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SKILLS

THE CRUX OF DEVELOPMENT & EMPOWERMENT

Nelson Mandela once said, "Education is the most powerful weapon you can use to change the world." The quote accurately describes the goal of the Skills Development pillar within B-BBEE legislation. What may seem like unnecessary expenditure is a doorway for recipients of Skills Development interventions gaining knowledge. The objective is to arm a recipient with the knowledge and skills to increase their individual capacity to provide opportunities, so they can meet their full potential, which will provide access to the economy. Let's take a closer look at the categorisation of expenditure; this is in terms of the Skills Matrix under the Generic Codes of Good Practice (Codes).

Category A | Bursaries

Institution-based, theoretical instruction alone which must be formally assessed by educational institutions established by or registered with the Department of Basic Education or the Department of Higher Education and Training.

Bursaries are aimed at 'Black' People who are attending institutions registered with the Department of Higher Education and Training or Department of Basic Education. These would include recipients at university or scholars in grades 10 to 12.

The documentation to substantiate the claim is:

- > Certified copy of a South African identity document;
- > A signed EEA1 or any documentation confirming race and gender that the recipient signs;
- > The Bursary Agreement;
- > The proof of registration; and
- > Proof of payment.

If bursary facilitation is through a third party, an organisation must pay the third party in the applicable financial period. The third party or bursary recipient needs to prove that the organisation paid the money to the institution before it conducts its B-BBEE Verification - even if it was paid after an organisation's financial period.

Category B | Internships

Institution-based, theoretical and practical learning, which must be formally assessed.

Internships refer to work placements following theoretical instruction. An organisation employs a 'Black' Person as an Intern to gain experiential training as a pre-requisite to obtaining their qualification.

The documentation to substantiate the claim is:

- > Certified copy of a South African identity document;
- > A signed EEA1 or any documentation confirming race and gender that the intern signs off;
- > The Internship Agreement;
- > A Contract of Employment, if applicable;
- > Proof that the Internship is a requirement for obtaining a qualification;
- > Invoices and corresponding evidence of payment for direct and ancillary costs; and
- > A schedule of an Intern's remuneration for the duration of the Internship that aligns with the organisation's Measurement Period.



Category C |
Learnerships

Recognised or registered structured experiential learning in the workplace necessary after achieving a qualification, which must be formally assessed.

Registration of these Learnerships with the relevant SETA is a requirement. They usually span between six and 12 months. Following the intervention, the Learner achieves a SAQA accredited certificate confirming their competence and successful completion of the Learnership.

The documentation to substantiate the claim is:

- > Certified copy of a South African identity document;
- > A signed EEA1 or any documentation confirming race and gender that the Learner signs off;
- > The Learnership Agreement;
- > A Contract of Employment that spans the period of the Learnership;
- > Proof of registration with the relevant SETA;
- > Invoices and corresponding evidence of payments including direct and ancillary costs;
- > Schedule of earnings for the duration of the Learnership that falls within the Measured Period; or
- > On completing the Learnership, a Certificate of Completion will provide further evidence.

Category D |
Learnerships or Apprenticeships

Occupationally directed instructional and workplace learning programs that necessitate a formal contract and must be formally assessed.

It includes both institution and workplace-based training, which provides theoretical knowledge and workplace training. It results in a SAQA qualification or professional qualification issued by an accredited or registered formal learning institution.

The documentation to substantiate the claim is:

- > Certified copy of a South African identity document;
- > A signed EEA1 or any documentation confirming race and gender that the Learner or Apprentice signs off;
- > An Apprenticeship or Learnership Agreement;
- > A Contract of Employment spanning the period of the training;
- > Proof of registration with the relevant SETA;
- > Invoices and corresponding proof of payments; including direct and ancillary costs;
- > Schedule of earnings for the duration of the intervention that aligns with an organisation's Measurement Period; and
- > A Certificate of Completion will provide further evidence.

Category G |
Informal Training - Work-based informal programmes

The category refers to workplace or internal training, which consists of one employee training another.

The calculation is quantified by the number of hours taken for training and the trainer's hourly rate. The calculation is outlined as follows:

> Number of 'Black' People trained = x

> The trainer's hourly rate = y

> Number of hours training = z

Formula per person trained = $\frac{Y \times Z}{X}$

The documentation to substantiate the claim is:

- > Certified copy of a South African identity document;
- > A signed EEA1 or any documentation confirming race and gender confirmed by the trainee;
- > A training register to confirm the date, the number of hours, as well as the trainer's and trainee's names. All parties must sign off this evidence;
- > The payslip of the trainer will verify the hourly rate paid in the month training took place. It may include presenting the trainer's IRP5 if the Measurement Period is a February year-end.

Absorption

The Bonus Points allocated for Absorption are more often than not the desired outcome for organisations embarking on Skills Development.

The points are realised when an unemployed 'Black' Person completes a Category B, C or D training intervention and accepts employment by the host organisation or an industry equivalent, whereby there is no expiry attached to the Contract of Employment.

The documentation to substantiate a claim is:

- > A training tracking tool that confirms such Absorption;
- > Evidence of such employment in a host organisation;
- > Contract of Employment following the completion of the skills intervention; or
- > Most current payslip.

Evidence of such employment in an industry equivalent:

- > A letter from equivalent organisation confirming permanent employment, including the date employment commenced.
- > An Affidavit that lists all unemployed trainees, confirming that an organisation did not previously claim them under Absorption.

Mandatory Training

Any training necessary for an organisation to operate is referred to as Mandatory Training. An organisation can cross-check these requirements against the sector-specific Skills Statements for each sector. These expenses may not form part of an organisation's Skills Development claim.

However, if a Sector is silent on a matter, it reverts to the Generic Codes. Those measured on the Transport Sector Code are exempt from Mandatory Training and Absorption requirements as this sector code has not aligned with any of the amendments to the Generic Codes since 2013.

To conclude, Skills Development holds multiple benefits for both organisations and 'Black' People alike whilst strengthening the principles of B-BBEE. Skills Development is the crux of empowering and developing 'Black' People to gain access to and strengthen the national workforce, which filters through to the economy.



Nicosha Naidoo is a Senior Verification Analyst and the Verification Manager at 5 Star BEE Compliance. She holds a BSc Chemical Engineering degree from the University of KwaZulu Natal. She has worked in the B-BBEE space for four years, where she has conducted B-BBEE Verifications across all sectors. With an eye for detail, she is technically versed on the Codes of Good Practice and has achieved a B-BBEE MDP. Always seeking to expand her credentials, Nicosha is preparing for her next challenge, namely becoming an ISO lead auditor. She leads an exceptionally talented team that is ethics driven in line with the R47-03 document.



OUR STRATEGIES AND
SYSTEMS ENSURE YOUR
COMPLETE SATISFACTION
IN ALL AREAS OF A B-BBEE
VERIFICATION

B-BBEE, by design, aims to, support and guide organisations to balance past economic injustices. B-BBEE essentially encourages the private sector to transform with the objective of creating an equal society. Organisations in South Africa are governed by many rules and regulations, with B-BBEE a significant driver to economic equality.

The Act encourages organisations to take action to equip those previously disadvantaged to leverage the opportunities B-BBEE affords them. 5 BEE Star Compliance is an accredited B-BBEE Rating Agency operating across all sectors nationally that, through scrutinising evidence, allows customers to present a credible B-BBEE Certificate. Over 14 years, 5 Star BEE Compliance has steadfastly supported organisations in showcasing their transformational milestones.