentage of learners placed for on-job training and Employment.	39% (708 out of 1820) overall registered learners placed for on-job experiential training and permanent opportunities for all trained students (HTA, Mobile, CRDP and NYS).19% (222 out of 1200) for Training Centres and Air Condition, Refrigeration and Ventilation.	90% overall registered learners to be placed for on-job experiential training and employment opportunities (HTA, Mobile Unit, CRDP) and 80% for Training Centres.	(958) 65.6% registered learners provided placement for on-job experiential training and permanent work–placement opportunities in (HTA, Mobile unit, CRDP and (83) 7.5% for training centre.	24.4% for HTA, Mobile unit, CRDP. 72.5% for training centres.	Employers particularly private sectors have their own in-house training and therefore do not accommodate external learners for experiential learning. Some employers do not meet SETA set criteria.
PPI 306: Number of learners targeted for workplace opportunities and incubation programme.	131 Learners were placed for work placement and incubation.	200 learners.	210 learners placed on workplace & incubation programme.	10 learners.	Recruited additional learners to accommodate abscontions

“Forging partnerships in order to increase the chances of work placement and permanent employment for the learners”

The performance of the programme contributed towards the achievement of quality training of all programmes in both technical and hospitality by ensuring that the activities are in line with the SETA and other training statutory requirements.

Strategy to overcome areas of under performance

Obtain the database of levy payers employers in construction, hospitality, manufacturing and engineering related sectors from SETAS and forge partnerships in order to increase the chances of work placement and permanent employment for the learners.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub Programme: Finance

Business Focus

To provide oversight role over the financial function and ensuring high service levels at MRTT.

Progress Analysis on 2014/15 Priorities

For the financial year 2014/15 the Finance Sub-programme is targeted to be more efficient and effective in delivering its core mandate. The Sub-programme aims to continue in obtaining a clean audit report and to address and implement internal and external audit findings by executing the following key tasks:

- 71% of MRTT Revenue was collected.
- 100% payments to all creditors were made within the 30 days of receipt of invoice.
- Physical Asset verification was performed for all four (4) quarters of the 2014/15 financial year.
- Fixed Asset (FAR) Register was reconciled the General ledger.
- Financial Performance Reports were accordingly submitted to SMCO; Audit Committee and Board of Directors.

(See table of indicators on page 37)

Sub–Programme: Finance					
Performance Indicator	**Actual Achievement 2013/2014**	**Planned Target 2014/2015**	**Actual Achievement 2014/2015**	**Deviation from planned target to Actual Achievement for 2014/2015**	**Comment on deviations**
PPI 307: Collection of Revenue.	97% of revenue collected.	80% of MRTT Revenue to be collected.	72% of MRTT Revenue to be collected.	8%	Delays in processing of payments by DHS for the construction of the RDP houses in Mkhondo Local Municipality.
PPI 308: Payment of all creditors within 30 days from date of receipt of invoice.	100% of creditor's payments were made within the specified 30 days period.	100% payment of all creditors within 30 days of receipts of invoice.	100% payments to all creditors were made within the 30 days of receipt of invoice.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 309: Maintaining complete and accurate Fixed Asset Register (FAR).	1st, 2nd, 3rd and 4th Quarterly physical verification of fixed assets were conducted and reconciled the FAR to the General Ledger.	Perform quarterly physical verification of fixed assets, Reconcile FAR to General Ledger, and Perform quarterly report .	Physical Asset verification was performed for all four (4) quarters of the 2014/15 financial year. Fixed Asset (FAR) Register was reconciled the General ledger.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 310: Prepare and submit Financial Performance Reports.	Financial performance reports were prepared and submitted to SMCO, Audit Committee and Board of Directors.	Prepare and submit Financial Performance Reports to SMCO, Audit Committee and Board of Directors.	Financial Performance Reports were accordingly submitted to SMCO; Audit Committee and Board of Directors.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 311: Prepare and submit approved Annual Financial Statements to Auditor General and Provincial Treasury on/or before 31st May.	Annual Financial Statements were submitted to the Auditor-General and Provincial Treasury on 31st May 2013.	Submission of Annual Financial Statement before on/or due date 31st May.	Annual Financial Statements were submitted to the Auditor-General and Provincial Treasury on 30 May 2014.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.

"Learners were recruited through direct interaction by school visits and career guidance exhibitions"

- The sub-programme (Finance) has managed to collect revenues exceeding the set revenue targets thereby enhancing the financial sustainability of the entity as a whole for the year under review.
- Continuous financial reports have been prepared and presented to governance structures (committees and the Board of Directors) – Provincial Treasury; Provincial Legislature (Portfolio Committee and SCOPA).

Strategy to overcome areas of under performance

Continuous monitoring and evaluations are done to assess actual performance against set targets.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub Programme: Marketing

Business Focus

To provide marketing services for the company's product and services, with special focus on learner recruitment in support of training sub-programmes and project canvassing for income generation.

Progress Analysis on 2014/15 Priorities

Learners were recruited through direct interaction by school visits and career guidance exhibitions in support of all MRTT training programmes.

- Print and electronic media channels such as radio, newspapers and magazines, radio interviews are platforms that were also used in the reporting period in support of learner recruitments for programmes 1 and 2.
- Training proposals were submitted to Dept of Labour – UIF Fund, to Dept of Public Works Provincial and National, to Dept of Basic Education and a total of 3 projects were secured in the current financial period, while the remaining one will be still continue to be finalised in the new financial year.

MRTT Corporate Advertising Campaigns were placed in different strategic publications and Public Relations articles were features as well in promoting the MRTT Corporate identity. MRTT is still receiving positive feedback through the MRTT-Spar Siyapheka campaign which was widely advertised also in local media and all advertising is still being placed through the guidelines and in consistence with the MRTT Corporate Identity Manual. (See table of indicators on page 39)

"A total of 3 projects were secured in the current financial period"

Sub–Programme: Marketing					
Performance Indicator	**Actual Achievement 2013/2014**	**Planned Target 2014/2015**	**Actual Achievement 2014/2015**	**Deviation from planned target to Actual Achievement for 2014/2015**	**Comment on deviations**
PPI 312: Number of learner recruitment advertisements; Career and Stakeholder exhibitions and school visits.	9 Learner recruitment adverts.	9 Learner recruitment advertisements (print/ electronic).	11 learner recruitment adverts.	2 adverts.	Target exceeded due to request for PR Articles from publications who wanted to promote MRTT Training programmes.
	39 Career Guidance and Trade Exhibitions.	12 Career & Stakeholder Exhibitions.	19 Career guidance exhibitions attended.	7 exhibitions.	Target was exceeded due to many exhibition invitations received due to demands for MRTT training programmes information.
	12 School visits.	Conduct 12 school visits.	Conducted 12 school visits.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 313: Number of Service Level Agreements (SLA)/Purchase Orders/ for training projects signed.	2 Training projects.	4 SLA training projects.	3 SLA Training projects secured.	1 Training project.	Awaiting the signing of UIF, ETPD SETA and Department of Public Works Gauteng secured projects.
PPI 314: Print/Electronic Corporate Advertising.	6 Corporate Advertisements.	6 Corporate Advertising.	7 MRTT Corporate Advertising placed in relevant print and electronic media.	1	Target exceeded due to publications that utilised both print and electronic media for advertising our programmes.

> *"The sub-programme attended 19 Career Guidance exhibitions targeting grades 10 to 12 for promoting MRTT skills training programmes"*

During the year under review the sub-programme assisted the entity in achieving its strategic goal in the following manner:

1. Recruitment of learners for Artisan Development: The sub-programme was able to recruit out of school youth from Nkangala and Gert Sibande District in partnership with local municipalities and the National Youth Development Agency (NYDA) Artisan Development Training with special focus in Welding, Boiler-making and Pipe Fitting. A total of 129 were recruited by the sub-programme, made up of 47 black females and 87 black males, of which 15 are from an orphanage organisation.

2. School visits and Career exhibitions: The sub-programme also managed to visit a total of 12 schools and attended 19 Career Guidance exhibitions targeting grades 10 to 12 for promoting MRTT skills training programmes and encouraging potential learners to register with MRTT.

Strategy to overcome areas of under performance

The entity will make regular follow ups with the relevant stakeholders for signing of the service level agreement for training project.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub Programme: Administration

Business Focus

To provide administrative support to the organisation so as to ensure accurate and timeous service delivery.

Progress Analysis on 2014/15 Priorities

The Administration Sub-programme has registered the following achievements during the 2014/2015 financial year:

- Monitored compliance of the Supply Chain Management Policy; and
- Implemented the approved Stores Control Standard Operating Procedure.

(See table of indicators on page 41)

Sub–Programme: Administration					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 315: Monitor compliance with the Supply Chain Management Policy.	Monitored implementation of the Supply Chain Management Policy.	Compliance with the Supply Chain Management Policy.	Ensured that the procurement of goods and services were approved as per the Supply Chain Management Policy.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 316: Implement the approved Records File Plan.	Implemented the approved Records File Plan.	Development and approval of Registry Procedure Manual.	• Registry Procedure Manual was developed and approved by SMCO. • Board approval for Registry Procedure Manual was obtained. • Employees were not workshopped on the Registry Procedure Manual. • Continuous implementation of the Registry Procedure Manual took place.	• No deviation as the target was achieved. • No deviation as the target was achieved. • Several workshops were arranged but could not take place due to unavailability of key staff members. • No deviation as the target was achieved.	• No comment on deviation as the target was achieved. • No comment on deviation as the target was achieved. • The target will be achieved in the first quarter of 2015/16 financial year. • No comment on deviation as the target was achieved.
PPI 317: Implement the approved ICT strategy.	Implemented the approved ICT strategy.	Implement the approved ICT strategy.	• Installed teleconferencing system between HTA and Head Office. • Ensured once-off interfacing of Softline VIP Payroll, Pastel inventory and Procurement modules. • 1 ICT benchmark was conducted with MEGA. • IT staff did not attend training as planned.	• No deviation as the target was achieved. • No deviation as the target was achieved. • No deviation as the target was achieved. • IT staff planned to attend Cobit and IT foundation and the service providers were pursued to submit statutory documents but failed to do as such training could not be attended.	• No comment on deviation as the target was achieved. • No comment on deviation as the target was achieved. • No comment on deviation as the target was achieved. • The target will be achieved in the 1st quarter of the 2015/16 financial year.
PPI 318: Implement the approved Stores Control Standard Operating Procedure.	Implemented the approved Stores Control Standard Operating Procedure.	Implement the approved Stores Control Standard Operating Procedure.	12 monthly physical stock counts as per the approved Stores Control Standard Operating Procedure were conducted.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.

"Significant positions were filled within time frames"

The sub-programme was able to train learners complying with the Treasury Regulations, Supply Chain Management Guideline and the PFMA in order to achieve the strategic goals of the entity.

Strategy to overcome areas of under performance

- Workshop to employees on the Registry Procedure Manual will be conducted on the 1st quarter of 2015/16 financial year; and
- IT staff will attend training on the 1st quarter of 2015/16 financial year.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub Programme: Human Resources Management

Business Focus

The Human Resource Management Sub-programme shall as far as possible provide the entity with the highest caliber of employees who can contribute effectively to the objectives of the Company.

Progress Analysis on 2014/15 Priorities

- The Performance Management System has been implemented for the 2014/2015 financial year.
- Human Resource Policies were reviewed in June 2014 to align them with legislative requirements.
- The Skills Development Plan was reviewed and submitted to SETA, Employment Equity Plan was revised to meet equity goals of the entity and Wellness Programmes were implemented.
- Significant positions were filled within time frames.
- HR policies have been approved by the Board of Directors and were implemented as planned.
- Payroll, Annual Skills Development and Employment Equity reports were generated.

(See table of indicators on page 43)

"Women were appointed for two advertised Senior Management positions"

Sub Programme: Human Resources Management					
Performance Indicator	**Actual Achievement 2013/2014**	**Planned Target 2014/2015**	**Actual Achievement 2014/2015**	**Deviation from planned target to Actual Achievement for 2014/2015**	**Comment on deviations**
PPI 319: Number of vacant positions filled.	35% of vacant positions were filled in accordance with stipulated timeframes.	30 funded positions filled in accordance with stipulated timeframes and approved organisational structure.	15 funded positions were filled in accordance with stipulated timeframes and approved structure.	15 posts.	The positions could not be filled due to a moratorium on filling of vacant posts.
PPI 320: Implement the approved Performance Management System (PMS) and Individual Development Plans (IDPs).	The Performance Management System is under implementation.	Coordinate and monitor the implementation of the Performance Management System for all employees.	Coordinated and monitored the implementation of the Performance System for all employees.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
	Ensured that employees have Individual Development Plans (IDP's) and progress report has been monitored quarterly.	Ensure that employees have individual development plans (IDP's) and monitor progress quarterly.	Employees have Individual Developments Plans and progress was monitored quarterly.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 321: Review and update HR policy and procedures, Including the skills development plan, Employment Equity Plan and Employee Wellness Plan.	New indicator.	Update, complete and implement the Workplace Skills Plan [WSP].	The Workplace Skills Plan has been updated, completed and implemented.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
	Employment Equity Plan has been updated and implemented.	Ensure that the Employment Equity Plan is updated and implemented.	The employment Equity Plan was updated and target achieved as women were appointed for two advertised Senior Management positions.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
	3 Employee Wellness Plans activities have been conducted.	Conduct 3 Employee wellness activities.	Conducted three (3) employee wellness activities were conducted.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.

Sub Programme: Human Resources Management (Continued)					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 321: Review and update HR policy and procedures, Including the skills development plan, Employment Equity Plan and Employee Wellness Plan.	New indicator.	Draft Sexual Harassment Policy and obtain Board approval for its implementation.	Sexual Harassment Policy was drafted and approved by the Board on 10 December 2014.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
	New indicator.	Draft Labour Relations Strategy and obtain Board approval for its implementation.	Labour Relations Strategy was approved by the Board on 10 December 2014.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 322: Payroll, Annual Skills Development and Employment Equity reports generated.	12 Payroll, 1 Annual Skills Development and 1 Employment Equity Report has been generated.	Generate 12 Payroll, 1 Annual Skills Development and 1 Employment Equity Report.	12 payroll reports were generated and developed, Annual Skills Development and 1 Employment Equity report was generated.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.

The programme has implemented comprehensive human resources practices, processes and procedures in line with statutory requirements and human resources best practices in order to achieve the strategic goals of the entity.

Strategy to overcome areas of under performance

The programme will accelerate capacity building programmes in 2015/2016 for employees who are delivering training.

The programme will strengthen the relationship between management, employees and the Union by conducting relationship building programmes.

The programme will strengthen its induction programme about the HR policies and procedures of the entity.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub Programme: Corporate Secretariat

Business Focus

To provide a professional legal service to the Company and the Board of Directors in accordance to all relevant legislation and within the guidelines of the Policies and Procedures of the Company.

Progress Analysis on 2014/15 Priorities

For 2014/15 financial year the sub-programme has planned and prioritized to fulfil its core mandate by:

- Conducting 4 Quarterly Board meetings;
- Conducting 4 Audit Committee meetings;
- Conducting 12 monthly SMCO meetings;
- Ensured adherence to Compliance with legislation and
- Assisting with Legal services to the Board and its committees and SMCO.

Sub Programme: Corporate Secretariat					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
PPI 323: Ensuring compliance with the principles of Corporate Governance; King III Report as well as the Company policies.	Advised the Board of Directors and Senior Management Committee on Company policies and applicable Legislation.	Nomination and appointment of the Board Committees and sign the Board of Directors performance agreements. Facilitate induction and training and performance evaluation of the Board of directors. Review Memorandum of Incorporation/Board Charter.	Planned target not achieved. Planned target not achieved.	Appointment of the new board of directors not done.	The process of nominating the new Board of Directors were concluded still awaiting approval by Executive Council.
PPI 324: Number of SMCO, Audit Committee, Quarterly Board, Legal matters meetings, to be facilitated.	Facilitated monthly and quarterly SMCO, Quarterly Audit Committees and quarterly Board meetings.	Facilitate 12 SMCO, 4 Quarterly Audit Committee and 4 Quarterly Board Committee meetings.	Facilitated 12 SMCO, 4 Quarterly Audit Committee and 4 Quarterly Board Committee meetings.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 325: Attend to legal matters brought to the Corporate secretariat and Legal services office.	All Legal matters were attended to within five days.	To attend to all Legal Matters within (5) five days.	All Legal matters were attended to within (5) five days.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.

Strategy to overcome areas of under performance

The entity will await the appointment of the new board by the Executive Council.

Changes to planned targets

There were no changes made to planned targets during the year.

Sub Programme: Performance Information

Business Focus

To provide quality information, manage performance information plan, set systems in place to manage information for performance audit of the Company as whole.

Progress Analysis on 2014/15 Priorities

For 2014/15 financial year, the entity prioritised compliance and alignment of reports and plans to the guidelines as required by the National Treasury Framework in terms of the FMPPI hence for the first time the entity developed the 2013/14 Annual Report using the framework and guideline specifically developed for public entities rather than the template for departments as was usually the practice.

During the year under review, the entity managed, through the Performance Information Sub-programme to:

- Develop the 2015/2020 strategic plan linked to the electoral cycle and aligned to the Medium Term Strategic Framework (MTSF).
- Manage the entity`s quarterly reports and annual performance plan linked to the MTEF cycle;
- Prepare for Performance Information Audits reports and
- Coordinate planning sessions according to the planning cycle.

(See table of indicators on page 47)

> *"For 2014/15 financial year, the entity prioritised compliance and alignment of reports and plans to the guidelines as required by the National Treasury Framework"*

Sub Programme: Performance Information					
Performance Indicator	**Actual Achievement 2013/2014**	**Planned Target 2014/2015**	**Actual Achievement 2014/2015**	**Deviation from planned target to Actual Achievement for 2014/2015**	**Comment on deviations**
PPI 326: Number of quality reports compiled.	Annual and 4th Quarter Reports 2012/13 financial year submitted to OTP, Treasury and DOE. The entity compiled the 2013/4 1st, 2nd and 3rd quarter report and submitted to OTP, Treasury and DOE.	Annual report and Quarterly Reports are compiled for OTP, Treasury and Department of Education.	Compiled Annual and 4th quarter report for 2013/14 and 1st, 2nd & 3rd Quarter report 2014/15 specific for OTP, Treasury and Department of Education.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 327: Number of Plans compiled and planning sessions held.	1 Annual Performance Plan for 2013/14 was developed and tabled. The Strategic Planning workshop was conducted form 12–13 August 2013.	1 Annual Performance Plan (APP) and 1 Strategic Plan developed and 2 Strategic Planning Workshops for 2015/16 Financial Year.	1 Annual Performance Pan (APP) and 1 Strategic Plan were developed and tabled. 2 Strategic Planning Workshops were conducted.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 328: Number of Review Sessions conducted.	The 1st, 2nd, 3rd and 4th Quarterly review sessions were conducted to ensure data validity, accuracy and completeness.	Quarterly review sessions conducted.	The division has conducted the 4th, 1st, 2nd and 3rd Quarter review sessions with Senior Managers and divisional Managers to ensure data validity, accuracy and completeness.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.
PPI 329: Number of Physical verifications conducted.	Physical verification for the 1st, 2nd, 3rd and 4th quarter review conducted.	Physical Verification conducted.	4th, 1st, 2nd and 3rd Quarter document verification was performed on key service delivery areas.	No deviation as the target was achieved.	No comment on deviation as the target was achieved.

The activities and objectives of this programme assists the entity in ensuring that proper plans are put in place for the achievement of the Strategic Outcome Oriented Goals and ensures that reports are submitted timeously to the relevant bodies and authorities.

Strategy to overcome areas of under performance

No strategy to overcome areas of non performance because all outputs have been achieved as planned.

Changes to planned targets

There were no changes made to planned targets during the year.

Programme	2014/2015			2013/2014		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Quality Assurance	5 225	3 663	1 562	2 401	3 827	(1 426)
Finance	6 207	12 488	(6 281)	5 908	8 846	(2 938)
Marketing	3 241	2 538	703	4 674	3 121	1 552
Administration	9 286	10 189	(903)	9 117	11 324	(2 207)
Human Resources Management	4 440	5 768	(1 328)	3 644	3 196	448
CEO	7 262	7 409	(147)	6 595	7 916	(1 321)
TOTAL	35 661	42 055	(6 394)	32 339	38 230	(5 891)

Revenue Collection

Sources of revenue	2014/2015			2013/2014		
	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
Exchange Transactions	13 529	21 441	7 912	4 124	18 813	14 407
Non-exchange Transactions	86 650	86 650	–	98 813	99 139	325
TOTAL	100 179	108 091	13 529	102 938	117 952	14 732

Capital investment

- **Progress made with implementing the Capital, Investment and Asset Management Plan**
  None

- **Infrastructure projects that have been completed in the current year and the progress in comparison to what was planned at the beginning of the year**
  The MRTT is completed the RDP houses in the Mkhondo local municipality in March 2015.

- **Infrastructure projects that are currently in progress and expected completion dates**
  The MRTT is running a project to build phase 2 of school toilets in the Bohlabela district and the expected completion date is 30 September 2015.

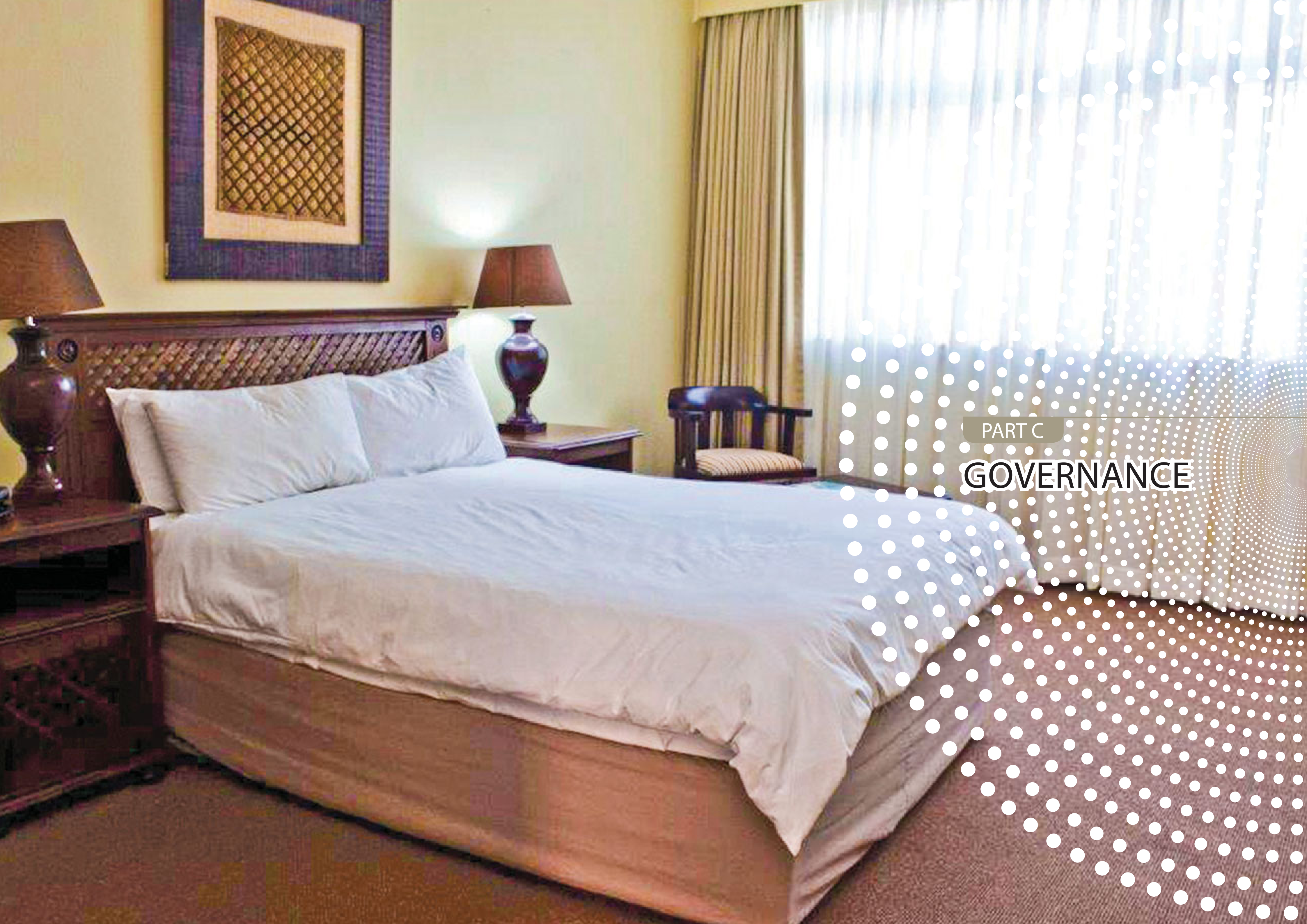
- **Plans to close down or downgrade any current facilities**
  There are no plans to close down and/or downgrade any current facilities.

- **Progress made with the maintenance of infrastructure**
  Renovations at the Kabokweni and eMalahleni Training Centres and stores were done. The Trade Test centre was also renovated for renewal of accreditation.

- **Developments relating to the above that are expected to impact on the public entity's current expenditure**
  The Capital expenditure budget was hugely affected by the number of projects and the capital expenditure related costs

- **Details as to how asset holdings changed during the period under review, including information on disposals, scrapping and loss due to theft**
  There were 5 laptops that were stolen during the period under review, to an aggregate amount of R 36 366.21. A motor vehicle (bakkie) that was written off due to accident damage with a value of R47 968.26

- **Measures taken to ensure that the public entity's asset register remained up-to-date during the period under review**
  Monthly reconciliations are performed between the Fixed Asset Register (BAUD) and the General Ledger and physical asset verification is performed on a quarterly basis.



PART C

GOVERNANCE

1. Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. Portfolio Committees

The dates of meetings	Purpose
21 August 2014.	Consideration of the 2014/15 1st Quarter Reports.
28 October 2014.	Deliberations on the 2013/14 Annual Report.
19 March 2015.	Consideration of the 2014/15 2nd and 3rd Quarter Performance Reports and Audit Committee Reports.
24 June 2014.	Deliberations on the 2014/15 Budget Vote 7 and the costed Annual Performance Plan.
03 September 2014.	Deliberations on plans and achievements of the entity regarding training and appointing Women, Youth, Children and People with disabilities.

> *"Three successful candidates have assumed their duties on 02 February 2015"*

Areas of risk and action taken

Areas of risk	Action taken
Ensuring that the 22 vacant positions are filled during the 2014/15 financial year as targeted.	MRTT had 22 funded vacant positions as per the approved organisational structure. The entity had to reprioritise the filling of the 22 funded positions due to budgetary constraints. The entity's management in consultation with the Department has identified nine (9) positions that are critical in the operations of the Company and delivery of core and required services. The nine (9) identified positions were advertised in the National newspapers on 5th October 2014. Interviews were conducted for seven (7) posts and three (3) successful candidates have assumed their duties on 02 February 2015. Prior to the issuing of letters of appointment to the four (4) successful candidates, a moratorium was put in placed on filling of funded vacant positions hence the entity could not proceed with the appointment of the candidates. The entity could also not re-advertise the filling of two (2) positions due to the same moratorium; furthermore the entity has reviewed and abolished all funded vacant positions in the organisational structure.
Ensuring that the entity receives adequate funding for the upgrade of the facility, equipment, staff and service to a 4-star grading as per requirements of the South African Grading Council.	The entity has been working with the Programme managers to strive towards the service levels of a 4 star graded hotel as recommended by the Portfolio Committee. Due to budget constraints it is not possible to implement all the requirements of the South African Grading Council (SAGC) to be accredited as a 4 star establishment therefore the entity had to investigate and implement alternatives. The entity is working closely with the University of Mpumalanga as their students are completing their work integrated placements with MRTT HTA. The kitchens and classroom facilities have already been upgraded. The entity and the University are sourcing further funds to upgrade the restaurant equipment during the new financial year. The hotel has also equipped and stocked the bar facility to enable the Food and Beverage student's practical experience in serving beverages and to render this service to the guests. Some requirements of the 4 star grading accreditation e.g. concierge, porterage, luggage handling and dry cleaning service will be integrated in the syllabus to assist MRTT HTA students to fulfil these functions when they complete their work place practicals to enable them to be equipped to receive permanent employment offers from 4 and 5 star hotels.

Areas of risk	Action taken
Comprehensively and effectively address the youth unemployment rate in the Province, through implementation of its APP. The MRTT must co-operate with the Department of Education to ensure that the youth database assists in the placement of learners.	The entity has cooperated with the Department of Education and forwarded the database of trained learners to the department to assist in placement. The same database of trained learners was also forwarded to the Department of Health to assist the entity in placement of learners in their various projects. The entity has furthermore entered into and signed agreements with 7 more companies and Government departments (on top of 30 companies that already existed).
Non achievement of planned targets by the entity particularly in Programme 2: Technical Training Operations.	The entity has revised the current pricelists of different courses to make it more affordable for learners from the poor communities to attend the training. The entity further offered the learners from poor and disadvantaged communities financial assistance aimed at making training accessible to rural communities. These interventions made it possible for the entity to reach the set targets.
The entity must develop plans to attract people with disabilities on operational and training skills.	The entity has revised the Employment Equity Plan (EEP) in consultation with the Department of Labour as a tool to comply with legislation on appointing women and people living with disabilities, the numerical targets have since been set for women and people with disabilities. All the adverts for staff recruitment clearly indicate that preference will be given to women and people with disabilities. The entity had two vacancies for Senior Managers, General Manager: Technical Training Operations and Company Secretary and Legal Services Manager. Women and people with disabilities were targeted in terms of filling these positions; however, there was no candidate from the people with disabilities who met the minimum requirements of the two positions. Both positions were subsequently filled by women and they have reported for duty on 02 February 2015. A candidate with disability was appointed in November as an office administrator for the CRDP programme. After a week the employee got a better offer from SASSA and she subsequently resigned. The entity has targeted that in the new intakes for 2015/16 the learners with disabilities will be prioritised for recruitement particularly in Mobile (including learnerships) and CRDP training programmes.

3. Executive Authority

Provide commentary on the reports submitted to the Executive Authority and the dates submitted. Discuss any issues raised by the executive authority.

The following reports were submitted to the Executive Authority during the period under review:

Name of Report	Submission Date
4th Quarter (2013/2014)	15 April 2014
1st Quarter (2014/2015)	29 July 2014
2nd Quarter (2014/2015)	31 October 2014
3rd Quarter (2014/2015)	30 January 2015
Annual Report 2013/2014	28 August 2014

The Executive Authority raised a concern on the issues of non achievement of set targets by the entity.

4. The Accounting Authority / Board

Introduction

The Board is the Accounting Authority of the entity and constitutes a fundamental base for the application of Corporate Governance Principles by the entity. The Board exercises and performs the powers and functions conferred and imposed upon the company by the Memorandum of Incorporation and Articles of Association. The two founding documents were not amended to comply with the Companies Act, 2008 (Act No. 71 of 2008) (New Companies Act) and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999). The Board provides strategic direction to the entity.

The role of the Board is as follows:

In accordance with the Memorandum of Incorporation; the Articles of Association and the Principles of Corporate Governance, the specific responsibilities discharged by the Board collectively, include the following:

- Retaining effective control over the entity and monitoring Management's implementation of the Strategic Plan, the Annual Performance Plan, as well as the financial objectives, as approved by the Board.
- Defining the levels of materiality.
- Written delegation of specific powers to the Chief Executive Officer and Management, and reserving specific powers to the Board.
- Monitoring of the delegated powers to Management.
- Ensuring that efficient systems of policies and procedures are in place and appropriate governance structures exist to ensure the efficient and effective running of the entity
- Ensuring compliance with applicable laws and regulations, audit and accounting principles, MRTT 's Code of Conduct, the King III Report and such other principles that may be established by the Board from time to time.
- Regularly reviewing and evaluating the risks to the business of MRTT and ensuring the existence of comprehensive and appropriate internal controls to mitigate such risks.
- Exercising objective judgement on the affairs of the entity, independent from Management, but with sufficient management information to enable proper and informed assessment.
- Ensuring that MRTT acts responsibly towards all relevant stakeholders who have a legitimate interest in its affairs.

Board Charter

The Board of Directors has a Board Charter, as recommended by the King III Report.

The following progress was made in ensuring compliance with, and conformity to the principles of the King III Report, while in the process of adopting a Board Charter:

- The Board satisfied its role of determining the entity's purpose, values, giving strategic direction, identifying key areas and monitoring the performance of the entity against set objectives. The Board has furthermore successfully advised on significant financial matters during the period under review.
- There is a clear division of responsibility between the Chairperson of the Board and the Chief Executive Officer.
- The Company Secretary's Office was aligned with the New Companies Act of 2008 to allow the situation whereby it works closely with the Chairperson of the Board and the CEO.
- The Board satisfied all the reporting and accountability requirements to the MEC of the Mpumalanga Department of Education, the Provincial Legislature, the Provincial Treasury and the Auditor-General's Office, as set out in the company's founding documents and the PFMA.
- With regard to the composition of the Board, the Board 's composition is according to the terms set out in the Articles of Association, though there has been a vacancy of three non-executive Board members since October 2013.
- The Board made some recommendations to the MEC of the Mpumalanga Department of Education to ensure that the appointment to fill the vacancies and/or the appointment of a new Board is in compliance with the General Principles of Governance.
- The Board convened its meetings as set out in the Public Finance Management Act as well as the Articles of

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Mrs FD Mthembu	Chairperson	26/6/2002	Not applicable	• Primary School Teacher' s Diploma	Labour Relations	None	None	8
Ms ME Letsoalo	Board member	26/6/2002	Not applicable	• Senior Teacher's Diploma • Financial Management • Project Management • Local and global competitiveness • Assessor and Moderator • Bank Credit Risk Assessment	Training Facilitation and Moderation	None	Audit Committee Risk Committee	8
Mr J Sibiya	Board member	26/6/2002	Not applicable	• Grade 12	Marketing	None	Marketing Committee	7
Mr ND Moropane	Board member and CEO	1/4/1999	Not applicable	• Teacher's Certificate • Industrial Relations • Effective Labour Management • Practical Marketing Management • Small Business Management • Consultants Course • International Relations • Management • Capital Needs Analysis • Master's in Business • Administration	Executive Director	None	CEO of the entity	7

Association, and also convened additional special meetings to address issues of importance to the entity.

- The Board members adhere to the declaration of interests on an annual basis and, at each meeting, Board members are required to declare conflict of Interest, if any.
- The Board established governance structures to facilitate efficient decision-making. It aligned the structures according to its mandate and Treasury prescripts.
- Also state outgoing Board members and their designation;

Remuneration of board members

Members of the Board are remunerated in terms of SARS and Treasury Regulations.

- Those members that are not remunerated;
  Mr ND Moropane – CEO
- State the amount of remuneration paid to each board member (See table on bottom right).

5. Risk management

The entity has a Risk Management Policy and Strategy in place, which is being fully implemented.

- The entity has a Risk Management Committee who advises Management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.

Committees

Committee	No. of meetings held	No. of members	Names of members
Senior Management Committee	12	10	Mr ND Moropane, Mr MG Jafta, Mr SM Makgoba, Mr R. Oosthuizen, Mr D. Kola, Mr E Zwane, Mr B. Hlatshwayo, Ms T Mtshali, Mr OM Manamela, Ms T. Mthethwa
Audit Committee	8	4	Mr JK Sibiya, Mr ABC Ahmed, Mr CB Mnisi, Ms ME Letsoalo,
Risk Management Committee	2	5	Mr ABC Ahmed, Mr MG Jafta, Mr SM Makgoba, Mr R. Oosthuizen, Mr OM Manamela
Board of Directors	8	4	Mrs FD Mthembu, Ms ME Letsoalo, Mr J. Sibiya, Mr ND Moropane
HR and Remuneration Committee	2	3	Ms ME Letsoalo, Mr MG Jafta, Mr E. Zwane
Marketing Committee	2	3	Mr J. Sibiya, Ms ZL Khoza, Mr MG Jafta

Name	Remuneration	Other allowance	Other reimbursements	Total
Mrs ME Letsoalo	140 778	6 000	93 788	243 949
Mrs FD Mthembu	328 484	11 000	62 583	402 067
Mr J Sibiya	212 201	6000	141 488	359 689

- The Audit Committee advises the public entity on risk management and independently monitors the effectiveness of the system of risk management.
- The implementation of risk management has progressed satisfactorily and is supported by the National Treasury.

6. Internal Control Unit

The internal audit function was outsourced to SS Sithole Auditors for the period under review. The internal auditors performed an audit on four quarterly reports and issued four audit reports for the current financial year. These reports were presented during Audit Committee sittings.

7. Internal Audit and Audit Committees

Key activities and objectives of Internal Audit

The following are key activities of Internal Audit:

- Preparing a three-year rolling strategic internal audit plan, based on the risk assessment of MRTT.
- Developing an annual audit plan for the first year of the three-year rolling plan, using an appropriate risk-based methodology, including any risks or control concerns identified by Management, and submitting this together with the three-year rolling plan to the Audit Committee for review and approval.
- Implementing the annual audit plan, as approved, including as appropriate any special tasks or projects requested by Management and the Audit Committee.
- Maintaining professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of this Charter.
- Issuing periodic reports to the Audit Committee and Management summarising the results of audit activities.
- Keeping the Audit Committee informed of emerging trends and successful practices in internal auditing.
- Assisting with the investigation of significant suspected fraudulent activities within the MRTT, and notifying Management and the Audit Committee of the results.
- Considering the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to MRTT at a reasonable overall cost.

Specific summary of audit work done

During the year under review the Internal Audit conducted audit and review on the following areas:

- Inventory Management Review
- Supply Chain Management Review
- Debtors Management Review
- Audit of Predetermined Objectives

Key activities and objectives of the Audit Committee

Key objectives of Internal Audit

- Obtaining an understanding of Management's process of evaluating the effectiveness of the entity's internal control.
- Performing procedures to obtain sufficient evidence about the design, effectiveness and operating effectiveness of the entity's internal controls.
- Assisting management and the Board in the effective discharging of their duties.

The Audit Committee's primary objectives are as follows:

- Serving as an independent and objective party to monitor and strengthen the objectivity and credibility of MRTT's financial reporting process and internal control system.
- Communicating with the audit functions, and review and appraise the efforts of external audit and the internal audit function.
- Providing an open avenue of communication among Senior Management, the external auditors, the internal audit function and the Executive.
- Facilitating the imposition of discipline and control, thus reducing the opportunity for fraud.
- The Committee will make appropriate recommendations, based on its findings, to the MRTT Board.

Key activities of the Audit Committee

- Reviewing the AFS and interim reports.
- Monitoring the internal control process and the adequacy of MRTT's system of internal control by reviewing internal and external audit reports.
- Monitoring compliance with laws, regulations and policies.
- The Audit Committee will review and approve the Internal Audit Charter.
- Assisting in carrying out or completing the annual audits as contracted to the external audit function by the Auditor-General.
- Resolving any disagreements between Management and the auditors regarding financial reporting.

Attendance of Audit Committee meetings by Audit Committee members

The table on the right discloses relevant information on the Audit Committee Members.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	Number of meetings attended
Mr JK Sithole	• B Com (UNIN) • B Compt (Honours) • CA (SA)	External	External	1/8/2005	Still serving	8
Mr ABC Ahmed	• B Com (Info Systems) • B Compt (Honours) • CA (SA)	External	External	1/8/2005	Still serving	6
Mr CB Mnisi	• B. Tech – IA • Dip in IA • BA • Dip in Public Admin	External	External	01/06/2013	Still serving	3
Ms ME Letsoalo	• Secondary School • Teacher's Diploma • Business Management • Facilitation Certificate • Risk Assessment	External	External	25/6/2002	Still serving	6
Mr ND Moropane	• Teacher's Certificate • Industrial Relations • Labour Management • Marketing Management • Business Management • International Relations • Management • Master's in Business • Administration	Internal	CEO	01/02/2005	Still serving	6

8. Compliance with laws and regulations

The entity developed policies and procedures in line with legislation, including Treasury Regulations. Regular workshops and information sharing sessions are conducted for the members of staff to ensure knowledge and implementation of policies. Quarterly reports are developed and submitted to oversight

institutions and bodies. These reports are then discussed with the internal auditors, as well as with the Audit Committee, where recommendations are made and implemented, to ensure full compliance with legislation.

9. Fraud and corruption

The entity has a fraud prevention plan that was adopted and approved. The plan is functional and operational.

- All cases will be followed up and strict confidentiality will be maintained.
- A database of all cases will be developed and maintained for future reference.
- Mechanisms in place to report fraud and corruption and how these operate, e.g. whistle-blowing. The need for officials to make confidential disclosures about suspected fraud and corruption.

Not documented. However, fraud does arise and information does reach Management.

- How are these cases reported and what action is taken (disclosures on different committees)?

A toll-free number is available to report fraud cases.

10. Minimising conflict of interest

The entity undergoes a process of declaration of interest whenever the committee sits to adjudicate and deal with other SMC processes. All employees in the entity were directed not to conduct any business with the entity. The Code of Conduct clearly stipulates that employees must:

- not allow their personal interests to come into conflict with their duties at MRT; and.
- not do business with MRTT.

Any employee of the entity found to have not declared interests in any tender or procurement process, will be liable for a fine or even face expulsion or dismissal .

11. Code of Conduct

The MRTT Code of Conduct/Ethics commits the organisation to the principles of honesty, integrity and accountability. It ensures that MRTT employees are accountable to all MRTT stakeholders, ensuring that the institution's business is conducted in accordance with the highest standards of corporate governance. In addition, employees should always conduct themselves in an ethical manner. The Code of Conduct contains ethical guidelines for everyday events.

When the Code of Conduct has been breached, the employee alleged to have breached the Code of Conduct is notified in writing, an investigation is carried out to establish the facts surrounding the circumstances of the breach, and a recommendation is made, based on the findings of the investigator. The employee alleged to have contravened the Code of Conduct is notified in writing of the outcome of the investigation. Management will then implement the recommendations of the investigation report. If the investigation report recommends disciplinary action, disciplinary action will be taken in terms of the MRTT Disciplinary Code and Procedures.

12. Health safety and environmental issues

The MRTT Health and Safety Policy aims to eliminate incidents, minimise risks, responsibly manage health and safety issues and enable excellence in operations and business performance, while providing a workplace that takes into account the safety and wellbeing of staff members and service providers. MRTT conducts its business with respect and care for both people and the environment.

13. Company/Board Secretary (if applicable)

The position of the Company Secretary has been in existence since the incorporation of the company. The Company Secretary has played a limited role in the entity. However, the

current arrangement has corrected the situation and, going into the future, the role and responsibilities of the same have been correctly defined. During the period under review, the role of the Company Secretary entailed the following:

- Providing the directors with guidance as to their duties, responsibilities and powers.
- Ensuring that the directors are aware of all laws and legislation relevant to the company and reporting at meetings where these laws have not been complied with.
- Ensuring that the minutes of directors meetings and other meetings are correctly recorded.
- Certifying in the annual financial statements that the company has lodged all relevant returns with the Registrar
- Ensuring that a copy of the annual financial statements is sent to every person entitled to receive it.
- Reporting to the Board on any failure of the company or a director to comply with the Memorandum of Incorporation or rules of the company.
- Carrying out the functions of a person designated in terms of section 33(3), of the Companies Act 71 of 2008 which relates to the designation of a person in the annual return who will be responsible for transparency, accountability and integrity.
- Developing the Year Plan for the Board and all Board Committee meetings.
- Budgeting and doing budget management for the Board and all Board Committees.
- Coordinating Board and Board Committee meetings.
- Monitoring Board compliance.

14. Social Responsibility

- Renovated Bonukukhanya Primary School in Dipaleseng.
- Renovated Embucukweni Senior Secondary School.
- The entity played a major role in the build up for Mandela Day celebration by renovating Belfast Primary School.
- Renovated a burnt Police Station in Barberton by replacing the roof and plastering the walls.
- Mhwayi Primary School in Clau-Clau was painted in and out.
- Painted Thusong Clinic at Moremele .
- Offering financial assistance programme for needy and indigent learners.
- Painted Kubedu Primary School in Graskop.

Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2015.

MRTT has an audit committee that operates in terms of the Board's approved Audit Committee Charter.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The effectiveness of internal control

Our review of the findings of the internal audit work, which was based on the risk assessments conducted with regard to the public entity, revealed certain weaknesses, which have been raised with the public entity.

We are of the opinion, based on the information and explanations provided by Management, the internal auditors, as well as discussions with the independent external auditors (AGSA) on the result of its audits, that the internal accounting controls are operating to ensure that the financial records may be relied upon for preparing the annual financial statements and that accountability for assets and liabilities is maintained. From the various reports of the internal auditors, the Audit Report on the Annual Financial Statements and the Management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures has been reported. We can report that the system of internal control for the period under review was effective, although it requires improvements.

The following internal audit work was completed during the period under review:

- Strategic Risk Assessment.
- Operational Risk Assessment.
- Payroll Management.
- Debtors Management.
- Budget Management.
- Supply Chain Management.
- Audit of Predetermined Objectives.
- Asset Management.

The following were areas of concern:

The internal control weaknesses identified and reported by both the internal auditors and the external auditors were not adequately addressed by Management, and these weaknesses are not being eliminated from year to year.

Our review of the findings of the internal audit work, which was based on the risk assessments conducted with regard to the public entity, revealed certain weaknesses, which have been raised with the public entity.

- The Audit Committee has an oversight responsibility with regard to risk management processes. During the

"We can report that the system of internal control for the period under review was effective, although it requires improvements"

> *"The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements"*

period under review, the committee monitored the implementation of risk management and reviewed progress on a quarterly basis.

- Review and assessments of the entity's strategic risks will continue to be carried out by the Audit Committee on a quarterly basis.
- The Quality Management and Monthly /Quarterly Reports submitted are in terms of the PFMA
- The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the management of the entity during the period under review.

In-Year Management and Monthly/Quarterly Report

The public entity has been reporting monthly and quarterly to the Treasury as is required by the PFMA

Evaluation of Financial Statements

We reviewed the annual financial statements prepared by the public entity:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with both the Auditor-General and Management.
- Reviewed the Auditor-General's Management Report and Management's response to it.
- Reviewed significant adjustments resulting from the audit.
- Reviewed action plans pertaining to findings by the Auditor-General for prior year.

Auditor's Report

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

Mr JK Sithole
Chairperson of the Audit Committee
Mpumalanga Regional Training Trust (MRTT)
Date: 12 August 2015


Department:
Tourism
REPUBLIC
AFRICA

PART D

HUMAN RESOURCE MANAGEMENT

Introduction

Overview of HR matters at the public entity

The Human Resources Sub-Programme is responsible for the strategic management of the overall human resource planning and provisioning of logistical services in order to ensure effective and efficient human resource administration within Mpumalanga Regional Training Trust.

Set HR priorities for the year under review and the impact of these priorities

- 50% of vacant positions were filled in accordance with stipulated timeframes.
- Designed a competency framework and training was rolled out.
- Facilitated the effective implementation of the Performance Management System
- The entity has implemented comprehensive policies and programmes regarding all personnel matters.
- The Employment Equity Plans was updated.
- The Skills Development Plan was updated.
- 12 payroll reports and 1 Annual Employment Equity Report were generated.

Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

The Employee Retention Policy was developed in order to attract and recruit a skilled and capable workforce in the year under review.

Employee Performance Management Framework

The Performance Management System has been implemented under year in review.

Employee wellness programmes

Three employee wellness programmes were implemented.

Policy development

- Employee Retention Policy has been developed and approved for implementation.

> *"50% of vacant positions were filled in accordance with stipulated timeframes"*

- The Health and Safety Policy has been developed and approved for implementation.
- Payroll policy has been developed and approved for implementation.

Highlight achievements

- Employee Code of Ethics has been developed and approved for implementation.
- Employee Retention Policy has been developed and approved for implementation.
- Human Resource Strategic Plan has been developed and approved for implementation.
- The Health and Safety Policy has been reviewed.
- Remuneration benchmarking exercise has been completed and results were approved for implementation.
- The Performance Management System was successfully implemented.
- Employees were trained in line with their Personal Development Plans, Workplace Skills Plan and the competency framework.
- The Annual Training Report was submitted and Skills Grand received by the entity under year in review.
- The entity has promoted and maintained sound employee relations.
- A new HR software programme was installed to ensure the effective and efficient management and administration of human resources of the entity.

Challenges faced by the public entity

The entity could not recruit women and people living with disabilities as artisan's Practitioners in the area of Boiler Making, Welding, Automotive repairs maintenance and Automotive Spray painting. No suitable candidates from the targeted group.

Future HR plans/goals

- To ensure that HR work and functions add measurable value; and deliver business results.
- To develop HR programmes, strategies, systems and processes that are linked to MRTT strategic objectives.
- To translate MRTT strategy into a human resources strategy, balance score card and people's management plans.
- To link organisational structure with MRTT's mandate.
- To upgrade the skills of employees to improve work performance and accelerate service delivery.
- To develop a sound employee relations strategy.
- To continue with the implementation of the institutional transformation and change management strategy.

Personnel cost by programme/activity/objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
1. Hospitality and Tourism*	21 148.67	12 120.67	9.17%	43	257
2. Technical Training Operations**	69 652.67	37 745.67	28.95%	424	87
3. Corporate Services***	43 743.67	20 471.67	15.62%	43	488
TOTAL	134 545.00	70 338.00		510	135

* The number of permanent employees is forty-two (42) and One (1) fixed term employee, employed under program one (1) -the HTA (Programme one).

** The number of permanent employees is twenty-three (23) and fixed term contract employees, employed under program two (2) (Technical Training Operation) is four hundred and one (401)

*** The number of permanent employees is forty- two (42) and one fixed term employee employed under program three (3) – Corporate Services.

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 643	5%	1	2 896
Senior Management	3 749	7%	4	1 012
Professional qualified	10 373	19%	29	358
Skilled	24 436	47%	197	41
Semi-skilled	9 238	17%	264	190
Unskilled	1 467	2%	15	97
TOTAL	51 906		510	

Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	0
Senior Management	0	0	0
Professional qualified	0	0	0
Skilled	0	0	0
Semi-skilled	0	0	0
Unskilled	0	0	0
TOTAL	0	0	0

Performance bonuses were not paid during the year under review due to the transition of intensifying implementation of the performance management system

Training Costs

Programme//activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Hospitality and Tourism	12 120.67	35	0.2%	8	R4 411
Technical Training Operations	37 745.67	50	0.07%	15	R3 361
Corporate Services	20 471.67	15	0.04%	6	R2 521
TOTAL	70 338.00	100	0.08%	29	R10 293

Employment and Vacancies

Programme/ activity/objective	2014/2015 No. of Employees	2014/2015 Approved Posts	2014/2015 No. of Employees	2014/2015 Vacancies	% of vacancies
Hospitality and Tourism	40	42	40	2	5%
Technical Training	23	28	22	5	18%
Corporate Services	44	54	43	10	19%
Total	107	124	105	17	14%

Programme/ activity/objective	2014/2015 No. of Employees	2014/2015 Approved Posts	2014/2015 No. of Employees	2014/2015 Vacancies	% of vacancies
Top Management	1	1	1	1	50%
Senior Management	4	4	4	0	0%
Professional qualified	13	19	13	6	32%
Skilled	42	45	42	3	7%
Semi-skilled	32	39	32	7	18%
Unskilled	15	15	14	0	0%
TOTAL	107	124	106	17	14%

Employment changes

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

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	3	1	0	4
Professional qualified	12	2	2	12
Skilled	42	0	1	41
Semi-skilled	32	0	0	32
Unskilled	15	0	1	14
Total	105	3	4	104

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	1%
Resignation	2	2%
Dismissal	0	-
Retirement	2	2%
Ill health	0	–
Expiry of contract	0	–
Other	0	–
TOTAL	5	4%

Employees leave the organisation for career advancement and our records show that they leave the organisations to take up senior positions in the Public or private sector. After attempts to retain the staff members have failed, then the recruitment and selection process kick in.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	1
Final Written warning	1
Dismissal	0
TOTAL	3

Equity Target and Employment Equity Status

Explanations: Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.

Levels	Male								Female							
	African		Coloured		Indian		White		African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	1	1	0	1	2	0	0	0	0	0	2
Professional qualified	22	0	0	2	0	0	1	1	4	2	0	1	0	0	1	0
Skilled	26	2	0	0	0	0	0	0	21	0	0	0	0	0	0	0
Semi-skilled	1	0	0	0	0	0	0	0	6	0	0	0	0	0	0	0
Unskilled	12	0	0	0	0	0	0	0	16	0	0	0	0	0	0	0
TOTAL	75	2	0	2	0	1	2	1	49	4	0	0	0	0	1	2

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	1	0	1
Professional qualified	1	2	0	0
Skilled	1	1	0	0
Semi-skilled	0	1	0	0
Unskilled	0	1	0	1
TOTAL	2	6	0	2