



MINUTES OF THE MICT SETA ANNUAL GENERAL MEETING OF 2022/2023 HELD AT THE CAPE TOWN INTERNATIONAL CONVENTION CENTRE, ON FRIDAY, 27 OCTOBER 2023, AT 14:00

ATTENDANCE REGISTER PER **APPENDIX A**

ACRONYMS

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



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



1. OPENING AND WELCOME

Mr Jabu Langa, Member of the MICT SETA Accounting Authority (AA) and the Programme Director for the AGM and his Co-Programme Director, Ms Natalie Nelson opened the meeting and welcomed all present.

2. CHAIRPERSON'S OVERVIEW AND REPORT ON ACCOUNTING AUTHORITY AFFAIRS

The Chairperson prefaced his presentation by acknowledging the Minister in absentia, representatives of the Minister, Department of Higher Education and Training Representatives, SETA Chairpersons and CEO, the Honourable Chief of Limpopo Hosi Mahumani, Members of the Accounting Authority, the Audit and Risk Committee, Stakeholders and MICT SETA Management. The Honourable Minister could not attend the AGM and was represented by Mr Nqandela from the office of the Honourable Minister.

The Chairperson further highlighted the following:

- a. MICT SETA obtained an unqualified audit outcome without findings, which echoes the MICT SETA's sound financial management, skilled and agile workforce which fortifies South Africa's competitive edge in the ever-evolving digital economy landscape.
- b. The unyielding dedication to transparency and accountability has been pivotal to obtaining the unqualified audit outcome.
- c. In 2021 financial year, MICT SETA achieved 75% of its Annual Performance Plan targets, 90% in 2022 and 95% in 2023. The significant improvement on the performance of MICT SETA was commendable and the Chairperson encouraged Stakeholders to continue working hard and supporting the MICT SETA.
- d. The MICT SETA reached out to 14 054 learners across the country through its various programmes and 6108 learners completed their qualifications.
- e. Challenges noted in the 4IR space included cybercrime, ethics of artificial intelligence, and the possible loss of jobs due to future use of technology.



- f. The MICT SETA in collaboration with the Tswane University of Technology (TUT) have developed the integrated Learner Management System (LMS). Double dipping was identified as one of the key deliverables that the newly developed LMS will curb.
- g. For the period under review, MICT SETA has spent more than 70% of its budget on SMMEs.
- h. The Board has four (4) vacancies, and two of those vacancies are in the process of being filled.
- i. MICT SETA has diverse Management team with 62% being women.
- j. There was a request from the Stakeholders to establish the Chambers, the process was initiated however the establishment thereof has been put in abeyance due to financial constraints.
- k. The complaint of timeous payment of Stakeholders was also noted and receiving attention. Affected training providers should escalate the issues of non-payment to the Office of the CEO. However the introduction of the LMS would ensure timeous payment of invoices.
- l. MICT SETA received R1.1 billion skills development levy income, and R9.81 million for labour activation project which is implemented in collaboration with the UIF.
- m. Appreciation for support provided was also extended to the UIF, NSF and Fasset.

3. HONOURABLE MINISTER'S ADDRESS

Mr Ngandela representing the Minister highlighted the following:

- a. the importance of the MICT SETA to comprehend the contents of the National Skills Development Plan in terms of its mandate which is clearly defined in the SDA of 1998 to develop a SSP which addresses developmental goals.
- b. that MICT SETA is in the forefront of transforming the ICT Sector in South Africa by providing skills development opportunities and bridging the skills gap.
- c. MICT SETA received R1.1 billion skills development levy income, and R9.81 million for labour activation project which is implemented in collaboration with the UIF.
- d. The Honourable Minister was pleased by the development of the LMS in collaboration with TUT as it would assist in curbing the issue of double dipping which was identified by the Auditor General in the SETA space.



- e. On behalf of the Honourable Minister, Mr Nqandela thanked the MICT SETA Board, Management, staff, and Stakeholders.

4. CHIEF EXECUTIVE OFFICER OVERVIEW

The CEO presented the report, and the following was highlighted:

- a. The MICT SETA achieved 95% of its APP targets, which is a notable improvement compared to the previous year where the SETA achieved 90%. MICT SETA strives for excellence and always on an upward trajectory year on year performance.
- b. The factors that resulted in the 95% achievement and the clean audit opinion include but not limited to reliable AFS and performance information, compliance with SCM regulations, sound governance and effective controls.
- c. The collaborative efforts of the Stakeholders in ensuring that MICT SETA achieved its targets is commendable.
- d. The MICT SETA aligns its priorities with the National Skills Development Economic Reconstruction and Recovery Plan and its Skills Development Strategy which is aligned to the SLA signed with DHET annually.
- e. Over 14 000 learners were enrolled and 8 726 completions, with a rate of 6000 + absorptions.
- f. More than 30 digital projects to be implemented were allocated through Research Chairs.
- g. MICT SETA is proud of its recent partnerships, which include SITA Hackathons and the optic fibre project in East London.
- h. The MICT SETA pleads with Stakeholders for submission of documents on time to ensure compliance, and accurate reporting and accountability to AG.
- i. Approximately 38 4IR qualifications were obtained by learners.
- j. The Government should refrain from only advertising entry level job opportunities that only require degrees but should also include and consider TVET obtained qualifications.
- k. Large and medium companies were also urged to play a role in placing young people in relevant workspaces.
- l. The CEO thanked all Stakeholders and partners of the MICT SETA for attending the AGM.



5. CHIEF FINANCIAL OFFICER'S OVERVIEW

The CFO presented the 2022/23 Annual Financial Statements (AFS) for the year ended 31 March 2023. The following was highlighted:

- a. MICT SETA had a total assets of R679 million in its books.
- b. The current assets at the end of the FY were at R667million, 98% of the assets relates to cash and cash equivalents and bank.
- c. Cash and cash equivalents have increased by 2.62%, this consists of operational bank accounts and the balance is comparable to the prior year.
- d. There was a notable decrease of 30.08% on property, plant, and equipment due to the purchase of tools of trade for employees and additional office furniture and office equipment.
- e. Intangible Assets had decreased by 61.58% due to the impairment of the old LMS as well as normal amortisation of the ERP system.
- f. The Account Receivables from Exchange Transactions increased by 75% due to the purchasing of software licences.
- g. The Account Receivables from Exchange Transactions increased by 49.32%.
- h. Account Receivables from Non- Exchange Transactions decreased by 68.71% due to grant levy data that was subsequently adjusted by SARS.
- i. Current liabilities had a total of R136 million, which was a decrease of 7.8% from the prior year due to the improvements in the payment process, therefore the MICT SETA has a turnaround time of 15 days as confirmed by AGSA, however there have been queries from Stakeholders in relation to delays in payment of invoices. The LMS will also address payments issues as Stakeholders would be able to track their invoices from the point of submission to the final stage of payment.
- j. Net Assets decreased by 7.87%
- k. National Treasury approved the retention of the MICT SETA surplus.



- l. The Revenue for 2022/23 FY was a total of R1.1 billion, R59 million for the year ended 31 March 2023, which is above the approved budget due to improved economic activity within the sector.
- m. R9.1 million revenue was received from UIF.
- n. The overall financial viability was favourable, the net assets/liabilities position of the MICT SETA was positive.
- o. Irregular expenditure decreased by 709% compared to the prior year. The MICT SETA embarked on a process of removal and condonation of the irregular expenditure in line with the National Treasury instruction note no. 4 of 2022/23 PFMA Compliance and Reporting Framework.

6. PROPOSED 2024/25 ANNUAL BUDGET AND BUSINESS PLAN

The Annual Budget was presented, and the following was highlighted:

- a. MICT SETA budgeted to receive an estimated amount of R 1.5 billion from the Skills Development Levy (SDL) Revenue for the 2024/2025 financial year.
- b. The 2024/25 estimate includes R159 million to be allocated to administrative costs in line with the 10.5 % threshold, R257 million to mandatory grants and R796 million of the funds to be allocated to discretionary grants.
- c. The proposed budget was due for approval by the Minister in November 2023.

7. AUDIT & RISK COMMITTEE (ARC) REPORT FOR 2022/23 FY

The Audit and Risk Committee presented the Audit and Risk Committee Report and highlighted the following:

- a. The ARC consists of 5 members, 3 external independent members and 2 members of the Board. The ARC is therefore properly constituted and has complied with its mandate.
- b. The Committee was satisfied with the Risk Management function and processes. Recommendations were made to Management to enhance the capacity within the Risk Management function.



- c. The Committee was pleased to announce that the Internal Audit (IA) function was functional during the year under review. ARC evaluated the IA function and was overall satisfied with the performance of the IA function for the year under review.
- d. Following the resignation of the former CFO on 31 October 2022, the Finance Manager who had since been acting was appointed as the new CFO effective 01 April 2023. The ARC was overall satisfied with the performance of the Finance function and the CFO for the period under review.
- e. The ARC concurs and accepts the External Auditors opinion regarding the AFS, the audit outcome was an unqualified opinion with no findings. The opinion provides assurance to Stakeholders that all money received and spent by MICT SETA was accurately and completely accounted for in line with the applicable laws and regulations.
- f. The AGSA opinion was an improvement from the previous year where certain material findings on performance information were identified.
- g. In conclusion the ARC Chairperson expressed sincere appreciation to the Board, CEO, Management, IA, and External auditors on behalf of the ARC for the cooperation and support towards the ARC achieving the requirements of the ARC Charter.

8. PASSING OF THE RESOLUTIONS

8.1. Confirmation of the minutes

The **Minutes of the meeting** held on the **4 of November 2022** were confirmed and adopted.

8.2. Annual Financial Statements (AFS) for the year 2022/2023

RESOLUTION: 2023/10-01:

IT WAS **RESOLVED THAT** the **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 2022/2023** be and hereby **ADOPTED**.



8.3. Annual Report for the year 2022/2023

RESOLUTION: 2023/10-02:

IT WAS **RESOLVED THAT** the **ANNUAL REPORT FOR THE YEAR 2022/2023** be and hereby **ADOPTED**.

6.4 Report of the Audit and Risk Committee

RESOLUTION: 2023/10-03:

IT WAS **RESOLVED THAT** the **REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR 2022/2023** be and hereby **ADOPTED**.

6.5 Auditor General Report for the year 2022/2023

RESOLUTION: 2023/10-04:

IT WAS **RESOLVED THAT** the **AUDITOR GENERAL REPORT FOR THE YEAR 2022/2023** be and hereby **ADOPTED**.

7. CLARITY SEEKING SESSION

The Stakeholders further sought clarity on specific matters that were accordingly responded to by the MICT SETA.

8. GENERAL

There were no items received for general discussion.

9. CLOSURE

The Chairperson thanked everyone for their attendance and closed the AGM at 18h00.



MICTSETA |

Media, Information And
Communication Technologies
Sector Education And Training Authority

SHAPING SKILLS, PIONEERING INDUSTRIES, EMPOWERING FUTURES

Approved as an accurate record of the meeting proceedings.

Board Secretariat

Date

Chairperson of the Board

Date