



**CONSTITUTION OF THE
SAFETY AND SECURITY SECTOR
EDUCATION AND TRAINING AUTHORITY
("SASSETA")**

| |
|--|
| <p>DEPARTMENT OF HIGHER EDUCATION AND TRAINING</p> <p>APPROVED</p> <p>OFFICE OF THE DIRECTOR: SETA PERFORMANCE MANAGEMENT</p> <p>SIGNATURE: <i>M. S. G. [Signature]</i></p> <p>DATE: <i>21/5/2019</i></p> |
|--|

TABLE OF CONTENTS

1. **DEFINITIONS**
 2. **BACKGROUND AND PURPOSE OF CONSTITUTION**
 3. **EXECUTIVE AUTHORITY**
 4. **IDENTIFICATION OF SETA**
 - 4.1 Name
 - 4.2 Scope of Coverage
 - 4.3 Organisations in the Sector
 - 4.4 Legal Status
 5. **OBJECTIVES OF SASSETA**
 - 5.1 General Objectives
 - 5.2 Objectives in Relation to Employers in the Sector
 - 5.3 Objectives in Relation to Employees in the Sector
 6. **POWERS AND FUNCTIONS OF SASSETA**
 - 6.1 SASSETA Functions
 - 6.2 SASSETA Powers
 7. **SERVICE LEVEL AGREEMENT AND STRATEGIC PLAN OF SASSETA**
 8. **THE SASSETA BOARD**
 - 8.1 Duties of The Board
 - 8.2 Powers of The Board
 - 8.3 Delegation of Functions
 - 8.4 Size of Board
 - 8.5 Composition of the Board
 - 8.6 Nomination and Appointment of Members of the Board
 - 8.7 Consultation on Proportional Representation
 - 8.8 Alternates to Members of the Board
 - 8.9 Term of Office of Members of the Board
 - 8.10 Induction and Capacity Building of Members and Alternates
 - 8.11 First Meeting at each New Term of Office of The Board
 - 8.12 Suspension of Members of the Board
 - 8.13 Vacation of Office by Members of the Board
 - 8.14 Filling Vacancies in the Board
 - 8.15 Application to the Board by New Organisation to be Listed in the Sector
 9. **EXECUTIVE COMMITTEE OF THE BOARD**
 - 9.1 Establishment of Executive Committee of The Board
 - 9.2 Composition of Executive Committee
 - 9.3 Term of Office of Members of Executive Committee
 - 9.4 Functions of Executive Committee
 10. **AUDIT AND RISK COMMITTEE OF SASSETA**
 - 10.1 Establishment, Composition and Accountability of Audit and Risk Committee
 - 10.2 Functions of Audit and Risk Committee
 11. **FINANCE COMMITTEE**
 - 11.1 Establishment and Composition of Finance Committee
 - 11.2 Functions of Finance Committee
-

12. REMUNERATION COMMITTEE

- 12.1 Establishment and Composition of Remuneration Committee
- 12.2 Functions of Remuneration Committee

13. GOVERNANCE AND STRATEGY COMMITTEE

- 13.1 Establishment and Composition of Governance and Strategy Committee
- 13.2 Functions of Governance and Strategy Committee

14. CHAIRPERSON OF THE BOARD

- 14.1 Appointment of Chairperson of The Board
- 14.2 Term of Office of Chairperson
- 14.3 Functions of Chairperson
- 14.4 Temporary Absence or Incapacity of Chairperson
- 14.5 Vacating of Office of Chairperson

15. MEETING PROCEDURES

- 15.1 Meetings of The Board
- 15.2 Meetings of Executive Committee
- 15.3 Special Meetings of The Board, Executive Committee and other Committees
- 15.4 Meeting Procedures for all Committees

16. CHIEF EXECUTIVE OFFICER AND OTHER EMPLOYEES

- 16.1 Appointments by The Board
- 16.2 Duties of Chief Executive Officer

17. FINANCES

- 17.1 Sources of Finance
- 17.2 Investments
- 17.3 Purpose for which Funds may be Used
- 17.4 Financial Records of SASSETA
- 17.5 Audit of SASSETA
- 17.6 Financial Responsibility of Executive Committee
- 17.7 Signatories to Accounts

18. CODE OF CONDUCT

19. DISPUTE RESOLUTION

20. INDEMNIFICATION

21. AMALGAMATION AND DISSOLUTION OF SASSETA

22. TAKING OVER ADMINISTRATION OF SASSETA

23. AMENDMENT OF CONSTITUTION

ANNEXURE 1: SCOPE OF AUTHORITY

ANNEXURE 2: CODE OF CONDUCT

ANNEXURE 3: DISPUTE RESOLUTION

ANNEXURE 4: REPRESENTATION ON THE BOARD

ANNEXURE 5: COMMITTEES OF SASSETA

ANNEXURE 6: CHAMBERS OF SASSETA

ANNEXURE 7: PROCEDURE FOR AMENDING CONSTITUTION

1. DEFINITIONS

In this Constitution, any word or expression to which a meaning has been assigned in the Act bears that meaning and unless the context indicates otherwise-

- 1.1 **Accounting Authority**” means the Board of SASSETA;
- 1.2 **“the Act”** means the Skills Development Act, 1998 (Act No. 97 of 1998), as amended from time to time;
- 1.3 **“Alternate”** means a person nominated to act as a Member of the Board in the absence of a duly appointed Member of the Board, as contemplated in item 8(8) of this Constitution;
- 1.4 **“The Board** means the Accounting Authority of SASSETA
- 1.5 **“Chairperson”** means the Chairperson of the Board appointed in terms of item 14;
- 1.6 **“Chief Executive Officer”** means the Chief Executive Officer of SASSETA contemplated in item 16;
- 1.7 **“Committee”** means any permanent, ad hoc or subcommittee of SASSETA established by the Board in terms of this Constitution;
- 1.8 **“Constituency”** means organised labour, organised employers, government departments, professional bodies, bargaining councils and organisations contemplated in section 11(2) of the Act and listed in Annexure 4;
- 1.9 **“Constitution”** means this Constitution and all Annexure to this Constitution;
- 1.10 **“Designated Groups”** means black people, women and people with disabilities;
- 1.11 **“Director-General”** means the Director-General of the Department of Higher Education and Training;
- 1.12 **“Executive Authority”** means the Minister of Higher Education and Training, who, in terms of the Act, is accountable to Parliament for skills development;
- 1.13 **“Executive Committee”** means the Executive Committee established in terms of item 9;
- 1.14 **“Member”** means a natural person appointed as a member of the Board or any of its chambers or committees;
- 1.15 **“Minister”** means the Minister of the Department of Higher Education and Training;
- 1.16 **“NQF Act”** means the National Qualification Framework Act, 2008 (Act No. 67 of 2008);
- 1.17 **“NSA”** means the National Skills Authority established by section 4 of the Act;
- 1.18 **“NSDS”** means the National Skills Development Strategy referred to in section 5 (1)(a)(ii) of the Act;

1.19 **“Organised Employers”** means-

1.20 Any employers' organisation in the Sector that is registered in terms of the Labour Relations Act, 1995 (Act No. 66 of 1995), and any other association of employers in that Sector that represents the interests of its members as employers; and

1.21 includes a State Department referred to in Schedule 1 of the Public Service Act, 1994 Proclamation No. 103 of 1994), as an employer in that Sector;

1.22 **“Organised Labour”** means any trade union or federation of trade unions in the Sector that is registered in terms of the Labour Relations Act, 1995 (Act No. 66 of 1995), and any other association of employees in the Sector that represents the interests of its members as employees;

1.23 **“PFMA”** means the Public Finance Management Act, 1999 (Act No.1 of 1999);

1.24 **“Professional Body”** means anybody of expert practitioners in an occupational field, and includes an occupational field.

1.25 **“QCTO”** means the Quality Council for Trades and Occupations, established in terms of section 26G of the Act;

1.26 **“SDLA”** means the Skills Development Levies Act, 1999 (Act No. 9 of 1999);

1.27 **“Sector”** means the Safety and Security Sector determined by the Minister in terms of section 9(2) of the Act;

1.28 **“SASSETA”** means the Safety and Security Sector Education and Training Authority, established by the Minister in terms of section 9(1)(a) of the Act or re-established by the Minister in terms of section 9(1)(b) of the Act and referred to in item 4(1);

1.29 **“SLA”** means the service level agreement contemplated in section 10 of the Act.

2 BACKGROUND AND PURPOSE OF CONSTITUTION

- (1) The Act makes provision for the establishment or re-establishment of SETAs for each national economic sector. The Minister has determined the Safety and Security Sector Education and Training Authority (“**SASSETA**”) in terms of section 9 of the Act.
- (2) This Constitution was drawn up in accordance with the requirements of the Act and provides an institutional framework for **SASSETA** for developing and implementing national, sectoral and work-place strategies in order to develop and improve the skills of the South African workforce.
- (3) **SASSETA** pursues the development of a skilled workforce in order to provide an improved service to the people of South Africa. **SASSETA** is inspired by the vision of South Africa’s appropriately skilled workforce, which is empowered to render quality services, which are comparable with world-class standards.

3 EXECUTIVE AUTHORITY

- (1) The Executive Authority must exercise its powers and responsibilities in order to ensure that the implementation of the objectives and execution of the functions of **SASSETA** comply with both the Act and the policies of the Executive Authority. In the event that the SETA is placed under Administration, the Administrator will fulfil this duty.
- (2) In executing its accountability and responsibility functions, the Executive Authority must exercise its powers in terms of the Act, the Skills Development Levies Act, NSDS, the PFMA, this Constitution, and any other relevant legislation.

4 IDENTIFICATION OF SETA

(1) Name

The name of this SETA is: Safety and Security Sector Education and Training Authority, with its Head Office situated at: (i) Riverview Office Park, Janadel Avenue, Halfway Gardens, Midrand; Gauteng and (ii) PO Box 7612, Halfway House, 1685 or whichever physical address may be approved by the Board; and is referred to in this Constitution as “**SASSETA**”.

(2) Scope of Coverage

The national economic sector for which **SASSETA** is established is the South African Safety and Security Sector. Its scope of coverage, determined by the Minister in terms of section 9(2) of the Act, is recorded in Annexure 1 of this Constitution, as amended from time to time.

(3) Organisations in the Sector are:

- (i) Organised Labour;
- (ii) Organised Employers;
- (iii) Government Departments;
- (iv) Professional Bodies;
- (v) Critical Interest Groups;
- (vi) Bargaining Councils; and
- (vii) Organisations contemplated in section 11(2) of the Act as listed in Annexure 4

(4) Legal Status

- (a) SASSETA is a statutory body and juristic entity.
- (b) The Accounting Authority for SASSETA is the SASSETA Board appointed by the Minister of Higher Education and training.
- (c) SASSETA, through the Board, may authorise any person or persons to act on its behalf, to sign all documents and to take all steps that may be necessary in connection with any legal proceedings brought by or against the Board.
- (d) SASSETA is governed by: (i) the Act; (ii) the PFMA; (iii) the SDLA; (iv) this Constitution; and (v) any other relevant legislation and prescripts.

5 OBJECTIVES OF SASSETA

In performing its functions contemplated in the Act and in this Constitution, SASSETA must seek to promote the objectives contemplated in sub-items 5(1) to 5(3) of this Constitution.

(1) General Objectives

The general objectives of SASSETA are to:-

- (a) facilitate, coordinate and monitor the implementation of the NSDS in the Safety and Security Sector;
- (b) identify skills shortages in the Sector;
- (c) support the development of the skills of employees in the Sector;
- (d) support the improvement of the quality of life and labour market prospects of employees in the Sector;
- (e) strengthen the institutional capacity of SASSETA in order to improve productivity and the quality of services it provides to its stakeholders;
- (f) through the skills development levy, increase the levels of investment in skills development and improve returns on such investment;
- (g) support improved performance and productivity in the work-places in the Sector, as well as the competitiveness of employers;
- (h) support the improvement of the employment prospects of persons previously disadvantaged by unfair discrimination;
- (i) in liaison with employment services, assist work seekers to gain access to work experience;
- (j) in liaison with employment services, assist retrenched workers to re-enter the labour market;
- (k) liaise with employers in respect of skills development programmes;
- (l) promote the development of skills aimed at self-employment;

- (m) support skills development in the informal sector, cooperatives and other income generating initiatives for the unemployed;
- (n) support and promote the development of artisans, technicians, professionals and persons in other categories;
- (o) support, facilitate and promote the quality of occupation-based learning in the Sector;
- (p) promote effective communication between and participation by bodies involved in skills development – both inside and outside the Sector;
- (q) cooperate with and support the QCTO in matters relating to QCTO functions and operations referred to in section 10 of the Act; and
- (r) cooperate with and support the functions of other agencies in matters related to skills development.

(2) Objectives in Relation to Employers in the Sector

The objectives of SASSETA in relation to employers are to encourage them to-

- (a) identify skills needs in the work-place;
- (b) provide employees with opportunities to acquire new skills;
- (c) use their work-places and facilities to create active learning environments;
- (d) develop their capacity to manage and provide occupation-based learning;
- (e) facilitate new entrants to the labour market by providing them with opportunities to learn through exposure to work experience during learnerships, internships, apprenticeships and other programmes that provide learning in the work-place;
- (f) support occupation-based learning interventions, linked to the objectives and mechanisms of the Employment Equity Act, 1998 (Act No. 55 of 1998);
- (g) ensure occupation-based learning of quality in the work-place; and
- (h) develop appropriate partnerships with other public, private and non-governmental organisations in promoting skills development.

(3) Objectives in Relation to Employees in the Sector

The objectives of SASSETA in relation to employees are to encourage them to-

- (a) participate in learnerships, apprenticeships, professional training, skills development programmes and other learning programmes;
- (b) take responsibility for their learning by utilising the learning opportunities offered to them; and,
- (c) provide input into and feedback on occupation-based learning programmes that they undertake.

6 POWERS AND FUNCTIONS OF SASSETA

(1) SASSETA Functions

SASSETA must perform its functions in accordance with the Act, the SDLA, the PFMA, and any other relevant legislation and this Constitution.

SASSETA must, in accordance with any prescribed requirements-

- (a) develop a Sector Skills Plan within the NSDS framework;
- (b) implement its Sector Skills Plan by-
 - (i) establishing learning programmes;
 - (ii) approving work-place skills plans and annual training reports;
 - (iii) allocating grant in the prescribed manner and in accordance with any prescribed standards and criteria, to employers, skills development providers and workers, and
 - (iv) monitoring the quality of occupation-based learning in the Sector;
- (c) promote occupation-based learning programmes that include work experience by-
 - (i) identifying workplaces for practical work experience;
 - (ii) supporting the development of learning materials;
 - (iii) improving the facilitation and assessment of learning; and
 - (iv) assisting with the conclusion of agreements for learning programmes;
- (d) perform any function delegated to it by the QCTO in terms of section 261 of the Act;
- (e) support and form partnerships with other agencies on matters related to skills development;
- (f) when required to do so, as contemplated in section 7(1) of the SDLA, collect and disburse the skills development levies allocated to it in terms of sections 8 and 9 of the SDLA, in its Sector;
- (g) liaise with the NSA on:-
 - (i) the national skills development policy;
 - (ii) the NSDS; and
 - (iii) its Sector Skills Plan;
- (h) liaise with the provincial offices of the Department, the provincial skills development forums and any relevant education bodies established in terms of any law regulating education and training in the Republic, to improve information about placement opportunities and between skills development providers and the labour market;

- (i) formulate policies and procedures of SASSETA;
- (j) appoint the employees necessary for the performance of its functions;
- (k) promote the national standard, established in terms of section 30B of the Act;
- (l) perform any other functions:-
 - (i) imposed on it by the Act, the SDLA, any other relevant legislation and this Constitution; or
 - (ii) that are consistent with the purposes of the Act, the SDLA, any other relevant legislation and this Constitution;
- (m) register agreements for learning programmes; and
- (n) submit to the Director-General any budgets, reports and financial statements on its income and expenditure, which it is required to prepare in terms of the PFMA, as well as plans and reports on the implementation of its SLA.

(2) SASSETA Powers

SASSETA has all the powers referred to in section 10(2) of the Act and such other powers conferred on SASSETA by the SDLA, the PFMA and this Constitution.

7 SERVICE LEVEL AGREEMENT AND STRATEGIC PLAN OF SASSETA

- (1) SASSETA must conclude an SLA for every financial year with the Director-General in accordance with section 10 of the Act, concerning:-
 - (a) SASSETA's performance of its functions in terms of the Act and the NSDS;
 - (b) SASSETA's Annual Strategic Plan;
 - (c) any assistance that the Director-General is to provide to SASSETA in order to enable it to perform its functions;
 - (d) any assistance that SASSETA is to provide in terms of the Act to assist the Minister in complying with his or her responsibility in accordance with the policy determined by the President relating to service delivery and relating to the functions of SASSETA; and
 - (e) any other prescribed matters.
- (2) The SLA must be concluded in the manner and period prescribed by the Department of Higher Education and Training (DHET).
- (3) If SASSETA and the Director-General are unable to agree on the contents of the SLA within the prescribed period, the Minister must determine the contents of the SLA after consulting the NSA.
- (4) The Minister's determination in respect of the SLA is final and binding.

- (5) SASSETA must submit a Strategic Plan and an Annual Performance Plan in terms of Regulation 30 of the Treasury Regulations.

8 BOARD / ACCOUNTING AUTHORITY

(1) Duties of the Board

The Board must:-

- (a) govern and manage SASSETA in accordance with the PFMA, the Act, SDLA and any other applicable legislation and prescripts;
- (b) ensure that SASSETA achieves the objectives contemplated in item 5 and performs the functions contemplated in item 6;
- (c) provide effective leadership and ensure that SASSETA implements the goals of the NSDS and the SLA as well as any performance agreement as may be determined by the Minister;
- (d) provide a strategic direction for SASSETA;
- (e) liaise with stakeholders;
- (f) ensure that SASSETA complies with the relevant statutory requirements and the requirements of this Constitution;
- (g) manage institutional risk;
- (h) monitor the performance of SASSETA; and
- (i) ensure that its Members and the Members of the committees established by it comply with the Code of Conduct set out in Annexure 2.

(2) Powers of the Board

The Board may:-

- (a) exercise all the powers necessary to enable it to perform its functions in terms of the Act, this Constitution and any other relevant legislation;
- (b) exercise any other powers conferred on it by the Act, the PFMA, the SDLA, any other relevant legislation and this Constitution;
- (c) take decisions on any matter related to the performance of its functions in terms of the Act and this Constitution;
- (d) establish committees of SASSETA to assist it in performing its functions; and
- (f) establish chambers of SASSETA as contemplated in section 12 of the Act.

(d) The Chairperson must:-

- (i) inform the Member in writing and in sufficient detail of the allegations against the Member; and
- (ii) refer the matter to the Minister for an inquiry.

(f) The Member must be given adequate time to prepare for the inquiry and may be represented at the inquiry by a person of his or her choice.

(14) Filling Vacancies in the Board

- (a) Subject to paragraph (b), if a Member of the Board dies or vacates office before the expiry of that Member's term of office in accordance with sub-item 13, the procedure contained in sub-item 6 applies with the necessary changes.
- (b) The replacement Member must be from the same sector of the Constituency from which the original Member was appointed.

(15) Application to Board by New Organisation to be listed in the Sector

- (a) Any organisations that meet the criteria stated in sub-item (5) and that are not listed in Annexure 4 may apply to the Board to be so listed.
- (b) The Board must list the organisation if the Minister has determined that that organisation belongs in the Sector.

9 EXECUTIVE COMMITTEE OF BOARD

(1) Establishment of Executive Committee of Board

- (a) The Board must establish an Executive Committee inclusive of the CEO, with the approval of the Minister.
- (b) The Executive Committee may not consist of more than five (5) members and must include the Chairperson.

(2) Term of Office of Members of Executive Committee

A Member of the Executive Committee holds office for the period of that Member's term of office as a Member of the Board.

(3) Functions of Executive Committee

- (a) Subject to the directions of the Board, the Executive Committee must oversee the management of SASSETA.
- (b) Without limiting its functions contemplated in paragraph (a), the Executive Committee must-
 - a. in cooperation with the SASSETA senior management, oversee and ensure that the Board

- direction and decisions are implemented;
- b. To assist in the development of a proper agenda for the Board meetings
 - c. Prepare a report on the functioning of the Executive Committee to each Board meeting.
- (ii) Coordinate the implementation of the Board's policies;
- (iii) Liaise and monitor national policy issues and developments and make recommendations regarding the adoption of policies by the Board;
- (iv) coordinate the functioning of committees, chambers and structures of SASSETA and monitor their activities, in order to monitor that they act within the terms of any powers delegated to them by the Board;
- (v) to oversee the development of budgets and business plans for approval of the Board.
- (vi) monitor the relations and interactions of SASSETA with other SETAs and other agencies on matters related to skills development; and
- (vii) perform any other function, delegated to it by the Board.

10 AUDIT AND RISK COMMITTEE OF SASSETA

(1) Establishment, Composition and Accountability of Audit and Risk Committee

- a) The Board must establish an Audit and Risk Committee as an independent committee, which reports to the Board.
- b) The Audit and Risk Committee must be constituted in terms of section 77 of the PFMA, read with Chapter 9 of the Treasury Regulations made in terms of the PFMA.
- c) The Board must compile written Terms of Reference that describe the membership, authority and duties of the Audit and Risk Committee.
- d) The Audit and Risk Committee must be constituted in terms of the requirements of sound corporate governance and it must operate within that framework.
- e) The Chairperson of the Audit and Risk Committee must:-
 - (i) be an independent person and may not be the Chairperson of the Executive Committee; and
 - (ii) be knowledgeable about the status of the position and have the requisite financial, business, leadership and communication skills.
- f) The majority of the Members of the Audit and Risk Committee must be independent persons and must be financially literate.
- g) One (1) Member of the Audit and Risk Committee must be nominated by Members that represent Organised Employers and one Member must be nominated by Members that represent Organised Labour.
- h) The Chairperson, the Members of the Executive Committee and the Chief Executive Officer may not be members of the Audit Committee but they may attend Audit and Risk Committee meetings by invitation, if this is considered necessary by the Chairperson of the Audit and Risk Committee.
- i) The Audit and Risk Committee has explicit authority to investigate any matter within its Terms

of Reference, and it must be provided with the required resources to access required information.

- j) The Audit and Risk Committee may not perform any management functions or assume any management responsibilities.
- k) The Board must periodically review and evaluate the Audit and Risk Committee's decisions and effectiveness and must review and confirm the Audit and Risk Committee's Terms of Reference on an annual basis.

(2) Functions of Audit and Risk Committee

- (a) The Audit and Risk Committee must perform the functions of an Audit and Risk Committee in terms of the PFMA.
- (b) The Audit and Risk Committee must monitor and reinforce the effectiveness of both the internal control system and the internal audit function.
- (c) The Audit and Risk Committee must review and make recommendations in respect of:
 - (i) the functioning and overall efficiency and effectiveness of the internal control systems;
 - (ii) the functioning of the internal Audit Department;
 - (iii) the risk areas of SASSETA's operations, which are to be covered by the scope of internal and external audits;
 - (iv) the adequacy, reliability and accuracy of the financial information provided to the Board;
 - (v) the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors;
 - (vi) the cooperation and coordination between the internal and external audit functions, and their cooperation and coordination pertaining to the management of SASSETA;
 - (vii) any accounting or auditing concerns identified through internal and external audits and by the Auditor-General;
 - (viii) the adequacy and effectiveness of the risk management processes followed and the development, maintenance and enhancement of fraud prevention plans;
 - (ix) the effectiveness of the system for monitoring compliance with laws, regulations and policies, and the results of management's investigation and follow-up action (including disciplinary action) of any instance of non-compliance; and
 - (x) SASSETA's compliance with relevant legal and regulatory requirements and its Code of Conduct and the action taken to address any violations.
- (d) The Audit and Risk Committee must review the annual financial statements and establish whether the statements have been prepared in accordance with the PFMA and related Treasury Regulations, including the applicable accounting framework.
- (e) The Audit and Risk Committee must review and confirm the Internal Audit Department's

Charter and the Internal Audit Plan and must review and confirm the resources required to implement the plan.

- (f) The Audit and Risk Committee must develop a direct, strong and candid relationship with the external auditors and its communication with the external auditors must facilitate independence from the management of SASSETA and encourage the external auditors to speak freely, regularly and confidentially with the Audit and Risk Committee.
- (g) The Audit and Risk Committee must draw up a recommendation for the Board regarding the appointment and removal of the internal and external auditors.
- (h) The Audit and Risk Committee must recommend such measures as may be necessary to ensure reliability, integrity and objectivity of SASSETA.
- (i) The Audit and Risk Committee must monitor the implementation of the recommended measures by external and internal auditors.

11 FINANCE COMMITTEE

(1) Establishment and Composition of Finance Committee

The Board must establish a Finance Committee that consists of a suitable number of persons with the knowledge and skills needed to perform the functions of the Committee.

(2) Functions of Finance Committee

- (a) The Finance Committee must perform all functions delegated to it by the Board to ensure that SASSETA meets the requirements of the Act, the SDLA, PFMA and the Treasury Regulations that relate to finance and the remuneration of the Chief Executive Officer, Members, Committee Members and staff.
- (b) The Finance Committee must evaluate and must make recommendations to the Board in respect of-
 - (i) the budget, cash flow and financial statements of SASSETA;
 - (ii) the financial policies of SASSETA;
 - (iii) actions to implement the recommendations of the Auditor-General's Report and the internal and external audit reports of SASSETA;
 - (iv) the execution of the legally mandated financial functions of SASSETA; and
 - (v) the financial implications of policies, decisions and changes to the budget and Strategic Plan of SASSETA.
- (c) The Finance Committee must present the Audit and Risk Committee with quarterly and annual financial statements.

12 REMUNERATION COMMITTEE

(1) Establishment and Composition of Remuneration Committee

The Board must establish a Remuneration Committee that comprises of a suitable number of persons with the knowledge and skills needed to perform the functions of the Committee.

(2) Functions of Remuneration Committee

- (a) The Remuneration Committee must advise the Board on any matter that relates to remuneration to enable the Board to develop consistent, fair and impartial strategies, policies, procedures and processes for the compensation of its Members and staff so as to attract, motivate and retain talented people.
- (b) The Remuneration Committee must evaluate and must make recommendations to the Board in respect of the following issues, which relate to the remuneration of both the staff and the Chief Executive Officer of SASSETA:
 - (i) Developing guidelines for and reviewing the compensation and performance of staff members of the organisation;
 - (ii) Reviewing and approving corporate goals that are relevant to the compensation of the Chief Executive Officer;
 - (iii) Determining the Chief Executive Officer's compensation in accordance with applicable rules and regulations;
 - (iv) Evaluating the Chief Executive Officer's performance against the goals and objective contemplated in this paragraph;
 - (v) Reviewing and reassessing the adequacy of the remuneration policy annually and recommending changes, if any, to the Board for approval; and
 - (vi) Ensuring that the Members' and Committee Members' remuneration is in accordance with the requirements of the PFMA and the Treasury Regulations that relate to finance and the remuneration of Members.

13 GOVERNANCE AND STRATEGY COMMITTEE

(1) Establishment and Composition of Governance and Strategy Committee

The Board must establish a Governance and Strategy Committee that consists of a suitable number of persons with the knowledge and skills needed to perform the functions of the Committee.

(2) Functions of Governance and Strategy Committee

The Governance and Strategy Committee must:-

- (a) ensure the development of policies, principles, criteria and guidelines that are necessary for the governance and strategy function of SASSETA;
- (b) promote good governance;
- (c) report to the Board on such matters as it deems necessary; and
- (d) develop a skills development strategy for the Sector.

14 CHAIRPERSON OF BOARD

(1) Appointment of Chairperson of the Board

- (a) Only the Minister may appoint the Chairperson.
- (b) The Chairperson may not be a member of the Audit and Risk Committee.

(2) Term of Office of Chairperson

- (a) The term of office of the Chairperson is five years and may not exceed the period for which the particular SETA is established.
- (b) The person appointed as Chairperson may not serve for more than two terms of office in a particular SETA.

(3) Functions of Chairperson

The Chairperson of the Board:-

- (a) must preside at meetings of both the Board and the Executive Committee;
- (b) must conduct such meetings in accordance with item 15 of this Constitution; and
- (c) may perform such other functions as are generally associated with the position of Chairperson.

(4) Temporary Absence or Incapacity of Chairperson

If the Chairperson is temporarily absent or incapacitated, the meeting ordinarily presided over by the Chairperson must appoint a person from its own ranks to preside over the meeting.

(5) Vacating of Office of Chairperson

- (a) The Chairperson must vacate the office if:-
 - (i) he or she is removed as a Member in terms of item 8(13);
 - (ii) he or she is unable to attend meetings or business of the Board and Executive Committee for a consecutive period of six (6) months; or
 - (iii) the Minister, on good cause shown, decides to terminate his or her appointment.
- (b) If the Chairperson has vacated office, the same process followed to appoint the Chairperson applies to the appointment of a new chairperson.

15 MEETING PROCEDURES

(1) Meetings of Board

- (a) The Board must meet at least once every three (3) months;

- (b) The business of the Board includes:-
 - (I) the discussion of any matter referred to it or arising from the financial statements of reports;
 - (II) the discussion of any matter of which notice has been given to the Chairperson at least ten (10) days before the date of notice regarding the meeting;
 - (III) the transaction of such other business as is required to be transacted by the Board in terms of the Act, the PFMA, the SDLA or this Constitution; and
 - (IV) the delegation of its functions to Members, employees or committees.
- (c) An Annual General Meeting must be held and must be advertised in the media at least thirty (30) days before the meeting.
- (d) The business of the Board at the Annual General Meeting must include consideration of:-
 - (i) the annual financial statements of the Board;
 - (ii) an Annual Report on the Board's affairs;
 - (iii) the report of the Auditor-General on the Board; and
 - (iv) acceptance, for recommendation to the Director-General, of SASSETA's annual budget and business plan.

(2) Meetings of Executive Committee

- a) The Executive Committee must meet at least once a month or may meet more often when necessary.
- b) Meetings of the Executive Committee must comply with the procedures contemplated in item 15.

(3) Special Meetings of the Board, Executive Committee and other Committees

- (a) The Chairperson may, on grounds of urgency, call a special meeting of the Board or Executive Committee, giving at least forty-eight (48) hours' notice, whether in the form of a physical meeting or by using any electronic medium.
- (b) If the Chairperson receives a request for a meeting, confirmed in writing by at least fifty per cent (50%) of the Members of the Board or the Executive Committee, the Chairperson must, as soon as is practicable, give notice of a special meeting of the Board or the Executive Committee, as the case may be, and that special meeting must be held within fifteen (15) working days of receiving such a request.
- (c) The chairpersons of any committee of the Board may, on grounds of urgency, call a special meeting, giving at least 48 hours' notice, whether in the form of a physical meeting or by using any electronic medium.

(4) Meeting Procedures for all Committees

- (a) In respect of meetings of the Executive Committee or any other committee established by the

Board listed in Annexure 5, whether in the form of a physical meeting or by using any electronic medium, the relevant Chairperson must:-

- (i) give at least ten (10) working days' written notice of the proposed meeting to Members; and
 - (ii) include an agenda with such a notice.
- (b) A quorum at a meeting, whether in the form of a physical meeting or by using an electronic medium, consists of at least fifty per cent (50%) of the total number of Members plus one (1) Member provided that at least fifty per cent (50%) of the members that represent Organised Labour and at least fifty per cent (50%) of the Members that represent Organised Employers are present.
- (c) If, within one (1) hour of the time fixed for the meeting, a quorum is not formed:-
- (ii) that meeting must stand adjourned to another day; and
 - (iii) the Members present at the follow-up meeting held within fourteen (14) days thereafter will constitute a quorum for the purposes of that meeting.
- (d) When a Member is unable to attend a meeting, the Member must inform the relevant Chairperson accordingly no later than forty-eight (48) hours before the meeting takes place but in unforeseen circumstances the relevant Chairperson must be informed as soon as possible.
- (e) The voting procedures and decision-making procedures at meetings are as follows:
- (i) Each Member present has a single vote on any matter serving before a meeting for its decision.
 - (ii) Votes by proxy are not allowed.
 - (iii) Any decision at a meeting requires the support of at least fifty per cent (50%) plus one (1) of the Members present.
 - (iv) decisions must be taken by way of a show of hands or, if at least fifty per cent (50%) of the Members present so require, by way of a closed ballot.
 - (v) In the event of an equal number of votes, the Chairperson has a casting vote.
- (f) The Chairperson must ensure that:-
- (i) the minutes of each meeting are taken;
 - (ii) the minutes are forwarded to the Members within two (2) weeks of the meeting;
 - (iii) the minutes are tabled at the next meeting for approval by the Members; and
 - (iv) the minutes are approved and retained in a record system.
- (g) The Chairperson must sign the approved minutes as confirmation of their approval.

16 CHIEF EXECUTIVE OFFICER AND OTHER EMPLOYEES

(1) Appointments by the Board

- (a) The Board must:-
- (i) within six (6) months of taking office, after following a transparent process, recommend to the Minister the names of three (3) suitably-qualified candidates for appointment to the position of Chief Executive Officer; and
 - (ii) consider the suitable or qualified candidates in accordance with fair and reasonable criteria acknowledged in labour law before making the recommendation in terms of subparagraph (i).
- (b) Subject to paragraph (c), the appointment of the Chief Executive Officer is linked to the term of office of the Board.
- (c) The Chief Executive Officer may be retained for a further six (6) months in the event that SASSETA is re-established in accordance with section 9(1)(b) of the Act.

(2) Duties of Chief Executive Officer

The Chief Executive Officer must:-

- (a) implement the decisions of the Board
- (b) execute the strategic and management operations of SASSETA;
- (c) attend and report at the meetings and report to the Board and the Executive Committee;
- (d) promote strategic planning and policy development;
- (e) manage the overall performance of SASSETA
- (f) ensure strict and responsible control of the finances of SASSETA, in compliance with the financial management requirements of the PFMA;
- (g) supervise and direct the other employees of SASSETA; and
- (h) perform such other functions as determined by the Board or the Executive Committee.

17 FINANCES

(1) Sources of Finance

The sources of finance for funding the activities of SASSETA as set out in section 14(1) of the Act are:-

- (a) eighty per cent (80%) of the skills development levies, interest and penalties collected in respect of SASSETA, allocated in terms of sections 8(3)(b) and 9(b) of the SDLA;
- (b) grants, donations and bequests received;

- (c) income earned on surplus money deposited or invested;
- (d) income earned on services rendered; and
- (e) money received from any other legitimate source.

(2) Investments

The money received by SASSETA in terms of section 14(2) of the Act must be paid into a bank account at any registered bank and may only be invested in-

- (a) savings accounts, permanent shares or fixed deposits in any registered bank or other financial institution provided for in terms of the PFMA; and
- (b) any other manner approved by the Minister.

(3) Purpose for which Funds may be Used

The money received by SASSETA may be used only in accordance with section 14(3) of the Act in order to-

- (a) fund the performance of its functions; and
- (b) pay for its administration.

(4) Financial Records of SASSETA

(a) The Board must:-

- (i) prepare annual budgets, Annual Reports and financial statements in accordance with Chapter 6 of the PFMA;
- (ii) furnish the Director-General with copies of all budgets, reports and statements contemplated in this Constitution and any other information that the Board must submit in terms of the PFMA;
- (iii) keep full and proper records of SASSETA's financial affairs;
- (iv) prepare financial statements for each financial year in accordance with generally accepted accounting practices and in line with the requirements of the Auditor-General;
- (v) submit the financial statements referred to in item 13(4)(a)(iv) of this Constitution within two (2) months after the end of the financial year to the Auditor-General for auditing; and
- (vi) within five (5) months of the end of a financial year and after adoption by the Board, submit to the Minister the Annual Report on its activities during that financial year, the financial statements for that financial year after the statements have been audited, and the Auditor General's report on those statements.

(b) The Annual Report and financial statements referred to in item 13(4)(a)(i) of this Constitution must:-

- (i) be a fair representation of SASSETA's state of affairs, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year in question;
- (ii) include particulars of any:-
 - (aa) material losses through criminal conduct or irregular, fruitless or wasteful expenditure and must reflect criminal proceedings instituted or disciplinary steps taken as a consequence of such losses;
 - (bb) losses recovered or written off;
 - (cc) financial assistance received from the State and any commitments made by the State on its behalf; and
 - (dd) any other matters that the Board deems necessary to include.

(5) Audit of SASSETA

(a) The Auditor-General must:-

- (i) audit the accounts, financial statements and financial management of SASSETA in terms of the PFMA and other relevant legislation; and
- (ii) report on that audit to the Board and to the Minister and, in that report; express an opinion as to whether SASSETA has complied with the provisions of the PFMA, the Act and this Constitution with regard to financial matters.

(b) Paragraph (a) does not prevent the appointment of an independent auditor by the Minister and the Department to conduct a forensic audit on the accounts and financial statements of SASSETA.

(6) Financial Responsibility of the Board/Executive Committee/FINCOM/REMCOM

The Board and Board Committees must ensure that SASSETA complies with the financial requirements of the Act, SDLA, the PFMA, all other applicable legislation and prescripts and this Constitution.

(7) Signatories to Accounts

- (a) The Board must appoint at least three (3) staff members, including the Chief Executive Officer, as signatories for each account of SASSETA.
- (b) At least two (2) of the three (3) signatories, which must include the Chief Executive Officer, must be required to authorise any payment made by SASSETA.

18 CODE OF CONDUCT

- (1) Members of the Board, committees and chambers established by the Board are bound by the Code of Conduct set out in Annexure 2.
- (2) The Code of Conduct binds Members in the performance and execution of their functions and duties.
- (3) Serious or continuous neglect of duties or any misconduct may result in a Member being removed from office or his or her termination of membership of a committee or chamber of SASSETA.

19 DISPUTE RESOLUTION

Any dispute concerning the interpretation or application of this Constitution must be determined in accordance with Annexure 3.

20 INDEMNIFICATION

SASSETA indemnifies members of the Board and its committees, and employees of the Board, against any claim that may be made against them that may arise during the course and scope of their employment or the performance of their duties as long as such a claim did not arise as a result of dishonesty, fraud, breach of trust, wilful default or wilful breach of duty, or a contravention of SASSETA's Code of Conduct.

21 AMALGAMATION AND DISSOLUTION OF SASSETA

- (1) The Minister may, after consulting with the NSA and the Board, and subject to section 9(2) of the Act, amalgamate SASSETA with one or more other SETAs in accordance with section 9A of the Act.
- (2) (a) The Minister may, after consultation with the NSA and the Board, dissolve SASSETA if SASSETA is unable to continue performing its functions.
 - (b) Any assets remaining after all liabilities of SASSETA have been met must be dealt with in terms of section 9A(6) of the Act. The Minister may, in terms of section 15 of the Act, after consultation with the NSA and the Board, if any, by a notice in the *Government Gazette* direct the Director-General to appoint an Administrator to take over the administration of SASSETA or to perform the functions of SASSETA, if-
 - (a) SASSETA fails to perform its functions;
 - (b) there is mismanagement of SASSETA's finances;
 - (c) the Board's membership no longer substantially represents the composition contemplated in section 11 of the Act;
 - (d) SASSETA has failed to comply with its SLA; or
 - (e) the Board has failed to comply with an instruction by the Minister in terms of section

- (3) The Director-General must by notice in the *Government Gazette* appoint an Administrator and, in that notice, the Director-General-
- (a) must determine the powers and duties of the Administrator, which may include the Administrator's performance of the Board's functions in terms of the PFMA;
 - (b) May suspend or replace one or more of the members of the Board for any reason contemplated in sub-item (1);
 - (c) may suspend the operation of SASSETA's Constitution; and
 - (d) may direct the transfer of all or some of the funds in SASSETA's bank accounts to the National Skills Fund.
- (4) If a notice is published in the *Government Gazette* in terms of sub-item (2), the Minister may:-
- (a) amend the constitution in question;
 - (b) reinstate any of the members of the Board; and
 - (c) withdraw or amend any provision of the notice referred to in sub-item (2) and may impose such conditions as may be appropriate in order to ensure that SASSETA resumes performance of its functions.
- (5) The Minister may act in terms of sub-item (1) without consulting the NSA and the Board if there is financial mismanagement of SASSETA and the delay caused by such consultation would be detrimental to SASSETA's capacity to perform its functions.

22 AMENDMENT OF CONSTITUTION

- (1) Subject to section 13 of the Act and after consultation with the Board, the Minister may approve an amendment of the Constitution.
- (2) The Chairperson must give notice of any proposed deviation from the standard constitution at least thirty (30) days before any meeting of the Board is convened to discuss an amendment to the Constitution.
- (3) The Board may propose an amendment to the Constitution by a resolution supported by at least seventy-five per cent (75%) of its Members.
- (4) If the Board has adopted a resolution proposing an amendment to the Constitution, such a proposal must be submitted to the Minister for consideration and a decision and must be accompanied by reasons for the proposed amendment.
- (5) SASSETA's Chief Executive Officer must ensure that copies of the text of the proposed amendment, notifications of the meeting and the agenda are dispatched to all Members of the Board at least thirty (30) days before to the meeting at which the amendment to the Constitution is to be proposed and considered.
- (6) The full procedure for proposing and effecting amendments to this Constitution is described in

Annexure 6.

- (7) For the purposes of this item, any amendment of an Annexure must be regarded as a deviation of this Constitution.

ANNEXURE 1 SCOPE OF AUTHORITY

1. SCOPE OF COVERAGE

The scope of coverage of SASSETA as determined by the Minister is indicated in the table below.

| SIC Code | Scope of Coverage |
|-----------------|-------------------------------------|
| 88110 | LEGAL ACTIVITIES |
| 88920 | INVESTIGATION AND SECURITY SERVICES |
| 9110A | POLICING |
| 9110B | CORRECTIONAL SERVICES |
| 9110C | JUSTICE |
| 91104 | NATIONAL INTELLIGENCE AGENCY (NIA) |
| 91105 | SOUTH AFRICAN SECRET SERVICE (SASS) |
| 9110D | DEPARTMENT OF DEFENCE |
| 91301 | RTMC |

ANNEXURE 2

CODE OF CONDUCT

1. INTRODUCTION

This document outlines SASSETA's Code of Conduct (the "Code").

2. APPLICATION OF CODE

- (1) All Members of the Board, the chambers and any committee established by the Board are subject to this Code of Conduct and are required to comply with both the letter and the spirit of the Code.
 - (2) The Members of the Board, the chambers and any committee established by the Board:-
 - (a) stand in a fiduciary relationship to SASSETA;
 - (b) must comply with all the applicable laws and regulations that regulate the activities they are engaged in for and on behalf of SASSETA;
 - (c) must perform their functions fairly, honestly and in good faith, giving full effect to the obligations and spirit of the Act and this Constitution;
 - (d) must protect and promote the reputation of SASSETA and promote goodwill towards it;
 - (e) must perform their duties conscientiously and in the best interest of SASSETA; and
 - (f) must conduct themselves ethically and in accordance with the principles of good governance and without succumbing to any undue influence by any party.
 - (g) must not under any circumstances, get involved in any corrupt activities and where a member becomes aware of any potential corrupt activities, must report such activities to the relevant authorities.
 - (3) To ensure the proper execution of its mandate and effective compliance with the applicable legislative and policy framework, the Board must ensure that the staff of SASSETA and Members of all committees and chambers adhere to the following principles of governance:
 - (a) effectiveness and efficiency in the execution of their specified mandates, which require clearly formulated purpose statements, objectives, roles and responsibilities;
 - (b) accountability for meeting their specified mandates, which requires effective accountability mechanisms, proper management, control and the safeguarding of finances and resources, as well as regular and accurate performance reviews, assessments and reporting;
 - (c) Integrity and honesty in the management of finances and resources, which require observing and promoting high standards of ethical conduct, proper execution of
-

fiduciary duties, independence from vested interests and avoiding undue influence and a conflict of interests;

- (d) transparency and openness, which require fair, transparent and accessible rules, processes and procedures; the consistent application of these rules, processes and procedures; transparent and motivated decision making; and timely and accurate provision of information to a higher authority, stakeholders and the public;
- (e) participation in the development and implementation of public policies, where appropriate, which requires the active involvement of beneficiaries, stakeholders and other affected groups in the formulation of policies and programmes; promoting ownership of policies and programmes; stakeholder commitment to their success; and consultation with and representation on institutional structures; and
- (f) The capacity and resources to execute their mandate, which require appropriate election and capacity building, in order to ensure that Members and staff have the necessary skills, knowledge and experience.

3. CONFLICT OF INTERESTS

- (1) A person may not be appointed on the Board unless the necessary disclosure has been made that:-
 - (a) such a person, directly or indirectly, whether personally or through his or her spouse, partner or associate, has a direct or indirect financial interest in SASSETA; and
 - (b) such a person or his or her spouse, partner or associate, holds an office in or is employed by SASSETA, organisation or other body, whether corporate or incorporate, which has a direct or indirect financial interest of the nature contemplated in paragraph (a).
- (2) If at any stage during the course of any proceedings before the Board, it appears that any Member of the Board has or may have an interest that may cause such a conflict of interest to arise on his or her part:-
 - (a) such a Member must forthwith fully disclose the nature of his or her interest and leave the meeting so as to enable the remaining Members to discuss the matter and determine whether such a Member is precluded from participating in such a meeting by reason of a conflict of interest; and
 - (b) such a disclosure and the decision taken by the remaining Members regarding such determination must be recorded in the minutes of the meeting in question.
- (3) If any Member fails to disclose any interest required by subsection (2) or, subject to the revisions of that subsection, if he or she is present at the venue where a meeting of the Board is held or in any manner whatsoever participates in the proceedings of the Board, the relevant proceedings of the Board shall be null and void.

4. GIFTS AND BENEFITS

- (1) Gifts, hospitality and entertainment may be offered to a third party only if they are consistent with accepted practice, modest in value, not in contravention of the PFMA and where public disclosure thereof would not embarrass SASSETA.
- (2) Where members receive gifts, hospitality or other favours from suppliers of goods or services, those gifts must be declared and registered on the SASSETA gift register.
- (3) Members may not accept personal favours or other preferential treatment that might place the recipient under any obligation.
- (4) The Board must, within six months of taking office, develop or review policy guidelines for inclusion in this Code of Conduct, which are in line with the deviation processes of the Constitution.

5. SASSETA RESOURCES

- (1) Members may not abuse the financial and other resources of SASSETA.
- (2) Members must at all times ensure that SASSETA's financial and other resources are used for legitimate business purposes only.
- (3) When funds are to be spent, it is the responsibility of Members to use sound judgement and to ensure that appropriate value is received by SASSETA for such expenditure.
- (4) Members who become aware that SASSETA's funds or property have been used, are being used or may be used in a fraudulent or improper manner must immediately report the matter(s) via the whistle blower hotline.

6. ACCOUNTING STANDARDS

- (1) SASSETA's financial books and records must reflect all transactions in an accurate and
- (2) A timely manner and in conformity with generally accepted accounting principles.
- (3) Non-disclosure of revenue, expenses, assets or liabilities is not permitted.
- (4) Members responsible for accounting and record-keeping functions are expected to be diligent in enforcing proper accounting practices.

7. SECURITY OF INFORMATION AND INTELLECTUAL PROPERTY RIGHTS

- (1) (a) Only information necessary for SASSETA business may be collected, used and retained.
- (b) Personal information of Members should be obtained directly from the person or organisation in question.
- (c) Only reputable and reliable sources should be used to supplement information contemplated in this sub-item.

- (2) (a) No privileged or confidential information may be disclosed by any member without prior authorisation by the Executive Committee or the Chairperson, including but not limited to Information regarding products, plans, transactions, personal information and salaries.
(b) Such information may only be disclosed if it must be disclosed in terms of the Act, the SDLA, and any other applicable law or by an order of the court.
- (3) Members of SASSETA may not copy or reproduce, by any means, confidential or privileged information acquired during the performance of their functions for use other than for the execution of their functions in terms of the Act, the SDA, any other relevant legislation or this Constitution.
- (4) (a) Upon termination of their term of office Members must hand over all documents, drawings, plans, electronic records, samples, models and other information to the Chairperson, as well as equipment and accessories in their possession or under their control which may contain confidential or privileged information, or relate to or be in any way connected to the business and affairs of SASSETA.
(b) Members are required, free of any consideration, to disclose forthwith to SASSETA all discoveries, processes and inventions relating to, or that are useful to any business conducted by SASSETA, that were made or conceived by them in the course and within the scope of their involvement in any of the affairs of SASSETA, whether individually or in conjunction with others.

8. CONTRAVENTION OF CODE

- (1) Any contravention of the Code is a serious offence and, depending on the circumstances, may result in criminal charges being laid.
- (2) Any Member who believes that he or she may have contravened the Code must advise the Chairperson immediately.
- (3) In the event that the Chairperson believes that the Member has contravened the Code, the Chairperson must immediately advise the Minister and other Members of the Board in writing of the alleged contravention.
- (4) Any Member who believes that a contravention of the Code by another Member has taken place must report this, in writing, to the Chairperson, who must maintain confidentiality and must ensure that the matter is investigated impartially.
- (5) Any Member who believes that a contravention of the Code by the Chairperson has taken place must report this, preferably in writing, to the Minister.
- (6) A contravention of the Code may result in disciplinary action being taken, which could result in a Member being removed from office or termination of employment or membership of a committee or chamber of SASSETA.

ANNEXURE 3

DISPUTE RESOLUTION

- (1) Any party to a dispute concerning the interpretation or application of this Constitution must refer the dispute to the Chief Executive Officer for forwarding to the Executive Committee.
- (2) The referral must:-
 - (a) be in writing;
 - (b) adequately describe the dispute; and
 - (c) be delivered to every other party to the dispute by the party referring the dispute.
- (3) The Chief Executive Officer must, as soon as is reasonably practicable, refer the dispute to the Executive Committee, which must endeavour to resolve the dispute by conciliation as soon as possible, but nevertheless within thirty (30) days of the referral.
- (4) If the Executive Committee fails to resolve the dispute within thirty (30) days of its referral, any party to the dispute may refer it for arbitration by an arbitrator appointed by the Director-General of the Department in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).
- (5) Within 14 days of the conclusion of the arbitration proceedings:-
 - (a) the arbitrator must issue a signed arbitration award with reasons; and
 - (b) the Chief Executive Officer must provide a copy of the award to every party to the dispute.
- (6) The costs of the arbitration must be borne equally by the parties to the dispute, but the arbitrator may make a different and appropriate awarding of costs, if:-
 - (a) a party to the dispute, without reasonable cause, refuses or fails to attend the arbitration proceedings, or unduly delays arbitration proceedings; or
 - (b) the arbitrator finds that a party pursuing or resisting the dispute did so vexatiously or frivolously, or had no reasonable prospect of succeeding.

ANNEXURE 4

REPRESENTATION ON THE BOARD

1. CONSTITUENCY IN SECTOR

The labour organisations, employer organisations and category of role players contemplated in section 11(3) (c) of the Act in the Sector are as follows-

- (a) Labour organisations;
- (b) Employer organisations; and
- (c) The following categories of role players:-
 - (i) Government departments that have an interest in the Sector but that are not an organised employer contemplated in sub-item (2);
 - (ii) Interested professional bodies;
 - (iii) Critical interest groups;
 - (iv) Bargaining councils with jurisdiction in the Sector; and
 - (v) Organisations of communities that have an identifiable interest in skills development in the Sector.

2. MEMBERS OF THE BOARD

- (1) The Board consists of:-
 - (a) a Chairperson;
 - (b) not more than fourteen (14) members, comprising:-
 - (i) six (6) members that represent Organised Labour within the scope of SASSETA;
 - (ii) six (6) members that represent Organised Employers within the scope of SASSETA; and
 - (iii) two (2) members representing the role players contemplated in item 1(3) within the scope of SASSETA.
- (2) The Chairperson is appointed by the Minister.
- (3) Notwithstanding sub-item (1)(b), *the* Minister may approve a deviation to the number of Members subject to section 13 of the Act.
- (4) The Board consists of the following representatives.

(1) **Organised Employers**

| SUB SECTOR: Correctional Services | |
|--|--------------------------|
| Name | Details |
| Department of Correctional Services | Employer/ Gvt Department |
| KutamaSinthumule Correctional Centre | Employer/ Private |
| Mangaung Correctional Centre | Employer/ Private |

| SUB SECTOR: Police | |
|---|------------------------------|
| Name | Details |
| SAPS | Employer/ Gvt Department |
| IPID | Employer/ Gvt Department |
| Limpopo Department of Transport, Community Safety and Liaison | Employer/ ProvGvt Department |
| RTMC | Employer/ Public Entity |

| SUB SECTOR: Justice | |
|--|---------------------------------|
| Name | Details |
| Department of Justice and Constitutional Development | Employer/ Gvt Department |
| NPA | Employer/ Gvt Department |
| Chief Justice Office | Employer/ Designated department |

| SUB SECTOR: Defence | |
|----------------------------|--------------------------|
| Name | Details |
| Department of Defence | Employer/ Gvt Department |

| SUB SECTOR: Legal | |
|-----------------------------|-------------------------------|
| Name | Details |
| Law Society of South Africa | Employer Association/ Society |

| SUB SECTOR: Private Security | |
|-------------------------------------|-------------------|
| Name | Details |
| SANSEA | Employer/ Private |
| SASA | Employer/ Private |
| COSAPS | Employer/ Private |
| SAIDSA | Employer/ Private |

| SUB SECTOR: State Security | |
|-----------------------------------|--------------------------|
| Name | Details |
| Department of State Security | Employer/ Gvt Department |

(2) **Organised Employees (based on recognition)**

| SUB SECTOR: Correctional Services | |
|--|-------------------|
| Name | Details |
| POPCRU | Trade Union |
| PSA | Staff Association |
| NEHAWU | Trade Union |

| SUB SECTOR: Police | |
|---------------------------|----------------|
| Name | Details |
| POPCRU | Trade Union |
| SASPU | Trade Union |

| SUB SECTOR: Justice | |
|----------------------------|-------------------|
| Name | Details |
| PSA | Staff Association |
| NEHAWU | Trade Union |
| | |

| SUB SECTOR: Defence | |
|----------------------------|----------------|
| Name | Details |
| No recognised union | - |

| SUB SECTOR: Legal | |
|--------------------------|----------------|
| Name | Details |
| No recognised unions | - |

| SUB SECTOR: Private Security | |
|-------------------------------------|----------------|
| Name | Details |
| KAWU | Trade Union |
| SATAWU | Trade Union |
| DETAWU | Trade Union |
| NASUWU | Trade Union |
| AWU | Trade Union |
| SANSAWF | Trade Union |
| PTAWU | Trade Union |
| DUSWO | Trade Union |
| AMCU | Trade Union |
| PSWTU | Trade Union |
| PATU | Trade Union |
| SOCRAWU | Trade Union |
| NTM | Trade Union |
| SAPSWU | Trade Union |
| SACSAAWU | Trade Union |
| UASA | Trade Union |
| UPSWU | Trade Union |
| NDCAWU | Trade Union |
| HOTELLICA | Trade Union |

| SUB SECTOR: State Security | |
|-----------------------------------|----------------|
| Name | Details |
| N/A | - |

3. ELIGIBILITY CRITERIA FOR BOARD MEMBERS

(1) Minimum Requirements for Members of the Board

- (a) Members of the Board must be able to participate in the decision-making processes,

understand the consequences of such decisions and share in the accountability as Members of the Board.

- (b) Members nominated for the Board should comply with the following minimum requirements:
 - (i) They must represent the interest identified in the NSDS;
 - (ii) If taken as a whole, they must achieve-
 - (aa) gender representation;
 - (bb) demographic representation;
 - (cc) representation of disadvantaged persons or communities that have been prejudiced by past racial and gender discrimination in relation to skills development programmes; and
 - (dd) a blend of knowledge, skills and experience required for the effective funding of SASSETA.
 - (iii) They must be drawn from the ranks of senior officials in the organisation concerned.
- (c) They should have an appropriate blend of knowledge, skills and experience required for the functioning of SASSETA.

(2) Selection Criteria for members of Board

- (a) Constituencies must use the criteria listed in paragraph (b) as guidelines when nominating their representatives in order to ensure that those representatives have the competence to make constructive contributions to the Board.
- (b) Representatives should have knowledge, skills and expertise in the following areas:
 - (i) The functioning of the Board in terms of the requirements
 - (ii) Relating to corporate governance and ethics;
 - (iii) Skills development legislation and the NSDS;
 - (iv) SASSETA's responsibility in respect of service delivery;
 - (v) The PFMA and financial management;
 - (vi) The Sector and the constituency represented by the Member;
 - (vii) The strategic leadership role of the Board;
 - (viii) Education, training, skills development and human resources development;
 - (ix) Quality assurance of learning provision;
 - (x) General management and business skills;
 - (xi) Communication and the marketing role of an entity in relation to its stakeholders; and
 - (xii) Any other areas of expertise relevant to the Sector.

(3) Disqualifying Criteria

A person is disqualified from serving as a Member of the Board if such a person:-

- (a) is not a citizen and is not a permanent resident in the Republic;
- (b) is subject to an order of a competent court declaring such a person to be mentally ill or disordered;
- (c) is convicted, whether in the Republic or elsewhere, of any offence for which such a person is sentenced to imprisonment without the option of a fine;
- (d) at any time prior to the date of commencement of the Skills Development Amendment Act, 2011, was convicted or, at any time after such commencement, is convicted-
 - (i) in the Republic, of theft, fraud, forgery and producing a forged document, perjury, or an offence in terms of the Prevention of Corruption Act, 1958 (Act No. 6 of 1958); the Corruption Act, 1992 (Act No. 94 of 1992), Part 1 to 4; or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004);
 - (ii) elsewhere, of any offence that corresponds materially with any offence referred to in subparagraph (i); and
 - (iii) whether in the Republic or elsewhere, of any other offence that involves dishonesty.

(d) has been convicted of an offence under the Act.

(4) Ensuring continuity in the Board

In nominating members for the Board, constituencies must pay due consideration to the need for continuity and renewal in the membership of the Board.

4. FORMULA FOR PROPORTIONAL ALLOCATION OF MEMBERS

- (1)
 - (a) If organisations within a particular Constituency cannot reach agreement on the allocation of seats per organisation, then the principle of proportionality must be applied on the basis of the formula provided in sub-item (2).
 - (b) The final number is subject to the maximum number of fifteen (15) members on the Board contemplated in item 8(4) (a).
 - (c) For the private security, the CCMA verification process for Employer and Unions should be used to determine the representation numbers.
 - (d) The nominating Entity can recall any nominated member that serves on the Chamber for whatever reasonable and justifiable reason.

(2) The formula is:

$$\frac{A}{B} \times C = O$$

ANNEXURE 5

COMMITTEES OF SASSETA

1. GENERAL GUIDELINES FOR ALL SASSETA COMMITTEES

- (1) The Board has the power to constitute and dissolve any of its committees.
- (2) All the committees that are established as per above (1) must report to the Board.
- (3) The Board has the power to determine, amend or revoke the terms of reference and organisational structures of any of its committees.
- (4) The Board must ensure that all members of committees appointed by it act in accordance with the Code of Conduct set out in Annexure 2 of this Constitution.
- (5) Members of the committees must take effective and appropriate steps to prevent any fruitless and wasteful expenditure in the execution of their duties, in line with Section 57 of the Public Finance Management Act of 1999.
- (6) The membership of a committee:-
 - (a) may comprise an equal number of members that represent Organised Labour and Organised Employers; and
 - (b) is not restricted to members of the Board only.
 - (c) may include other members as contemplated in (4) 3 of the Constitution.
- (7) Except for the Audit and Risk Committee, the Chairperson of a committee must be a member of the Board.
- (8) Members of committees must have knowledge of, and experience in, matters relevant to the functions of the committees on which they serve.
- (9) The Board may co-opt additional members, including persons who are not members of the Board, who have expertise, knowledge and experience pertaining to matters relevant to the functions of the committee in question.
- (10) Meetings of any committee, established in terms of this Constitution, must comply with the procedures contemplated in item 11(5).
- (11) All committees must meet as frequently as is reasonably required.
- (12) Committees established by the Board must perform the functions identified in their Terms of Reference.

2. COMMITTEES TO BE ESTABLISHED BY SASSETA

- (1) The Board must establish the following committees:-
 - (a) an Executive Committee, established in terms of item 9;
 - (b) an Audit and Risk Committee, established in terms of section 77 of the PFMA, read with Chapter 9 of the Treasury Regulations made in terms of the PFMA;
 - (c) a Finance and Remuneration Committee; and
 - (d) a Governance and Strategy Committee.
- (2) The Board may establish any other committee, including a committee on a temporary basis, that it deems necessary for the effective functioning of SASSETA, and it may determine its composition, duties and functions.
- (3) Such committees may include:-
 - (a) a Skills Planning Committee;
 - (b) a Learnership Committee;
 - (c) Regional Committees; and
 - (d) a Quality Assurance Committee.
- (4) SASSETA shall establish a register, which shall contain a list of all committees established by SASSETA for public view, and such a register shall be signed by the Chairperson of the Board.

ANNEXURE 6

CHAMBERS OF SASSETA

1. ESTABLISHMENT OF CHAMBERS

(1) Subject to the verification of organised employers and organised employee organisations, SASSETA, with the approval of the Minister, will establish the following chambers:-

- (a) Legal Services
- (b) Justice Chamber and Constitutional Development
- (c) Policing Chamber
- (d) Defence Chamber
- (e) State Security Chamber
- (f) Corrections and Private Prisons Chamber
- (g) Private Security Chamber

(2) **The scope of coverage of the Chambers is:-**

- (a) Legal Services Activities
- (b) Justice and Constitutional Development Activities
- (c) Policing Activities
- (d) Defence Activities
- (e) Intelligence Activities
- (f) Correctional Services
- (g) Private Security and Investigation Services

2. MEMBERS OF CHAMBERS

(1) A Chamber:-

- (a) must consist of an equal number of Members that represent Organised Labour and Organised Employers; and
- (b) is not restricted to Members of the Board only.
- (c) may include members as contemplated in (4) 3 of the Constitution.

3. CHAIRPERSON OF CHAMBER

The Chairperson of a chamber must be appointed by the Board on the recommendation of the majority of the members of the Chamber.

4. FUNCTIONS OF CHAMBER

- (1) The chambers must perform those functions of the SASSETA delegated to them by the Board in terms of item 8(3).
- (2) The functions of chambers include:-
 - (a) Perform advisory, not a decision-making functions, on skills development matters in the sub-sector.
 - (b) Advice on sub-sector skills plans.
 - (c) Participate in the development of the Sector Skills Plan reflecting the skills requirements of the sector and the sub-sector.
 - (d) Monitor the development and implementation of learning programmes within the sub-sector.
 - (e) Promote communication with stakeholders within the sub-sector.
 - (f) Any other function as delegated by the Board.
- (3) The general guidelines for committees of SASSETA contained in item 1 of Annexure 4 also apply to chambers.

ANNEXURE 7

PROCEDURE FOR AMENDING THE CONSTITUTION

1. THE BOARD INITIATES AMENDMENT

- (1) If the Board of SASSETA wishes to amend this Constitution it must, in writing, submit the following to the Minister in duplicate:-
 - (a) the text of the proposed amendments to the Constitution;
 - (b) a certified copy of its resolution that approves the proposed amendments; and
 - (c) a memorandum that explains the rationale for such amendments.
- (2) After considering the submission, after consultation with the Board and subject to section 13 of the Act, the Minister may reject, wholly or in part, the amendments proposed by the Board.

2. THE MINISTER INITIATES AMENDMENT

- (1) If the Minister wishes to amend SASSETA's Constitution, the Minister must submit the following to the Board:-
- (2) (a) The text of the proposed amendments; and
(b) A memorandum that explains the rationale for such amendments.
- (3) The Minister must allow the Board thirty (30) days to make written representations concerning any amendment proposed by the Minister.
- (4) After considering any representation made by the Board and subject to section 13 of the Act, the Minister may, wholly or in part, effect the Minister's proposed amendment.

SIGNED FOR AND ON BEHALF OF THE ACCOUNTING AUTHORITY BY:

1. ORGANISED LABOUR

MOTLAHEPILA M. MOLEFE 

2. ORGANISED EMPLOYERS

STEVIE CONRADIE 

3. OTHER RELEVANT STAKEHOLDERS _____

 (D.A. DLODLU)

 (M.L. LEPHADU)

Signed at Midrand on this 16 day of April 2019



**FULL NAMES: NONTSIKELELO JOLINGANA (MS)
SASSETA CHAIRPERSON**