

# Trio of Setas remain under administration

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Three Sector Education and Training Authorities (Setas) remain under administration for various reasons, including poor governance and noncompliance with the Public Finance Management Act.



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Setas have previously been criticised for inefficiency, being a haven for corruption and for enrolling ghost students. They have also come under fire for failing to address the country's skills deficit.

There are 21 Setas that cover all work sectors. They receive more than R14bn in ring-fenced funds annually.

Higher Education and Training minister Blade Nzimande said in a written reply in Parliament this week that the Culture, Arts, Tourism, Hospitality and Sport Seta had been under administration since 2014 for consistently failing to meet its objectives and not acting on the recommendations of a forensic investigation commissioned by the board.

The Seta had received a qualified audit opinion from the auditor-general in the 2013-14 financial year, Nzimande said.

The Safety and Security Services Seta was placed under administration in 2015 for poor governance, which had resulted in mismanagement of the discretionary fund and serious irregularities in a number of contracts entered into, as well as noncompliance with the Skills Development Act and its prescripts. The Seta was also cited for noncompliance with the

Public Finance Management Act and other related Treasury requirements and for consistently not meeting its objectives.

It too received a qualified audit opinion from the auditor-general in the 2011-12 and 2012-13 financial years.

The Wholesale and Retail Seta was the most recent authority to be placed under administration. Nzimande said the Seta was placed under administration because of its decision to pull out of the initiative to support the Rural and Township Economies Revitalisation Programme, which was meant to contribute to the government's nine-point plan to stimulate rural and township economies, although the programme was part of its servicelevel agreement.

He said there was lack of unity, cohesion and co-operation required from the Seta's board members to exercise their fiduciary duties effectively and efficiently. It received a qualified audit opinion from the auditor-general in the financial years 2014-15 and 2015-16.

Nzimande, whose department assumed responsibility for the Setas in 2009 when they were removed from the Department of Labour's control, has said that the Setas cannot be ditched, but the way they operate had to change.

"There are lots of proposals on the table " While one proposal is to 'ditch the Setas', others include having one big super-Seta (a skills council) or having seven Setas rather than the current 21.

"We still do believe that we can improve, perfect the Setas and make sure that the money that is set aside for them is used for what it is meant for.

"We are not yet there, we are not going to deny that," Nzimande said in 2015.

DA MP and spokeswoman for higher education and training Belinda Bozzoli said on Thursday that many proposals had been put forward to revamp the Setas, but Nzimande had ignored the suggestions.

She said most of the 21 Setas were underperforming even though some had "lots of money, more than a university".

Bozzoli said the Seta boards had to be replaced with honest people as corruption was endemic in most of them.

*Source: Business Day*

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