



F A S S E T

**ANNUAL
INTEGRATED
REPORT**

2019 / 2020



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Make the future count

Celebrating the resilience of the financial and accountancy skills in our economy

What is resilience? It's an indescribable quality that sees people and organisations knocked down, only to come back stronger than ever. Instead of letting failure overcome them and drain their determination, they find a way to rise from the ashes.

Resilience will also form a fundamental part of navigating the world's "new normal" ensuring that Fasset and the sector stays true to its path and role as the backbone of South Africa's economy.

Resilience means adapting to change, and the financial and accounting services sector is certainly going through an exciting and somewhat progressive transformation. The proliferation of the Fourth Industrial Revolution (4IR), Artificial Intelligence (AI) and machine learning have revolutionised the landscape forever and with it, skills requirements.

Fasset's role as a SETA is to keep trend with the skills requirements of the sector while looking over the horizon to what the global economy will expect in the coming years. It is an intricate balancing act that ensures Fasset's stakeholders are supported with innovative and relevant skills development programmes.

Resilience has also stood Fasset and the sector in good stead during the last 20 years of its existence. It has been an unequivocal attribute that has seen our country significantly improving its financial services posture as confirmed by the World Economic Forum's (WEF) annual Global Competitiveness Index, climbing seven places from 2018 to 2019 to rank 60th out of 141 economies.

Moreover, as a financial hub the WEF report gave South Africa a score of 100 and a global ranking of 19 for its "well developed equity, insurance and credit markets".

It is with resilience that Fasset has pursued and realised its skills development mandate, recognising its fundamental role in a sector that drives prosperity, growth and financial wellbeing.

With the wake of the COVID-19 pandemic, Fasset will weather the challenges that arise from the new world and the "great reset", ensuring that the sector keeps its goals firmly on its skills development mandate.

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General Information

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Banker's Information	First National Bank 4 First Place, 3rd Floor, Bankcity, Johannesburg PO Box 1153, Johannesburg, 2000 Tel: 011 352 5601
Corporation for Public Deposits	PO Box 427 Pretoria 0001 Tel: 012 313 4137
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Dr. Blade Nzimande

Minister of Higher Education,
Science and Technology



Mr. Buti Manamela

Deputy Minister of Higher
Education, Science and Technology



Ms. Lynette Ntuli

Chairperson



Ms. Ayanda Mafuleka

CA(SA)
Chief Executive Officer

Letter to the Minister

Honourable Minister, it is our privilege to present the Financial and Accounting Services Sector Education and Training Authority (Fasset) Annual Integrated Report for the period 01 April 2019 to 31 March 2020.

This report provides an account of Fasset's financial and non-financial performance for the year under review. This includes detail on the manner in which we created value for stakeholders and contributed to the facilitation of skills development across the Post-school Education and Training (PSET) pipeline.

We remain committed to continuing to partner with our stakeholders and various delivery partners to change the personal and professional lives of thousands of South Africans. Combined assurance was provided by the Auditor-General of South Africa (AGSA) who audited the Annual Financial Statements and performance information, as well as Internal Audit and management, taking into account critical risk areas.

The Fasset Accounting Authority endorses this Annual Integrated Report and remains committed to building a strong legacy in skills development with the objective of facilitating the attainment of world-class finance and accounting skills for the Fasset sector and the broader economy.

Ms. Lynette Ntuli

Chairperson

Ms. Ayanda Mafuleka CA(SA)

Chief Executive Officer





PART A: Introductory Reports

About this Report

Principles

We have pleasure in presenting the 2019/20 Annual Integrated Report for the Financial and Accounting Services Sector Education and Training Authority (Fasset). The purpose of this report demonstrates how effectively we have delivered on our skills development mandate, providing our stakeholders with a complete overview of Fasset, including how we work towards achieving the SETA's purpose of adding value to our beneficiaries' lives and worth to our skills development partners, while caring for the communities and environment in which we operate. The report also includes all statutory reporting specifically required, relating to financial information.

Scope

This report provides a consolidated view of the SETA's performance for the 52-week period ended 31 March 2020. We have adopted the National Treasury Annual Report Guidelines for Public Entities to align ourselves with the prescribed standard in the public sector. This report aligns with the requirements of the King IV Report on Corporate Governance for South Africa 2016.

The information contained in this report is consistent with the indicators used for our internal management and Accounting Authority reports; and is comparable with previous integrated reports. We have strived to provide useful information that enables stakeholders to make informed decisions. The outputs contained within this report are the result of a focused and considered process by both senior management and the Accounting Authority and its committees.



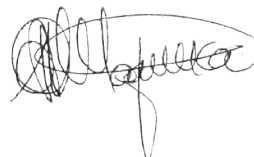
Ms. Lynette Ntuli
Chairperson

Assurance

The Accounting Authority is satisfied with the integrity of the report and the level of assurance applied. The SETA's consolidated annual financial statements have been audited by the independent external auditor, Auditor-General of South Africa (AGSA). Their unmodified report can be found on pages 79 to 81. The audited financial statements presented in this Annual Integrated Report were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Accounting Authority and in accordance with the SDA and the Skills Development Levy Act (Act No. 9 of 1999), as amended (SDLA). The Accounting Authority is satisfied with the level of assurance on the annual integrated report and does not believe that it should be subject to further external assurance at this point.

Approval

The Audit and Risk Committee has reviewed the integrated report (including the full annual financial statements) and recommended these to the Accounting Authority for approval. The Accounting Authority has applied its mind to the integrated report and believes that it addresses all material issues, and fairly presents the integrated performance of the SETA. The 2019/2020 annual integrated report was approved for release to stakeholders by the Accounting Authority on 23 October 2020.



Ms. Ayanda Mafuleka CA(SA)
Chief Executive Officer

Statement of Responsibility and Confirmation of Accuracy

To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the Annual Integrated Report are consistent with the annual financial statements audited by the Auditor-General.
- The Annual Integrated Report is complete, accurate and is free from any omissions.
- It has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgments made on this information.

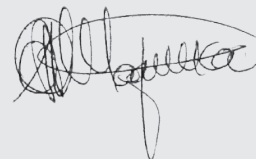
It is, furthermore, responsible for establishing and implementing a system of internal control designed to provide reasonable assurance on the integrity and reliability of the performance information, the human resources information and the annual financial statements.

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

In our opinion, the Annual Integrated Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2020.



Ms. Lynette Ntuli
Chairperson



Ms. Ayanda Mafuleka CA(SA)
Chief Executive Officer

Chairperson's Foreword

by Mr. Njabulo Ngwenya



As my tenure as chairperson of the Fasset Accounting Authority comes to an end, I am delighted to report that Fasset has certainly come a long way and today continues to build on strong governance practices that has in the last year stood us in good stead.

Pertinently, Fasset has managed to eradicate wasteful and irregular expenditure due to our sound governance structures and will continue to lead the way in instilling a culture that is driven by checks and balances and ethical business practices.

We managed to write off irregular expenditure by R17 250 000 and also reduced previously reported wasteful expenditure with R8 166 000. See page 118 of this report.

Uncertain times

With governance in mind, the COVID-19 has created unprecedented pressure on the global and local business community which will undoubtedly continue to test governance culture throughout. People will be tested particularly in the wake of job losses and salary cuts.

Here good governance will play a fundamental role to ensure that people work within the realm of protecting organisational assets – safeguarding both public and private sector against unscrupulous activities in trying times.

Driving excellence

Key to Fasset's ongoing growth and strengthening role has been the board's commitment to investing in programmes that fortifies the financial sector. Fasset has increased its spending in support of these programmes which we believe will play a fundamental role in strengthening our sector whilst creating a sound future for all the seek employment in the financial services industry.

To become one of the leading SETAs in the country, Fasset continues to place emphasis on strengthening our research capability. It plays a vital role in ensuring the we stay relevant and provide leadership in our sector. Fasset needs to stay one step ahead of sector requirements to ensure our role remains valuable and undisputable.

Stakeholders

Stakeholder engagement is an important pillar of Fasset's operations. During the last year, we were mindful that stakeholder engagement had to be increased and this initiative was driven by CEO, Ms. Ayanda Mafuleka.

We managed to secure key and ongoing engagements with the industry professionals, professional bodies in the sector, academics, students and the Department of Higher Education, Science and Technology – all providing invaluable feedback on what they would like to see from Fasset. These engagements created a strong foundation and will continue enhance Fasset’s mandate and role in the financial services sector.

The future

Fasset operates in a rapidly changing sector which is why we must continue to stay in touch with this evolution of sorts. We are seeing organisations and particularly multinationals changing their approach accounting and auditing and are increasingly expecting junior level employees to bring additional skills such as analytics to the table.

The rapid increase in the use of technology in our sector is exciting as it provides different opportunities and challenges for Fasset. We have to ensure that the training interventions we provide meet the needs of this ever changing landscape.

Fasset needs to adapt to this change, understanding it and supporting the sector accordingly. This means we must have ongoing conversations with both organisations and tertiary institutions, ensuring that skills development is aligned with the needs of current business requirements.

One key development is the emergence of robo advisors as part of big data analytics solutions in areas such as asset managements. Fasset must therefore ensure that the right training is provided to meet organisational demand.

The new Fasset Board

On behalf of the entire outgoing board, I would like to congratulate my successor Ms. Lynette Ntuli and the new members and wish all the best for the future. Fasset has in the last 20 years made an indelible mark on the sector and with your guidance it will undoubtedly go from strength-to-strength.

One of the most fulfilling parts of serving as a Fasset board member is knowing that you play some part in the shaping the lives and future of the country’s youth. It is a truly rewarding experience and as a former beneficiary I can pay testament to the tremendous benefits that come with Fasset’s support.

I would also like to thank the entire Fasset staff for allowing us to lead them over the years and trust us with their pains, issues and personal dreams.

To Ms. Ayanda Mafuleka and her team thank you for your tremendous resolve in strengthening Fasset’s operations and your continued commitment. You have certainly delivered and continue to do so.

Lastly, I would like to thank my fellow board members; I would not have been able to complete this memorable two-year journey without your experience and selfless dedication. I thank each and every one of you.



Mr. Njabulo Ngwenya CA(SA)

Outgoing Chairperson

“ One of the most fulfilling parts of serving as a Fasset Board member is knowing that you play some part in the shaping the lives and future of the country’s youth. ”



Chief Executive Officer's Report

by Ms. Ayanda Mafuleka

Resilience, a poignant word that exemplifies the financial services sector and the fundamental role it has played as the backbone of the South Africa's economy. Resiliency also succinctly describes Fasset's 20-year anniversary which has seen the SETA evolve and grow; meeting its fundamental mandate: to address the country's skill shortage.

I'm proud to say that our impact is far-reaching – we are transforming the industries we serve in and today 44% of sector is represented by African black people – a noteworthy achievement indeed.

Reflection on excellence

This year's Annual Integrated Report will also demonstrate our accomplishments as a SETA; and if one looks back at the last 20 years, the transformations are evident and indelible. Indeed, we've built a sector that is driven by transformation and world-class financial and accounting skills.

Our impact is of critical importance; to that end we have managed to settle student loans to the value of R9.3 million; providing the worthy candidates with a clean financial slate as they enter workplace.

Looking at the year under review, we have made tremendous strides in reaching communities both close and afar and I am proud to report that Fasset opened two satellite offices in the rural Eastern Cape and KwaZulu-Natal which will undoubtedly strengthen our accessibility and visibility.

We also criss-crossed the country, engaging with our valuable stakeholders with no less than 70 career awareness workshops. ultimately reaching more than 16 000 school going learners.

Fasset sponsored important events such as the inaugural ABASA (Advancement of Black Accountants of Southern Africa) Awards which recognise excellence in our sector. We feel privileged to form part of these events that honour skilled and talented individuals that contribute to the growth and well-being of our all-important sector.

We also reached out to our valuable industry experts and in August 2019, we launched the Circle of Influence, a series of thought leadership sessions which allow various sector players such as business, professional bodies and tertiary institutions to engage with one another on pertinent issues affecting the sector. These sessions have proven to be invaluable as it allows Fasset to keep trend with current and future requirements of the sector.

Our social media platforms have proven to be a valuable stakeholder outreach tool - we have seen tremendous growth in online engagements in the last year.

Fasset relevance in evolving times

It is imperative that we remain relevant and offer the requisite skills development programmes that meet the needs of an ever-evolving sector.

Dear readers, we are certainly entering a new, futuristic world and as a SETA we must meet this skills evolution head on, supporting our stakeholders with relevant skills that accelerates growth and sustainability in our sector.

And whilst on the topic of change; I would be remiss not to mention the impact of the COVID-19 pandemic on Fasset, and the sector in general. Unfortunately, we have entered an era where the term "the new normal" is met with negativity and in some instances fear.

I believe that with every world crisis come unprecedented opportunities and this pandemic is no different. Fasset has met the new normal with positivity – we are innovating and embracing these new challenges with agility and; importantly, resilience.

A solid governance foundation

Governance remains the cornerstone of Fasset's operations and I am happy to report that it is stronger than ever. We've improved governance throughout the organisation and as a result have recorded **good performance and strong financial results**.

Fasset remains financially viable, accordingly the 2019/2020 annual financial statements were prepared on the going-concern basis.

Fasset is governed by a fully constitutional board which has dealt with non-compliance swiftly and effectively. This is evident in our financial records – we have reduced irregular expenditure in the current year from R21 million to R600 000 while fruitless and wasteless expenditure has been eliminated completely, from R8 million to zero.

In the coming year, we will be geared up towards implementing the NSDP strategy. We will still continue

to focus on learner placement and enhancing the employability prospects of the youth. Transformation also remains our core mandate, we will be implementing leadership development programmes targeting women who are in the senior management talent pipeline in our sector.

Together we are stronger

These successes also bring me to much-deserved acknowledgements. My appreciation goes to the Minister of Higher Education, Science and Technology Dr. Blade Nzimande, the Deputy-Minister Buti Manamela; and the Director-General Gwebinkundla Qonde for their policy direction and guidance.

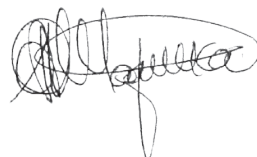
I would like to thank our outgoing Chairperson, Mr. Njabulo Ngwenya and the whole Board for their immense support and guidance and wish them all the best in their future endeavours.

To our incoming Fasset Board, led by Ms. Lynette Ntuli, I look forward to working together to build an even stronger and more resilient Fasset.

I would also like to thank our various stakeholders in the sector for their support and commitment to the SETA, your role is invaluable and strengthens Fasset on a daily basis.

Last, but certainly not least, my appreciation goes to the executive management team and Fasset staff for your dedication and hard work in a time when your support is needed the most. Our outstanding performance is a true reflection of your commitment and work ethic.

I would like to end with the quote below from Elizabeth Edwards which powerfully captures the realities of our changed world and the importance of staying resilient.



Ms. Ayanda Mafuleka CA(SA)

Chief Executive Officer

“... all things are possible if you are willing to put yourself on the line. You cannot stand back and hope for the best. You have to act.”

– Elizabeth Edwards, *Resilience: The New Afterword*

About Fasset

"Fasset promises to provide the most effective skills development interventions through active engagement and pragmatic leadership relevant to the needs of the financial and accounting services sector."

Fasset is a schedule 3a public entity reporting to the Minister of Higher Education, Science and Technology (MHEST), Dr. Blade Nzimande as its Executive Authority. We are accountable to Parliament and are subject to the oversight of National Treasury in terms of performance management and financial administration.

We engage with a broad range of stakeholders to fulfil our mandate, which requires us to uphold principles of good governance to make a meaningful contribution in skills development for the benefit of the Fasset sector and the country. We are currently licensed until 31 March 2030 in line with the National Skills Development Plan (NSDP), as promulgated by Minister Naledi Pandor of the Department of Higher Education and Training in February 2019.

The NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that

contribute towards economic growth, employment creation and social development. The plan derives from the broader plan of government, namely the National Development Plan (NDP), which aims to put in place the framework of building the capabilities of South African citizens to make the future work. The NSDP outlines the scope of the SETAs and crucially highlights the institutional arrangements of the SETAs.

Our Mandate

The Skills Development Act (SDA) and Skills Development Levy Act (SDLA) provide the institutional framework for Fasset. The framework serves as our mandate to develop and implement national, sectoral and workplace strategies to develop and improve the skills of the national workforce, resulting in improvements in employability and productivity, while contributing to the competitiveness of the country.



Vision

'To facilitate the achievement of world-class finance and accounting services skills.'



Mission

'Increase the flow of new finance and accounting services entrants to employment; develop and grow skills required in the sector and facilitate the transformation of the finance and accounting services sector.'



Our Values

Our values articulate what we stand for, what we value as an organisation and inform how we interact with our stakeholders.



What our values mean to us

Professionalism and accountability: We are a high-performance, professional team; we strive for excellence through hard work and by taking responsibility and being accountable within an accepted and agreed code of conduct.

Ethics: We work with integrity and honesty and respect internal and external stakeholders at all times.

Making a difference: We make a difference to the lives of all our stakeholders by identifying their needs and exceeding expectations.

Valuing people: We strive to create a motivating and supportive culture by understanding, respecting, developing and valuing each other.

Innovation: We continuously innovate and improve to add value to all our stakeholders.

Vision of the National Skills Development Plan (NSDP)

'An Educated, Skilled and Capable Workforce for South Africa'

Fasset Strategy 2020 - 2025

Building on the externally focused strategic goals and government priorities, strengthening the alignment with the Fasset's mandate and taking cognisance of the external situational analysis.

Facilitating the timeous and relevant upskilling of the sector

Impact statement links to four outcomes:

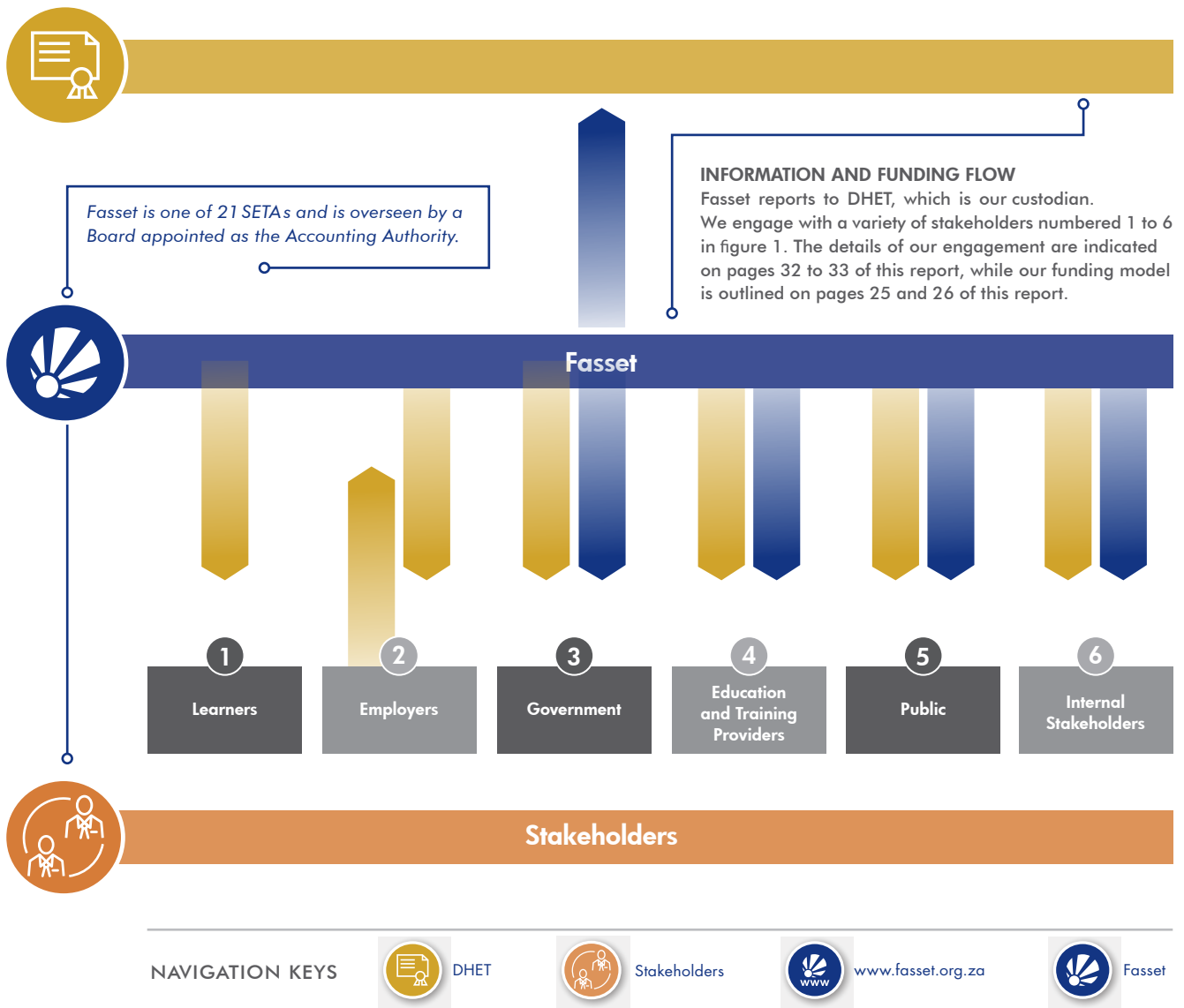
- 1 Efficient and effective organisational support system with an enabling culture.
- 2 Appropriate skills intervention determined as informed by research.
- 3 Reduced critical skills and skills shortages in the sector.
- 4 Improved quality assurance system for the sector learning programs.

Table 1: NSDP Outcomes Linked to Fasset Outcomes and Programmes

NSDP Outcomes
Outcome 1: Identify and increase production of occupations in high demand
Outcome 2: Linking education and the workplace
Outcome 3: Improve the level of skills in the South African workforce
Outcome 4: Increase access to occupationally directed programmes
Outcome 5: Support the growth of the public college system
Outcome 6: Skills development support for entrepreneurship and cooperative development
Outcome 7: Encourage and support worker-initiated training
Outcome 8: Support career development services

Our strategy

Figure 1: Fasset Operating Environment



Operating Context

We have aligned our strategies and skills development initiatives to national imperatives, which include the Human Resources Development Strategy for South Africa (HRDS-SA), the Medium Term Strategic Framework (MTSF), NSDS III; and this will be the last year that Fasset reports under the NSDS III strategy; and continue with the National Skills Development Plan (NSDP) and the White Paper for Post-School Education and Training (PSET).

Furthermore, taking into account the profile of the financial and accounting services sector, which is not reflective of the demographics of the country, we have aligned our strategy and skills development priorities to transformation charters such as the Financial Sector Charter, which seeks to increase the participation of African Black people and people with disabilities in our sector.

Fasset sector profile as at March 2020

The financial and accounting services sector is synonymous with specialised and professional services and, consequently, employs large numbers of professionals. The environment is inhabited by several professional associations whose roles have become ingrained in the sector’s qualification structure, in the organisation of education and training, and in the professional designations used. The professional bodies play a very important role in skills development and are closely involved in our initiatives and activities.

Full details on the profile of our sector in terms of race, gender, age, occupation levels and provincial representation are available in the Sector Skills Plan (SSP), which is updated regularly in keeping with the constant changes expected of a dynamic sector rooted in technological advancement. The document is available on the Fasset website.  www.fasset.org.za

The Finance, Real Estate, and Business services sector as the broader sector (in which the FAS sector fits) has remained the strongest sector in the South African economy over the past few years. The sector outperformed all other sectors, including agriculture, and is a major driver of growth, achieving a growth rate of 2.3% in 2019.

COVID-19

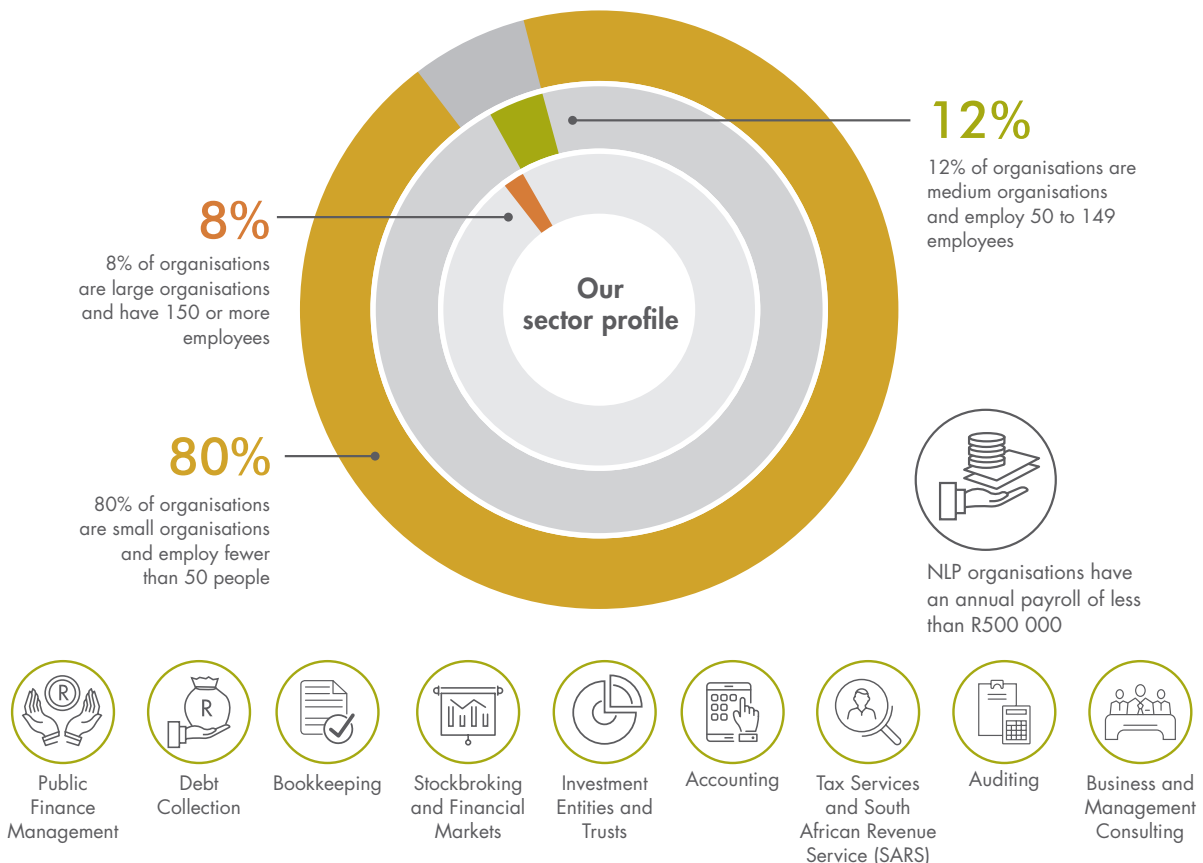
As this pandemic engulfed the world, towards the tail end of 2019 and early 2020, South Africa was inevitably affected and went into lockdown in late March 2020 to attempt to curtail the spread of this virus which has certainly showed the world that even with all our algorithms and technological advancements, in some instances we must bow to the Greater Being.

Due to the effects of the lockdown, a March-April Stats SA survey on business impact conducted on 2 182 tax-paying businesses across all economic industries revealed that majority of business (over (85%) had a below normal turnover in Level 5 lockdown. Nearly 37% of businesses expected to lay off staff in the short-term, while over 45% expected a reduction in workforce (Pillay et al., 2020). Most businesses in Real Estate & Other Business Services indicated they were able to trade only partially, while many have temporarily closed or paused trading (Pillay et al., 2020).

The Fasset sector consists of the following sub-sectors:

- Public Finance Management
- Debt Collection
- Bookkeeping

Figure 2: Our sector consists of the following sub-sectors



- Stockbroking and Financial Markets
- Investment Entities and Trusts
- Accounting
- Tax Services and South African
- Revenue Services (SARS)
- Auditing
- Business and Management Consulting

According to the Fasset Organisational Huge File (OHF) generated by SARS, there are just under 33 000 employers operating within the Fasset scope of coverage. Of these employers, 8 426 (26%) paid skills development levies during the 2019/20 financial year. The majority (98%) of employers operating in the sector are small businesses (0-49 employees). Out of 32 951 employers in the sector, only 310 are medium size companies (50-149 employees), while 191 are large (150+ employees).

Though these 8426 companies paid the SDL to SARS, the table below shows the distribution of companies who submitted a WSP to Fasset for the financial year under question. Efforts to increase this participation rate are ongoing.

WSP/ATR submissions by employer size 2020 submissions:	
Large Employers (150+ employees)	105
Medium Employers (50 – 149 employees)	157
Small Employers (1 – 49 employees)	1 043
Total	1 305

Fasset's first overarching priority is to ensure an increase in the flow of new finance and accountancy entrants to the sector and into the financial divisions in organisations in the rest of the economy. This increase should be large enough to provide for the systematic eradication of the skills shortages that are currently experienced, for the expected growth of the economy, and for the replacement demand that exists in the sector. New entrants should possess the professional and/or technical qualifications required by the sector and should increasingly reflect the racial composition of the South African economically active population. This priority focuses on different places in the access routes into the sector. The priorities also address the different components of the education and training pipeline into the sector – from FET level through to workplace training.

Facilitating transformation in the sector

Estimations for the 2020 period indicate that the Black demographic (Black African, Coloured, Indian) together occupy 63% of jobs in the sector, while the White demographic occupies 35%. The Black African group occupies 42% of jobs in the sector. However, this hides a continuing equity challenge. The sector is still grappling with transformational issues. Whites continue to occupy most managerial posts (49%), and a disproportionate number of both professional posts (40%) and technical posts (38%) compared to other race groups. The Black demographic together occupy only 48% of managerial positions, 58% of professional and 60% of technical positions. African Black people occupy the majority of lower level occupations.

Table 2: Employees according to Major OFO Group and population, 2020

Occupational group	African Black		Coloured		Indian		White		Non-South African		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Managers	8 840	28%	3 243	10%	3 211	10%	15 526	49%	749	2%	31 569	100%
Professionals	21 186	36%	5 832	10%	7 079	12%	23 969	40%	1 601	3%	59 667	100%
Technicians and Associate Professionals	7 505	40%	2 429	13%	1 341	7%	6 967	38%	299	2%	18 541	100%
Clerical Support Workers	21 788	52%	6 679	16%	3 087	7%	9 622	23%	675	2%	41 851	100%
Service and Sales Workers	3 110	70%	496	11%	123	3%	556	12%	175	4%	4 460	100%
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	767	73%	34	3%	18	2%	183	17%	50	5%	1 052	100%
Plant and Machinery Operators and Assemblers	1 055	79%	127	10%	14	1%	83	6%	50	4%	1 329	100%
Elementary Occupations	3 921	87%	278	6%	63	1%	164	4%	90	2%	4 516	100%
Unallocated ¹	1 011	49%	266	13%	181	9%	573	28%	35	2%	2 066	100%
Total	69 183	42%	19 384	12%	15 117	9%	57 643	35%	3 724	2%	165 051	100%

¹ Occupational group data pertaining to these employees not available in the database at the time of reporting.

*Figures are estimations based on OHF and WSP/ATR submissions of 2020.

Source: FASSET data system 2020.

Gender employment within the FAS sector

Estimations derived from the 2020 WSP/ATR submissions and OHF data, most employees in the Finance and Accountancy sector were women (56%). In 2020, 48% of managers, 54% of professionals, 58% of technician and associate professionals and 72% of clerical support worker positions were occupied by women.

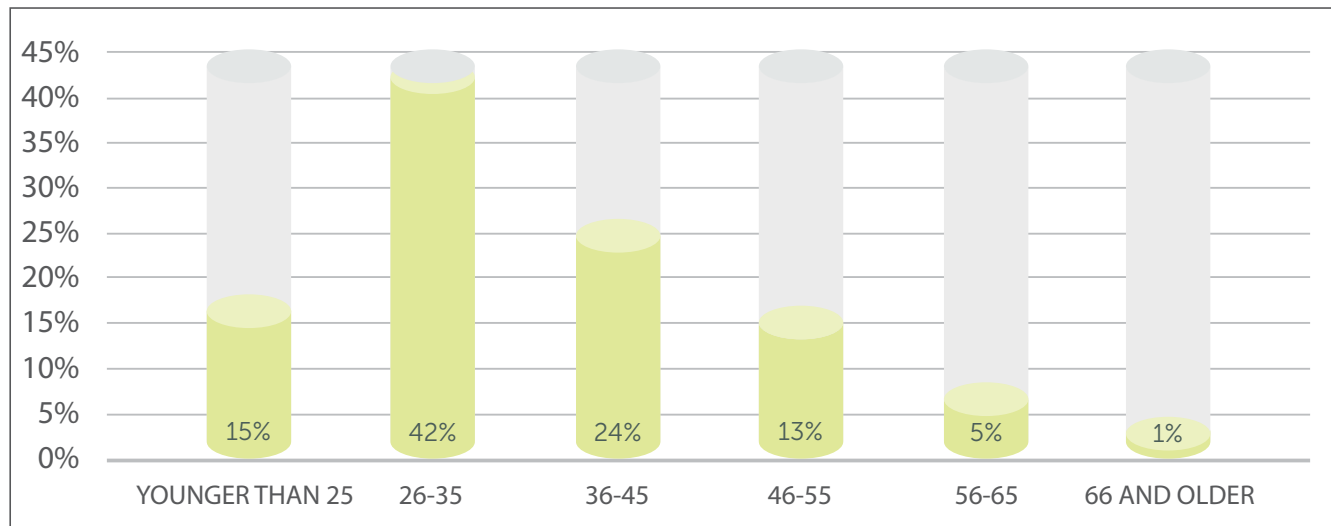
Table 3: Gender of Employees, 2020

Occupational Group	Gender		
	N	F (%)	M (%)
Managers	31 568	48%	52%
Professionals	59 667	54%	46%
Technicians & Associate Professionals	18 541	58%	42%
Clerical Support Workers	41 852	72%	28%
Service & Sales Workers	4 460	51%	49%
Skilled Agricultural, Forestry, Fishery, Craft & Related Trades Workers	1 053	13%	87%
Plant & Machine Operators & Assemblers	1 330	11%	89%
Elementary occupations	4 516	43%	57%
Unallocated	2 067	42%	58%
Total	165 054	56%	44%

Age Profile of the sector 2020

Most workers fall in the youth category (35 and younger), 42% of workers are in the 26-35 age group. This means that the FAS sector is growing to be predominantly young. This is a good result in terms of developmental imperatives which aims to have more youth in employed by 2030. The FAS sector is generally regarded as a training sector with large numbers of learners in learnerships (Chartered Accountant and Professional Accountant learnerships). This is the main reason for the relatively youthful profile of the sector.

Figure 3: Age of employees in the sector, 2020



Fasset's strategy

Fasset's strategy aims to to maximise the enduring impact of our work on the lives of individuals and the wellbeing of society. It's ultimate goal is to enable skills development in the financial and accounting services sector; hinging on two pillars: placement (direct placement into employment, including learnerships and internships) and academic support (supporting learners to complete their degrees, professional qualifications and/or designations). Fasset recognises that it needs to build a robust and sustainable skills pipeline; a cohort of finance and accounting practitioners of the highest order, primed to step into positions, take charge and be influencers at all levels of the economy.

Furthermore, given the non-demographic profile of the sector, we have aligned our strategy and skills development priorities to transformation charters such as the Financial Sector Charter, which prioritise participation of African Black people and people with disabilities.

Fasset operations

Fasset is based in Ferndale, Randburg, Gauteng, it also has satellite offices at Waterberg TVET College in Limpopo, where it is the lead SETA; Majuba TVET College in KwaZulu-Natal as well as King Hintsa TVET College in the Eastern Cape. During the review year, it extended its footprint in Polokwane where it entered into a memorandum of understanding (MoU) with Capricorn TVET College which will be launched during the 2020/21 financial year. These satellite offices not only place us closer to key communities that benefit from our interventions and allow us to expand our highly successful career awareness programme, but will enable us to host employers seeking information on Fasset assistance and benefits.

In provinces where there is no Fasset office, we partner with other SETAs and the provincial premiers' offices to ensure our skills development interventions reach all potential beneficiaries.

Fasset places strong focus on its operational capabilities, which enable effective and efficient core and supporting functions. Our business enablers include governance, leadership, organisational, process and system components. Supporting functions include finance, operations, human capital, information technology, marketing and communications and supply chain management. Our operations also aim to establish and maintain enabling, integrated core and supporting systems, as well as ensure a capacitated, a capable workforce, empowered by an enabling culture.

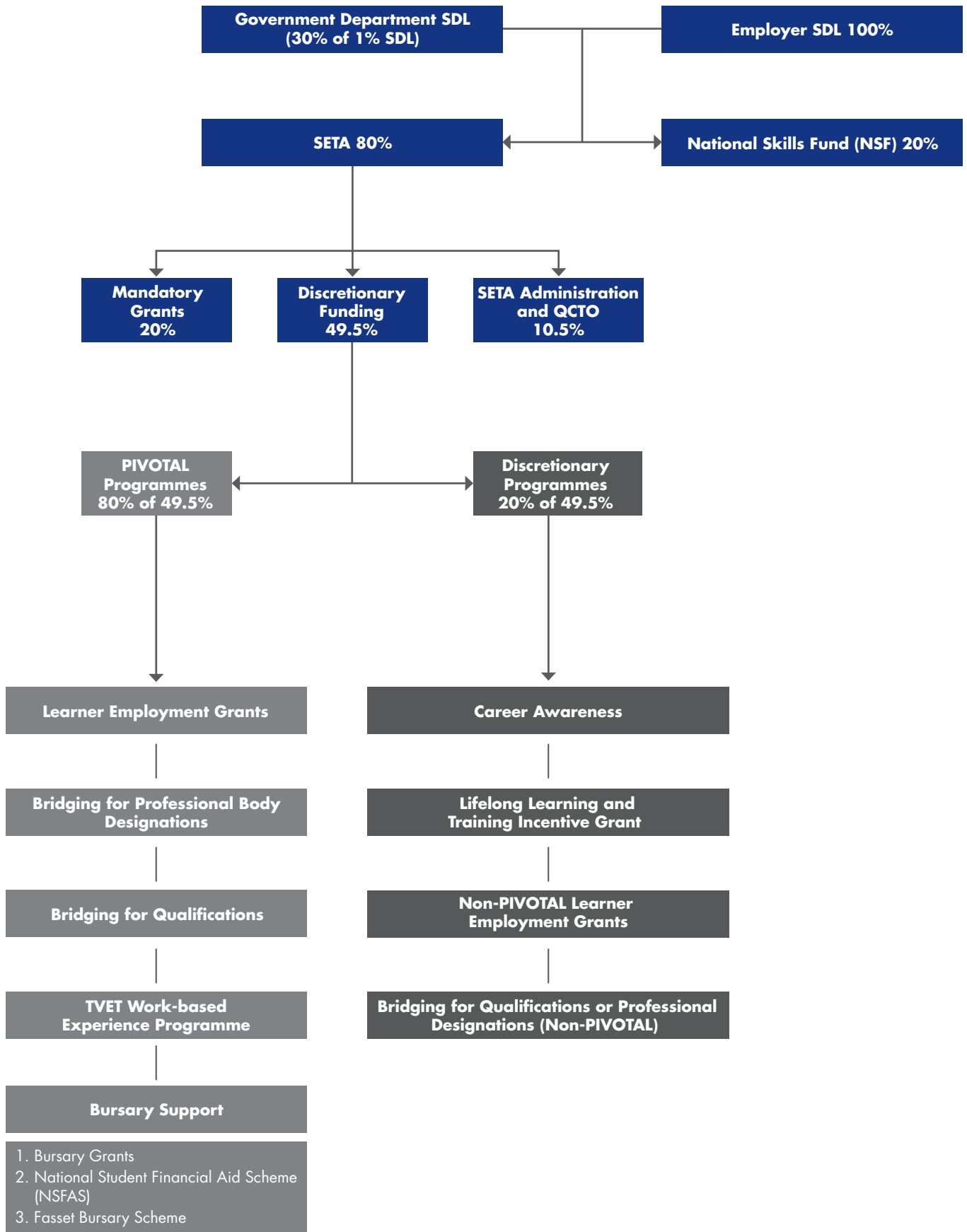
There has also been a significant increase in staffing given the insourcing of several supporting functions that were previously outsourced. Given this context, it is key that internal Fasset capabilities are stabilised and strengthened to acceptable levels.

The drivers of value in the SETA are performance areas that benefit employers or learners and include Mandatory Grants and Lifelong Learning interventions.

Our funding model

We receive a monthly skills development levy (SDL) from employers, based on 1% of their payroll for that month. The levy contribution is dependent on the number of employees employed by SDL contributors. We are allocated 80% of the levies of employers registered with us (in line with the standard industrial classification - SIC - codes that belong to us) and the balance (20%) is allocated to the National Skills Fund (NSF). Government departments may contribute 30% of 1% of their payroll as additional income to us in line with a directive from the Department of Public Service and Administration (DPSA) that SDL may be contributed by a government departments to its line SETA. In terms of the SETA grant regulations, SETAs retain 10.5% of the levy for administration, with the additional 0.5% set aside for the Quality Council for Trades and Occupations (QCTO). Savings or surplus funds are transferred to the discretionary pool for strategic projects such as academic programmes.

Figure 4: Funding Structure



Our material issues

Fasset faces several material issues that influence the achievement of its strategic goals and skills development priorities. The table below sets out how the risks associated with these issues are viewed and addressed:

Table 4

Material issues	Risk and potential impact	Managing the risk	Section and page reference
Compliance with general regulatory and SETA-specific legislative frameworks to ensure good governance	Failure to comply with regulatory and SETA-specific legislative framework could result in the loss of our operating licence, legal breach or failure to meet objectives	We ensure compliance and good governance through relevant legislative frameworks	Legislative and other mandates page 28 Corporate governance report page 59
Delivering on SETA mandate	Failure to deliver on our SETA mandate could result in shortages of finance and accounting services in the Fasset sector and the economy	We sign an annual SLA with DHET, which commits us to delivering against NSDS III goals and objectives	Performance overview 43
Governance around information and communications technology (ICT)	Interruptions in Fasset business due to migration to new ICT environment, including the accounting system	To ensure business continuity during the migration of ICT systems to the new ICT landscape, Fasset has developed a mechanism to migrate its ICT systems to the cloud platform to position the organisation and take advantage of the 4IR	
Driving transformation in the Fasset sector	The sector does not transform and does not meet the country's demographic profile	We use discretionary funding to support African Black learners and Coloured learners in the Western and Northern Cape, a need having being identified for skills in this demographic group	Facilitating transformation page 23
Ability to attract and retain appropriate skills (human capital, and intellectual capital)	We do not have the requisite skills, knowledge, competence, experience or intellectual capital to deliver on our mandate	We rely on our employees' knowledge and training to fulfil our mandate. The Education and Training Policy ensures that staff are upskilled and capacitated to deliver against our strategic objectives	Fasset organogram page 72
Producing high-quality skills research that is relevant and enables effective strategic planning and execution of the skills development mandate	A credible institutional mechanism for skills planning is not in place, the impact of which would be misallocation of financial resources	The research department conducts research in pertinent areas, based on the annual research agenda approved by the Board	Performance overview 43
Effective stakeholder engagement	Stakeholders not engaged and we are not informed of stakeholder needs, concerns and expectations. This could negatively impact our social licence to operate and misallocation of resources	A stakeholder engagement plan is in place and being implemented	Servicing our stakeholders page 32

LEGISLATIVE AND OTHER MANDATES

South Africa has an abundance of legislation, as lawmakers seek to provide citizens with guidance and protection across the spectrum of life experiences. The SETA environment is particularly heavily legislation-driven, with its three-act foundation comprising the SDA, SDLA and PFMA.

During the period under review, the COVID-19 pandemic the Disaster management Act prevailed, and the SETA had to adjust its operational efforts to align to the Act and other applicable health and safety regulations.

Our scope of coverage is the finance and accounting services sector as determined by Section 9(2) of the SDA read in conjunction with Government Gazette No. 33756, RG 9417, No. R1055 of 11 November 2010. As a public entity listed in Part A of Schedule 3 of the PFMA, Fasset is established in accordance with Section 9 of the SDA and having all the powers granted to it in terms of the Act.

The SDA and SDLA provide the framework for us to develop and implement national, sectoral and workplace strategies to develop and improve the skills of the workforce, which, in turn, improves employability and productivity, and boosts the competitiveness of the country.

The PFMA promotes sound financial management based on efficient and effective use of financial resources. The National Qualifications Framework (NQF), Act 67 of 2008, provides for the regulation of qualifications and professional bodies, and establishes the quality councils with which we interact.

Our overarching guiding document is our SETA-standard Constitution. Also crucial to our strategy are important sector-specific transformative documents such as the Financial Sector Charter.

We support the aims and objectives of the HRDS-SA, which outlines the human resources development strategy for the country; the MTSF, a broad government framework that indicates economic growth drivers, and the NSDS III, the now seven-year skills strategy that serves as our roadmap.

Our work is further influenced by the White Paper on PSET, NSA, NGP, IPAP, NDP and B-BBEE codes of good practice.

PART B: Performance Information



OVERVIEW OF ACHIEVEMENTS IN 2019/2020

1	Fasset launched its Circle of Influence round table discussions in August 2019, a strategic engagement platform with thought leaders and decision-makers in the sector; positioning the SETAs as thought leaders in the skills development, education and training landscape.
2	Fasset has made great strides in improving its labour relations , it has signed a recognition agreement with NEHAWU and also improved its staff benefits offering.
3	Significant overall improvement in corporate governance and financial management compared to the last financial year.
4	Entered into 35 agreements with public sector organisations; including government departments, universities and TVET colleges.
5	3 413 learners participated in high-end learnerships in the Fasset sector.
6	Fasset extended its footprint by opening its fourth satellite office at Capricorn TVET College.
7	338 TVET learners participated in the internship programme in Fasset sector companies for the purposes of completing the National Diploma qualification.
8	12 010 workers and unemployed learners benefitted from occupationally directed skills programmes.
9	Fasset hosted 71 career awareness events against a target of 40 events , reaching 16 534 learners in total.
10	10 research studies were produced as part of establishing the institutional mechanism for skills planning; assisting the SETA with a targeted implementation of pilot training interventions.

Statement of Responsibility for Performance Information

The CEO is responsible for the preparation of Fasset's performance information and for the judgments made on this information.

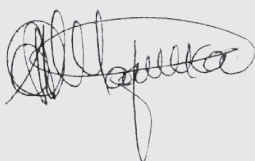
The CEO is also responsible for establishing and implementing a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion as the CEO of Fasset, the Annual Integrated Report fairly reflects Fasset's operations, performance and financial affairs for the financial year ended 31 March 2020.

As far as is reasonably possible and to the best of my knowledge, I confirm the following:

- All information and amounts disclosed in the Annual Integrated Report are consistent with the Annual Financial Statements audited by the AGSA;
- The Annual Integrated Report is complete, accurate and free of omissions;
- The Annual Integrated Report has been prepared in accordance with National Treasury guidelines;
- The Annual Financial Statements have been prepared in accordance with GRAP; and
- The AGSA is engaged to express an independent opinion on the Annual Financial Statements.

Furthermore, the Accounting Authority has reviewed and approved the Annual Financial Statements and performance information contained in this report.



Ms. Ayanda Mafuleka CA(SA)
Chief Executive Officer

Situational Analysis

Service-delivery environment

Fasset plays a crucial role in identifying sector skills needs and addressing them through Fasset programmes.

On the demand side Fasset does the following:

1. Conduct labour market research and develop Sector Skills Plans (SSP);
2. Develop Strategic Plans (SP), Annual Performance Plans (APP) and Service Level Agreements (SLA) with the Department of Higher Education, Science and Technology; and submits quarterly reports against those set targets.

On the supply side Fasset does the following:

- Addresses sector skills needs and priorities;
- Addresses scarce and critical skills (PIVOTAL) through the implementation of various learning programmes (i.e. Learnerships);
- Facilitates easy access and different entry points through articulation and RPL;
- Collaborates with the relevant Quality Council, especially the Quality Council for Trade; and
- Assesses occupations to ensure quality and provision of learning programmes.

Role of research

Research is the backbone of Fasset and we believe that research always improves the likelihood of effective implementation.

To ensure that resources are directed to the areas in which they are most needed, we prioritise the identification and regular update of scarce skills in the sector. During the year, we adjusted our scarce skills identification process to better cluster industry requirements to the top 10 hard-to-fill vacancies. This entailed a slightly different process from the usual, involving formal engagement with the sector rather than reliance on Workplace Skills Plan (WSP) information alone.

During the year, we conducted an impact study on the Learner Employment Grant (LEG) and a bursary tracer study, which provided valuable information on the effect of these interventions and on how they are perceived by end users. This information assisted the projects unit with the grants implementation process.

Servicing our stakeholders

Fasset's activities are under-pinned by a stakeholder inclusive approach. For the SETA to create value for itself, it must be focused on creating value for all its stakeholders to ensure that we nurture long-standing and sustainable partnerships. These form the foundation of Fasset's ability to create value over the short, medium and long-term.

The Fasset Accounting Authority holds ultimate responsibility for the SETA's stakeholder management, ensuring that our approach balances the needs, interests and expectations of stakeholders in the best interests of the organisation, and the stakeholder. The implementation and monitoring of stakeholder engagement is entrusted to the management teams across the SETA.

Value creation through a stakeholder inclusive approach is only successful if the SETA views its business as an ecosystem. This is comprised of our vast stakeholder groups that cooperate to maximise value creation to realise their share of that value. No ecosystem can thrive if one stakeholder group continually benefits at the expense of others. We recognise that it would be amiss to apply focus on stakeholder value creation at the expense of all other stakeholders. Our aim is to ensure that our engagement with stakeholders intersect at the point of maximum value creation for all parties. This does not mean that we displace stakeholder value from the top of the pyramid, but rather ensure that we recognise the strength of the base upon which it sits.

Our different stakeholders all have varying levels of influence and involvement in the day-to-day running of Fasset. Knowing this, Fasset aims to achieve consistency in its approach towards all stakeholders and ensure that they receive the appropriate levels of engagement. The ability to be consistent is achieved by delivering on a set of key principles on which we base our stakeholder engagement.

Creating value is key to our partnership with stakeholders, measuring value creation is critical to ensuring that we can be sustainable in delivering value over time. The SETA has modified its approach over the last year to strengthen relationships with stakeholders by creating more platforms to listen to their needs and views. With this view in mind, we have launched the meetings, which are a meeting of minds to help share the sector that we operate in. We recognise that the

working relationship we have with stakeholders must be influenced by their input and feedback. This change in approach will result in a more robust framework being created in the year ahead that will enable better value measurement and result in appropriate action being planned.

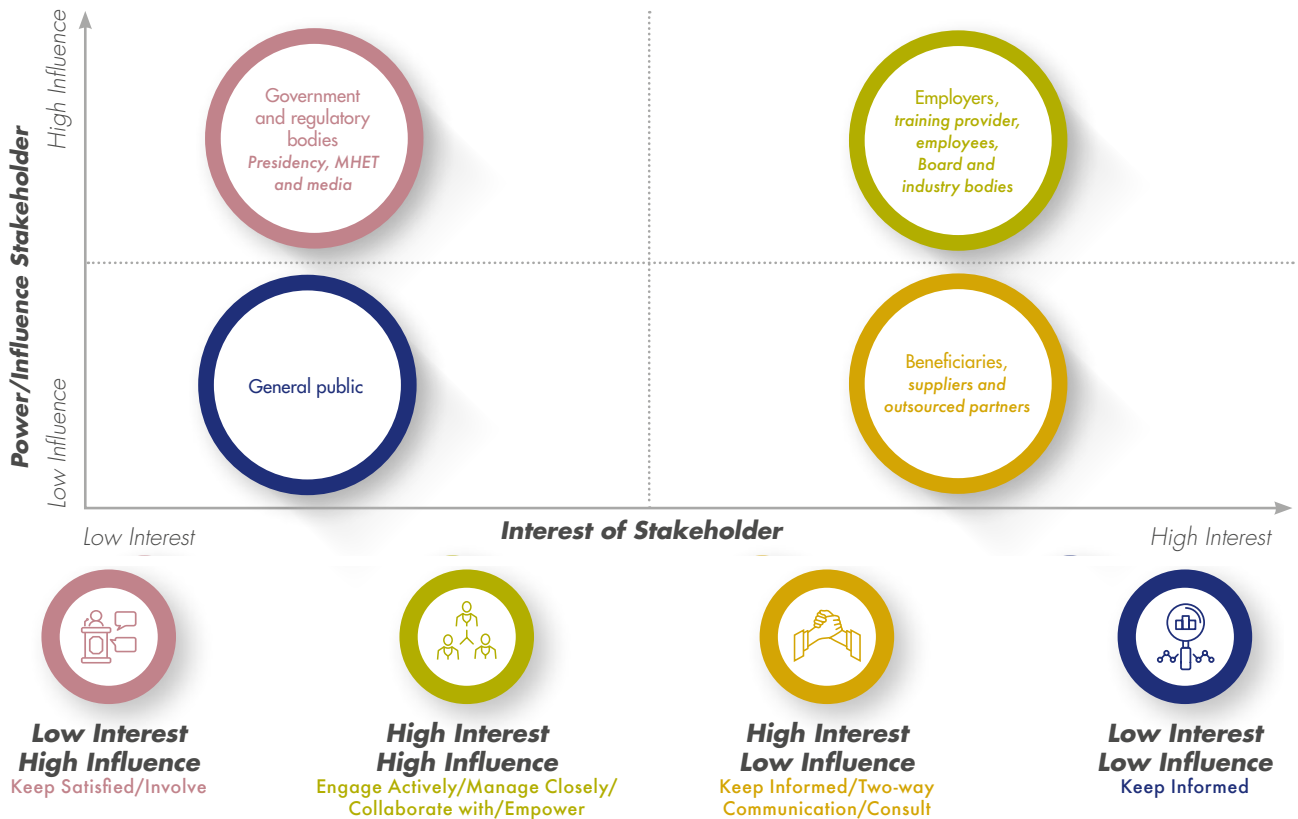
The SETA resuscitated the concept of the working committees in the 2019/20 financial year, which aims to increase stakeholder involvement and engagement on pertinent skills development and training needs of the sector. These working committees are created to listen to stakeholders who are in the demand side of skills development, education and training providers as well as professional bodies who are suppliers in this value chain. These platforms provide an opportunity to share their voice about various aspects of their interaction with us; as well as share best practice in the skills development and training landscape.

The necessary action required across the SETA as a response to stakeholder feedback, will be included in our developing framework in the 2020/21 financial period. The first step in this process has been identifying skills needs of the future and creating an enabling environment to respond to those needs, and we believe that this will result in value creation actions being developed through the framework.

Highlights for the reporting period

- Fasset has sponsored the Association for the Advancement of Black Accountants of Southern Africa (ABASA) annual convention and excellence awards in November 2019; and this resulted in elevated brand awareness and new partnerships formed with the entity.
- Fasset officially launched its King Hintsa and Majuba TVET College satellite offices to increase its footprint in new provinces, in addition attended skills planning sessions.
- The Circle of Influence round table sessions were launched on 15 Aug 2019.
- The CEO has embarked on a number of stakeholder engagement meetings in the sector as an effort to explore synergies in the sector and areas of collaboration on skills development and training for the future.
- Fasset has been offered a permanent seat in the Forum of Accounting Bodies (FAB).
- Fasset attended the University of Venda event where the HDI University was issued its full SAICA accreditation.
- Fasset has been offered a permanent seat in the Forum of Accounting Bodies (FAB).

Figure 5: Fasset’s Stakeholder Matrix





Fasset's Executive Management Team attending the Circle of Influence event at the JSE



Ms. Maria Matlosa, Corporate Services Director attending the launch of the satellite office in Majuba TVET College3



Fasset launching its satellite office at King Hintsa TVET College in Willowvale



Learning expedition in Kigali funded by Fasset

Working with government entities

The government stakeholder group includes DHET, the Portfolio Committee on Higher Education and Training (PCHET), South African Qualifications Authority (SAQA), the QCTO, SARS, National Treasury, AGSA, Parliament and inter-SETA forums. We engage with these stakeholders by submitting reports, attending meetings and discussion forums, and responding to requests for information.

Annexure B on page 123 demonstrates how Fasset engages with government entities.

Education and training providers and professional bodies

Our education and training stakeholders include professional bodies, private education and training providers, universities, universities of technology and TVET colleges. Refer to Annexure B on pages 123 to 126 of the report for details of engagements with these stakeholders during the year under review.

High schools are also included in this group of stakeholders. We engage with schools through our career awareness programme.

Engaging with the general public

There remains a low level of awareness of the Fasset brand among the public. However, the public has been identified as an important target audience in communicating the Fasset story and creating awareness of the good work being done in this vital sector.

Engagement with the general public is achieved nationally on various platforms such as social media pages, print and broadcast media partnered with, project showcases, learner graduations, career exhibitions and digital media platforms.

Working with suppliers

We continue to support the development of emerging African Black providers through our procurement processes. In terms of the procurement processes, emerging suppliers are capacitated through information and tender briefing sessions on how to do business with us; and partnerships are encouraged with established businesses as stipulated in tender documents.

Through partnerships emerging African Black providers gain valuable knowledge and experience that will enable them to eventually submit tenders independently.

Engagements with the Board and committees

Details on the effectiveness of the Board and committee engagements are provided under Part C from page 60.

Quality Assurance

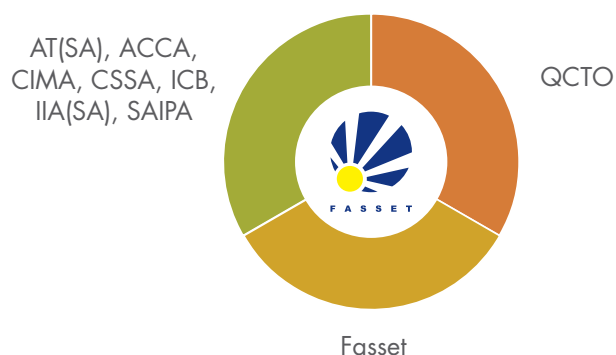
Sector professional bodies have been officially responsible for quality assurance of most qualifications in the Fasset sector since 1 August 2016 as a result of a revised delegation of quality assurance functions by the QCTO. Fasset issues certificates for these qualifications once the relevant professional body has confirmed a learner's competence. Fasset also uploads learner registrations and results to the National Learner Records Database (NLRD) hosted by SAQA.

The NLRD is the electronic information management system of the South African National Qualifications Framework (NQF) and enables SAQA to report accurately on aspects of the education and training system in South Africa to provide policymakers with comprehensive information for evidencebased decision-making and policy planning. The resource also points to the types of qualifications required and oversupply of qualifications, enables employers to conform learner qualifications status, and houses information that assists with career development and advice.

Fasset has consistently received 'green' status for uploading its data according to SAQA requirements.

In an interim arrangement by the QCTO, professional bodies continue to accredit and monitor skills development providers, and manage assessment and moderation.

Figure 6: Fasset's Quality Assurance Partners (QAPs)



A list of acronyms has been provided in Annexure A page 122 of this report. In an interim arrangement by the QCTO, professional bodies continue to accredit and monitor skills development providers, and manage assessment and moderation.

Organisational environment

The 2019/20 year was that of strengthening operational efficiencies and capacitation of teams.

The most notable appointments were that of the CFO, Legal Services Manager as well as Director Corporate Services. These are positions that cut across the organisation in terms of support and enabling all the departments with the execution of operations.

There were also key appointments in professional positions to ensure that the Leadership team is duly supported.

The development of the competencies of employees has been realised in line with our APP. The use of smart technology to ensure agility as an organisation is driven by 4IR which is currently a big focus into the future.

Key developments

Policies were reviewed and revised across the organisation to ensure the integrity of governance processes and adherence to Fasset's strategic objectives.

Skills pipeline

The skills pipeline approach was maintained, providing support to learners at school level, throughout their university or professional body studies, and current employees, through grants and Lifelong Learning events.

Key performance information

We entered into an annual SLA with DHET. Targets are set for specific learning programmes that are linked to NSDS III outputs which were effective until 31 March 2020. We report on performance in accordance with the skills pipeline approach. The indicators and targets, achievement and reason for deviation are provided in the performance report.

Learner interventions

Learners include those employed (referred to as 18.1) and those unemployed (18.2). They are supported through a variety of interventions, including, as a first step to employment and a career awareness programme.

FASSET INTERVENTIONS FOR UNEMPLOYED LEARNERS

Career awareness

Choosing a career is a strategic move and can be a daunting process for youngsters preparing for life beyond the classroom. These learners must follow both their hearts and their heads to make the best decision. We've often found that at the tender of 14-16, it is hard for school-going learners to make such a decision, which will impact their lives later in life; so for this we draw on quite a number of stakeholders to get involved in the process of assisting a learner make informed choices. There are so many options that, often, they don't know even where to start. That is why, since inception, Fasset has put such great emphasis on career awareness initiatives and events.

Our career development service suite

Fasset Career Portal

The thirst for career knowledge by young minds contributed to the growing popularity of the career portal during 2019/2020, with 35 000 visitors being drawn to the site, an increase of 6 000 over the previous year. The number of employers registering to gain access to potential recruits stood at 208 at year-end, with 45 new registrations during the year. The number of youngsters hoping to connect to these employers by creating a resume using the site's resume builder also increased, with 33 new enrolments, bringing the total to 811. The #LastingLegacy gallery, which provides a showcase for young people to upload their images and express their thoughts and hopes, inspired 68 visitors.

Career Exhibitions

During the year, we supported and participated in 71 interventions against our target of 40. These included exhibitions hosted by DHET and our colleagues in the SETA community, and career roadshows.

The career roadshows, which took us as far as Witsiehoek in Free State to Cofimvaba in Eastern Cape, achieved great interaction and career guidance dialogue with school pupils in grades 9 to 12.

Fasset has also partnered with organisations such as Nzalo Careers and Rural2Rural to ensure that the SETA reaches out to those hard to access communities and visiting more high schools in rural areas.

Life Orientation Teacher empowerment

We also funded and participated in workshops to empower Life Orientation teachers in Eastern Cape and Limpopo with post-school education information and systems knowledge,

Career Awareness events



Bloemfontein Office of the Premiere Career Exhibition for learners with disabilities in Free State, Bloemfontein



Fasset CEO, Ms. Ayanda Mafuleka addressing learners at a school visit in Umlazi, KZN



Career Awareness school visit in Amazimtoti, KZN



Career Awareness school visit in Khayelitsha, Western Cape



Career Awareness school visit in Khayelitsha, Western Cape

in partnership with the Department of Education in Limpopo, Chris Hani Development Agency in the Eastern Cape and DHET. Through this project, more than 25 000 high school and higher education and training learners, life orientation teachers and unemployed youth were reached.

Fasset Campus Brand Ambassador

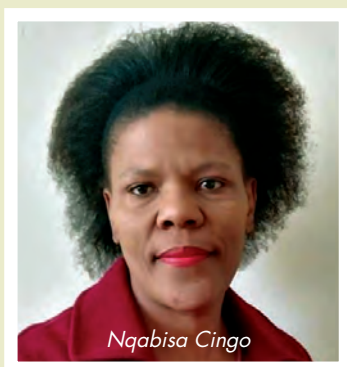
The Campus Brand Ambassador campaign was relaunched with a recruitment drive at 6 of the 9 provinces to appoint 20 suitable learners at identified institutions of higher learning with whom Fasset has MoUs with. The 20 ambassadors will undergo rigorous training which will equip them with the requisite skills and knowledge to position the Financial and Accounting Services (Fasset) sector as the sector of career choice for many young South Africans in their communities. Due to the stringent COVID-19 restrictions, the Campus Brand Ambassadors will commence inspiring the youth in the 2020/21 financial year.



Excited winner of a Fasset goodie bag at a career awareness intervention in Marble Hall, Limpopo

FASSET AND CHDA PARTNER TO REACH EASTERN CAPE LEARNERS

“ I’d like to thank Fasset for assisting us with the workshop and career exhibition and look forward to a time when we present a similar event to our learners.”

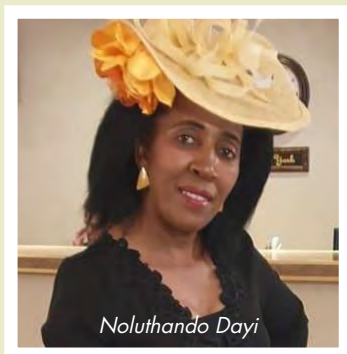


Nqabisa Cingo

The Chris Hani Development Agency (CHDA) and Fasset have fostered a truly productivity partnership that has seen the organisations reach teachers and learners in some of the remotest communities in the Eastern Province.

Together Fasset and CHDA have as part of the SETA’s Learnership Orientation Workshops and Career Exhibitions in 2019 facilitated activities and interventions that were relevant to the current school curriculum and future studies.

The organisations reached no less than 50 schools with 24 schools in Queenstown and surrounds and 26 in Lady Frere in the Enoch Mgijima and Emalahleni local municipalities local municipalities, respectively.



Noluthando Dayi

The CHDA played an invaluable role in coordinating the participating schools within the local municipalities, liaising with the various departments of education and the Chris Hani District Municipality.

“The activities were particularly valuable to those learners interested in following careers in the financial services sector. Fasset and CHDA ensured that both teachers and learners were up to speed with subject choices relevant to pursuing a career in finance as well as how to apply to bursaries from Fasset,” explains Nqabisa Cingo, Skills Development Administrator at the CHDA.

Adds from Noluthando Dayi, teacher at Abambo High School in Whittlesea, based 35km from Queenstown, where 70 learners attended one of the Fasset workshops and career exhibitions: “The workshop and exhibition provided our learners with clear guidance on what careers that could follow in the financial service industry. We also held a drama performance to illustrate to the parents how they support their children’s endeavours in the financial services field.

“Most of our learners come from poor backgrounds which is why it’s so important that they understand what options they have on how they can qualify for bursaries from Fasset. I’d like to thank Fasset for assisting us with the workshop and career exhibition and look forward to a time when we present a similar event to our learners. This year, unfortunately, it was not possible due to the COVID-19 pandemic.”

FASSET INTERVENTIONS FOR POST-SCHOOL LEARNERS

TVET Work-based Experience Programme

This programme, in its seventh year, places TVET graduates as interns at companies that will expose them to the work environment, while bridging the gap between their studies and the demands of the workplace to improve their prospects as employees.

We have seen an increase in the number of learners that have been absorbed by various employers in the labour market after the candidates have successfully completed their 18-months training. Employers such as Intelto, HR Ignite, Northplan Chartered accountants, Duja Consulting and Outsourcing experts are continuing to assist learners to find permanent employment and at times these employers offer candidates permanent employment.

During the 2019/20 financial year Fasset signed Memorandum of Agreements (MoAs) with Small Companies such as Rilscan Pty Ltd, ZMG Consulting, HR Ignite and Finserve Accounting. We have also signed MoAs with Government Departments like the Departments of Finance North West and Mpumalanga. Medium to Large companies like KPMG and PwC also partnered with Fasset to implement this programme. A total of 35 employers signed the partnership agreement with Fasset to host beneficiaries.

338 out of a target of 480 beneficiaries have been reported as entered during the 2019/20 financial year. 130 beneficiaries have been reported as completions.

COVID-19 had a negative impact on the recruitment and appointment of learners and ultimately affected our quest to archive the target.

The plan for the 2020/21 financial year is to embark on a renewed communication campaign with all employers including potential employers in the sector as we commit to meet the target.

Bursary Scheme

Although a relatively new programme in the Fasset portfolio, the Bursary Scheme, in its fourth year during the review period, has distinguished itself by providing much-needed support for learners who fall between the missing middle income bracket, that is the funding of National Student Financial Aid Scheme (NSFAS) and that of the banks.

The bursary provides comprehensive funding for tuition, accommodation, academic support courses, living allowance and coaching/mentorship, all of which is designed to support the learner fully and provides an enabling environment for the learner to successfully complete their studies. The funding is available for students at public Universities and Universities of Technology who are pursuing studies linked to Fasset's scarce skills on NQF Levels 6 – 9. The target set was to fund 639 and was overachieved by 784 learners funded.

Academic Support Programme

This programme since inception in 2016/2017 has attracted more institutions especially Historically Disadvantaged Institutions (HDI) and more learners are benefiting.

During the year Fasset hosted meetings with institutions (i.e. Bursary Administrators) to discuss and share ideas on how learners performance can be improved to increase pass rate and those who complete their qualifications. Also the platform is used to share the type of soft skills that can benefit learners.

This programme aims to support learners to complete their degrees, professional qualifications and/or designations enables Fasset to advance the professionalism of its sector through higher-calibre potential employees. At universities, the support assists those who are struggling with their studies, the professional body programme includes mentoring.

Five institutions namely the University of Free State, Rhodes University, University of Johannesburg, SAICA and ISFAP received funding for the year, with 1 236 learners entering.

HR Ignite fosters skills through Fasset TVET WBE

“*The Fasset TVET WBE has been invaluable resource, enabling us to drive forward our transformation goals, providing TVET learners with the right environment to solidify their learning and create an all-important foundation for their future career. Thank you Fasset for supporting us in these endeavours.*”



Seapei Makgoga



Amanda Earle

HR Ignite, is driving its community development and transformation goals thanks to its partnership with Fasset’s TVET WBE (workplace-based) programme. Co-owned by Seapei Makgoga and Amanda Earle, HR Ignite is EME with its foundation firmly set in creating equality and ensuring skills development leads to sustainable practices.

To this end, HR Ignite is utilising the programme to find the suitable candidates for their myriad of clients, ensuring that these TVET learners find the positions and importantly obtain the relevant practical experience that put them on a path to career success.

“The Fasset TVET WBE has been invaluable resource, enabling us to drive forward our transformation goals, providing TVET learners with the right environment to solidify their learning and create an all-important foundation for their future career. Thank you Fasset for supporting us in these endeavours,” comments Makgoga.

Adds Earle: “HR Ignite’s intrinsic value is to be client centric. To us this translates in creating programmes and solutions that our clients really need. The TVET WBE programme is enabling us to meet these needs – thank you Fasset for your ongoing support.”

The Fasset TVET WBE seeks to place learners from public TVET Colleges who have successfully completed the theory component (N4, N5 and N6 certificates) in relevant areas of specialisation, with employers from the Fasset sector. Employers are reimbursed for the various expenses incurred during the 18-month learnership periods.

FASSET INTERVENTIONS FOR THE EMPLOYED

What we do for employers

Recognising skills as the key currency in the sector spurs Fasset to review its grants regularly to ensure that they incentivise the right kinds of skills and that they meet the needs of employers for relevant training that boosts productivity and profitability.

Employer Grants

The grant is a vehicle that assist in facilitating the achievement of Fasset’s mission. The grant has been the most popular over the years and we have witnessed the contribution of our employers in our sector by assisting in skills development in our country. Our grants mechanism incentivises employers in the sector to implement skills development initiatives and allows large and medium levy-paying members to claim back a portion of their SDL contributions. Small levy-paying and non-levy paying members also have access to grants with no limitation imposed according to SDL contributions.

Employer incentives include the Learner Employment Grant (LEG), which places learners with a minimum of a NQF 6 qualification in a scarce skill on a learnership,

the Non-PIVOTAL Learner Employment Grant (NLEG), which places unemployed learners with an NQF 6 or higher qualification on internships or in permanent employment; and the NSFAS Loan Repayment Grant (NLRG) for learners who have completed a three-year qualification aligned to a scarce skill and contributes to the repayment of the learner’s outstanding NSFAS study loan.

These employer grants enable us to bolster the supply of scarce skills in the sector.

During 2019/2020, Fasset responded to market needs with a grant to enable employees attendance of short courses, training and workshops that addressed specific needs within employers’ businesses. More than 30 500 delegates were supported through this incentive.

The Fasset transformation policy provides for the funding of African Black learners nationally, and Coloured learners in the Northern and Western Cape and also learners with disabilities. Funding from African black learners primarily furthered our strategic objective of transformation, thus it continued.

Table 5: Approved employer Discretionary Grant applications

Grant	Target	Applications	Achievement	Funds Allocated 2019/2020
LEG	1 216	3 633	1 925	R73 667 500
NLEG	450	329	242	R13 670 000
Bursary Grant	400	636	420	R23 447 934.38
NSFAS Loan Repayment Grant	400	442	382	R9 398 256.14

Learnerships

The uptake of learnerships has fluctuated during the past three years based on employer needs. There has been an increase in the number of employers taking on learnerships in areas such as business management and IT learnerships.

The number of learners enrolled in our learnerships and those who have completed it during the year under review, compared to achievements of the previous four years (please see Table 6 on the next page).

Table 6

Fasset learnerships	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Number of learners registered on Fasset learnerships	4 763	4 026	4 695	4 237	4 322
18.1 learners (previously employed)	289	435	268	282	176
18.2 learners (previously unemployed)	4 474	3 591	4 427	3 955	4 146
Number of learners who completed Fasset learnerships	3 383	2 840	4 298	2 585	2 183
18.1 learners (previously employed)	199	103	161	252	232
18.2 learners (previously unemployed)	3 184	2 737	2 872	2 333	1 951

Table 7: Breakdown of learner numbers per NQF level category in the 2019/2020 period:

Learnership NQF level	Learners entered target	Learners entered	Learners completed target	Learners completed
NQF 6 and above	3 330	3 523	2 385	2 989
NQF 5 and below	520	1 196	260	438

Lifelong Learning programme / Training Incentive Grant

Lifelong learning is one of Fasset's flagship programmes which enables delegates to develop the soft skills needed in the workplace but not covered in formal courses. These include a variety of interpersonal skills. Lifelong Learning training workshops help candidates deal with essential business skills.

Our ability to host the targeted number of sessions was hampered by a shortage of suitably experienced African Black owned training providers to deliver the workshops; and delays in the supply chain management processes.

During 2019/2020 Fasset hosted the Business Communication and Report Writing, Risk Management, Labour Law and Labour Law as well as Budget and Tax Update 2020 workshops; 12 010 learners benefit from the Lifelong Learning training intervention. The rest of the training topics were converted into a Training Incentive Grants for the stakeholders to claim.

Below are excerpts of emails feedback we received from delegates that attended Lifelong Learning training workshops three workshops.

Business Communication and Report Writing – August 2019

"Thank you so much for extending this opportunity to us. The team thoroughly enjoyed it and found the content well-structured and relevant. We appreciate all the efforts from you and your team."

"The facilitator was excellent, he knows his content and engaged with us throughout the day. Great job"

– Ronald Arendse - University of Western Cape

Training Incentive Grant

Training Incentive Grant is an alternative delivery method of providing Lifelong Learning workshops to Fasset stakeholders. As a mitigating factor, the grant was introduced in the 2018/19 financial year to replace planned training workshops that could not be offered as a result of challenges described above. The Grant model allows employers to claim back on the training costs incurred.

Since the Training Incentive Grant was introduced, the sector's response has been positive and so has the contribution towards the achievement of the Lifelong Learning.

Fasset still remains firmly committed to Lifelong Learning goal which is to assist its members in remaining upskilled in a range of subject areas. We will continue to deliver Lifelong Learning training workshops either through face to face, virtual or through the Training Incentive Grant.

Risk Management – November 2019

"I would just like to thank Fasset for the course on Risk management that was held in East London on 04 December 2019. My employees enjoyed it so much and they loved the presenter. From his subject knowledge to his manner of presentation and interaction with the group."

– Sune Horrmann - OHS Business Advisors and Chartered Accountants

"Last week Thursday I attended a Risk Management training conducted by a Mr. Zach le Roux at Protea, Fire and Ice hotel in Menlyn. I must say I was really impressed with the vast knowledge the presenter had on the subject, the material provided and references and the manner of presentation."

– Adv. Moferefere Dhamini - Fasset

Budget and Tax Update – March 2020

"The presenter must be nominated for an Oscar or Grammy."

– Anthony Grove - Rob Spies & Associates Inc

NSFAS Loan Repayment Grant (NLRG)

The main purpose of this grant is to assist learners - embarking on their learnership in our sector - to pay off their current NSFAS loan.

The NLRG is available to Black South African citizens with a valid South African identity document; who hold a three-year qualification in a scarce skills area within the Fasset sector; and are in a learnership programme with an employer registered with Fasset. The amount of the grant is based on the length of the learnership and repayments are made directly to NSFAS and are based on a tariff.

Most of these learners come from challenging backgrounds and must often take care of their own families while still paying off a loan.

Learner Employment Grant (LEG)

This popular grant has strengthened Fasset's mission over the last years and we have witnessed how employers in our sector have contributed to the skills development in our country.

Non-Pivotal learner Employment Grant (NLRG)

The grant is aimed at assisting employers by providing opportunities in areas of Fasset's scarce skills list where we don't have available learnership. Through the grant, we are incentivising place learners into internships or permanent employment.

Performance Information by Programme/Activity/Objective

Performance Information by Programme

SETAs deliver against NSDS III objectives. We sign an SLA with DHET every year, committing us to deliver against specific NSDS III goals and objectives. During 2019/2020, we had 76 targets, 53 of which was achieved.

Programme Purpose	
Programme	Purpose
1: Administration	The purpose of this programme is to instil a culture of effective and efficient management, operations, governance and risk awareness within Fasset.
2: Skills Planning	The purpose of this programme is to establish an effective mechanism for ensuring that sector planning and research occurs. The functions of this programme encompass research and planning. It is responsible for researching skills needs within the sector, developing the SSP for submission to DHET and conducting monitoring, evaluation and impact assessments of SETA-funded programmes.
3: Learning Programmes and Projects	<p>The goal of this programme is to ensure that learning programmes and projects culminate in a skilled and transformed workforce that improves the competitiveness of the sector and livelihood of its workforce. The key role of Fasset is ensuring an adequate supply of employees in identified scarce skills in the finance and accounting sector. The relationship between post-school education institutions (higher education institutions, professional bodies, TVET colleges) and workplaces will be strengthened through a range of programmes, projects, incentives and other forms of support to address the following skills priority areas:</p> <ul style="list-style-type: none"> • Increase the flow of new finance and accountancy entrants into employment • Develop and grow the skills required in the sector • Facilitate transformation of the finance and accountancy sector
4: Quality Assurance	The purpose of the quality assurance programme is to develop, implement and monitor learning programmes (qualifications, learnerships, internships etc). Quality assurance further ensures that national standards for quality delivery are acceptable through proper accreditation of skills development providers, monitoring and auditing of delivery, certification of successful learners and reviewing the quality cycle to ensure continuous improvement to Fasset processes and procedures.

Strategic Objectives

No	Strategic Objective	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement	Comment on Deviations
1	To ensure efficient and effective organisation	10	10	10	0	
2	To establish and maintain enabling, integrated core and supporting system	2	2	2	0	
3	To ensure a capacitated, capable workforce, empowered by an enabling culture	2	2	0	-2	TARGET NOT ACHIEVED 71% out of a target of 95% employees retained. More employees resigned in the current financial year. 70% out of a target of 80% employees trained due to training plan not implemented fully.
4	To determine appropriate skills interventions, informed by relevant research		15	15	0	
5	To enable and enhance skills development in and for the finance and accounting sector, in partnership with relevant stakeholders		40	21	-19	TARGET NOT ACHIEVED See in notes below - reason for deviation provided per indicator for: 3.1.5, 3.1.8, 3.1.10, 3.1.11, 3.1.12, 3.1.18, 3.1.19, 3.1.20, 3.1.22, 3.1.23, 3.1.24, 3.1.25, 3.1.26, 3.1.28, 3.1.29, 3.1.30, 3.1.32, 3.1.33, 3.1.35
6	To promote the finance and accounting sector as a preferred career choice for new entrants into the labour market	2	2	2	0	
7	To enable transformation of the finance and accounting profession and sector through targeted funding of skills intervention	2	1	0	-1	TARGET NOT ACHIEVED 337 out of 550 Small Businesses was supported (3.36). Non achievement is due to the Lifelong Learning events not taking place as scheduled in 2019/20
8	To ensure value and impact of the SETAs funded interventions, while ensuring compliance	1	1	1	0	
9	To support the professional organizations to align their qualifications to the new dispensation while ensuring quality	2	3	3	0	

Performance Indicators

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 1: Administration								
1.1.1	Number of facilities management reports produced annually	N/A	N/A	Facilities Management and control related expenditure administered through the production of quarterly reports	4	4	0	
1.2.1	Number of complete sets of AFSs submitted annually to Board and approved by 31 July	N/A	N/A	Set of annual financial statements completed	1	1	0	
1.2.2	Number of monthly management reports produced per annum	N/A	N/A	Reported on budget usage (Quarterly)	12	12	0	
1.2.3	Number of Approved Procurement Plans submitted annually to DHET and National Treasury by 31 March	N/A	N/A	Procurement plan approved	1	1	0	
1.2.4	Number of Annual Integrated Reports completed and submitted annually by 31 August	N/A	N/A	N/A	1	1	0	
1.3.1	Number of Audit Action Plan Implementation reports produced annually	N/A	N/A	Audit Action plan implemented	4	4	0	

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 1: Administration								
1.3.2	Number of Quarterly Governance Charters submitted to DHET annually	N/A	N/A	4	4	4	0	
1.3.3	Number of Internal Audit Plans implemented by end of the financial year	N/A	N/A	Internal audit reports produced as per the annual internal audit plan	1	1	0	
1.3.4	Number of Board meetings convened annually	N/A	N/A	Board and sub-committee meetings took place quarterly	4	4	0	
1.3.5	Number of policies reviewed annually	N/A	N/A		27	53	+26	TARGET OVER-ACHIEVED A higher number of policies were reviewed than anticipated
1.4.1	Percentage of Fasset employees retained annually	N/A	N/A	Fasset Employee retention rate for the year was at 100%	95%	71%	-24%	TARGET NOT ACHIEVED Due to the number of people who exited the organization during this year
1.14	Percentage of Fasset employee learning and development plans implemented annually	N/A	N/A	Fasset employee learning and development plan implementation rate of 30% achieved	80%	70%	-10%	TARGET NOT ACHIEVED Due to the training plan not being implemented fully

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 1: Administration								
1.5.1	Number of times Information and Communication Technology (ICT) Strategy is reviewed and approved by the Audit and Risk Committee annually	N/A	N/A	The Fasset ICT Strategy was updated to be align with Fasset strategy	1	1	0	
1.5.2	Number of monthly ICT reports generated annually	N/A	N/A	N/A	12	12	0	
Programme 2: Skills Planning								
2.1.1	Number of research reports on a model SETA grants and incentives produced annually	N/A	N/A	1	1	1	0	
2.1.2	Number of research reports on review of community colleges in relation to the Fasset sector produced annually	N/A	N/A	N/A	1	1	0	
2.1.3	Number of research reports on Fasset Sector Trends produced annually	N/A	N/A	1	1	1	0	
2.1.4	Number of research reports on Transformation in the Fasset sector produced annually	N/A	N/A	0	1	1	0	

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 2: Skills Planning								
2.1.5	Number of Impact assessments conducted annually	N/A	N/A	N/A	1	1	0	
2.1.6	Number of updates per annum to the Fasset Monitoring and Evaluation report based on research conducted	N/A	N/A	1	1	1	0	
2.1.7	Number of reports produced for review of the YES programme in relation to the Fasset sector annually	N/A	N/A	N/A	1	1	0	
2.1.8	Number of SETA Benchmarking reports produced annually	N/A	N/A	0	1	1	0	
2.1.9	Number of Non-Pivotal Grant Assessment reports submitted annually	N/A	N/A	N/A	1	1	0	
2.1.10	Number of Public Sector Grants Assessment reports produced annually	N/A	N/A	N/A	1	1	0	
2.2.1	Number of final SSP submissions to DHET by due date	1	1	1	1	1	0	

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 2: Skills Planning								
2.3.1	Number of Large firms WSP/ ATR (Skills Development Plan) approved and Mandatory Grant paid	90	71	68	65	73	+8	TARGET OVER-ACHIEVED The number of large firms that submitted WSP increased more than anticipated
2.13	Number of Medium firms WSP/ ATR (Skills Development Plan) approved and Mandatory Grant paid	78	113	118	100	117	+17	TARGET OVER-ACHIEVED More firms submitted a WSP than expected
2.14	Number of Small firms WSP/ ATR (Skills Development Plan) approved and Mandatory Grant paid	234	637	732	600	722	+122	TARGET OVER-ACHIEVED More firms submitted a WSP than expected
2.15	Number of Government Department WSP/ ATR (Skills Development Plan) approved	14	N/A	6	5	5	0	

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 3: Learning Programmes and Projects								
3.1.1	Number of unemployed learners processed for registration on mid-level learnerships	N/A	447	768	420	1 061	+641	TARGET OVER-ACHIEVED This is as a result of more than anticipated number of learners registered by employers
3.1.2	Number of unemployed learners processed for registration on high level learnerships	N/A	3 503	4 065	3 200	3 413	+213	TARGET OVER-ACHIEVED This is due to more than anticipated number of learners registered by employers
3.1.3	Number of unemployed learners where a learner employment grant is approved and paid	N/A	1 138	2 008	1 216	1 593	+377	TARGET OVER-ACHIEVED The Applications received by Fasset were over-subscribed and could be approved through additional budget being made available
3.1.4	Number of unemployed learners where a Public Sector Placement Grant is approved and paid annually	N/A	N/A	N/A	60	66	+6	TARGET OVER-ACHIEVED due to the availability of the surplus funds enabling additional learners to be accommodated
3.1.5	Number of unemployed learners where a Public Sector Academic Support Grant is approved and paid annually	N/A	N/A	N/A	50	0	-50	TARGET NOT ACHIEVED No applications were received for this indicator

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 3: Learning Programmes and Projects								
3.1.6	Number of unemployed learners where a bursary grant is approved and paid	N/A	265	683	400	411	+11	TARGET OVER-ACHIEVED More applications were received from employers with learners that met the criteria
3.1.7	Number of unemployed learners where a bursary is awarded via the Fasset Bursary Scheme	N/A	673	872	639	782	+143	TARGET OVER-ACHIEVED Due to the availability of the surplus funds enabling additional learners to be accommodated
3.1.8	Number of unemployed learners where a Non-pivotal LEG is approved and paid annually	N/A	98	384	450	176	-274	TARGET NOT ACHIEVED Insufficient applications were received from employers for the indicator
3.1.9	Number of unemployed matriculants funded for placement at Fasset employers annually	N/A	N/A	N/A	150	151	+1	TARGET OVER-ACHIEVED One extra learner was approved
3.1.10	Number of unemployed learners who enter an academic skills programme for progression at University annually	N/A	1 455	1 433	1 500	1 236	-264	TARGET NOT ACHIEVED Insufficient applications were received from the universities
3.1.11	Number of unemployed learners who enter a PIVOTAL professional body programme annually	N/A	104	221	365	214	-151	TARGET NOT ACHIEVED Professional bodies awarded were not able to finalize recruitment within the financial year

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 3: Learning Programmes and Projects								
3.1.12	Number of unemployed learners who enter an academic support Non-PIVOTAL professional body programme annually	N/A	700	2	330	253	-77	TARGET NOT ACHIEVED Professional bodies awarded were not able to finalise recruitment within the financial year
3.1.13	Number of unemployed learners funded for entry on a mathematics and accounting programme	N/A	N/A	N/A	450	468	+18	TARGET OVER-ACHIEVED Service provider appointed more learners into the programme within the budget awarded
3.1.14	Number of unemployed learners funded for entry to a skills programme offered at a Community Education and Training College annually	N/A	N/A	N/A	20	30	+10	TARGET OVER-ACHIEVED More learners were appointed into the programme
3.1.15	Number of unemployed learners processed for completion on mid-level learnerships	N/A	120	115	100	259	+159	TARGET OVER-ACHIEVED The number of learnership agreements registered by employers is not within the control of Fasset
3.1.16	Number of unemployed learners processed for completion on high level learnerships	N/A	2 602	2 803	2 300	2 925	+625	TARGET OVER-ACHIEVED The number of learnership agreements registered by employers is not within the control of Fasset

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 3: Learning Programmes and Projects								
3.1.17	Number of unemployed learners who completed an academic year or qualification via the Fasset Bursary Scheme annually	N/A	334	745	438	591	+153	TARGET OVER-ACHIEVED More learners completed than anticipated
3.1.18	Number of unemployed learners who complete an academic skills programme for progression at University annually	N/A	730	1 338	1 281	487	-794	TARGET NOT ACHIEVED Insufficient number of learners entered in the previous financial year impacting on the completion target in the current year
3.1.19	Number of unemployed learners who complete a PIVOTAL professional body programme annually	N/A	0	0	231	0	-231	TARGET NOT ACHIEVED Insufficient number of learners entered in the previous financial year impacting on the completion target in the current year
3.1.20	Number of unemployed learners who complete a Non-PIVOTAL professional body programme annually	N/A	409	0	175	35	-140	TARGET NOT ACHIEVED Insufficient number of learners entered in the previous financial year impacting on the completion target in the current year
3.1.21	Number of employed learners processed for registration on mid-level learnerships annually	N/A	153	299	160	179	+19	TARGET OVER-ACHIEVED The number of learnership agreements registered by employers is not within the control of Fasset

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 3: Learning Programmes and Projects								
3.1.22	Number of employed learners processed for registration on high level learnerships	N/A	104	166	130	110	-20	TARGET NOT ACHIEVED The number of learnership agreements registered by employers is not within the control of Fasset
3.1.23	Number of employed learners where a LEG is approved and paid annually	N/A	N/A	N/A	284	0	-284	TARGET NOT ACHIEVED Applications were received did not meet the criteria for scarce skills as required for this indicator
3.1.24	Number of employed learners where a Bursary Grant is approved and paid annually	N/A	N/A	N/A	100	2	-98	TARGET NOT ACHIEVED Insufficient applications were received, and others did not meet the criteria for scarce skills as required for this indicator
3.1.25	Number of employed learners awarded a bursary via the NLRG annually	N/A	0	353	400	377	-23	TARGET NOT ACHIEVED Insufficient applications with required supporting information were received by employers and learners
3.1.26	Number of employed learners who register for and attend Lifelong Learning events annually	N/A	6 421	30 596	24 500	12 010	-12 490	TARGET NOT ACHIEVED Not all planned LL events was hosted during the current year and insufficient stakeholders attended LL events

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 3: Learning Programmes and Projects								
3.1.27	Number of employed learners processed for completion on mid-level learnerships annually	N/A	83	65	100	135	+35	TARGET OVER-ACHIEVED The number of learnership agreements registered by employers is not within the control of Fasset
3.1.28	Number of employed learners processed for completion on high level learnerships annually	N/A	76	110	85	64	-21	TARGET NOT ACHIEVED The number of learnership agreements registered by employers is not within the control of Fasset
3.1.29	Number of TVET students who enter a National Diploma internship annually	N/A	453	312	480	338	-142	TARGET NOT ACHIEVED Employers awarded could not commence recruitment within the financial year
3.1.30	Number of TVET students who complete a National Diploma internship annually	N/A	308	276	300	130	-170	TARGET NOT ACHIEVED Insufficient learners were entered in the prior years to complete in the current year
3.1.31	Number of unemployed learners where a Public Sector Non-Pivotal Grant is approved and paid annually	N/A	N/A	N/A	10	10	0	

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 3: Learning Programmes and Projects								
3.1.32	Number of unemployed university graduates funded for placement at a Fasset employer annually	N/A	N/A	N/A	450	144	-306	TARGET NOT ACHIEVED Insufficient applications were received from employers
3.1.33	Number of unemployed university graduates placed at small business annually	N/A	N/A	N/A	33	10	-23	TARGET NOT ACHIEVED Employers awarded could not commence recruitment within the financial year
3.1.34	Number of NLPEs supported through discretionary funding annually	N/A	181	52	150	126	-24	TARGET NOT ACHIEVED The number of NLPs registered is insufficient to achieve the target
3.1.35	Number of TVET College lecturers funded for entry to a development programme annually	N/A	N/A	N/A	10	0	-10	TARGET NOT ACHIEVED Not enough employers were recruited to participate in the programme.
3.1.36	Number of small businesses supported through discretionary funding	N/A	592	193	550	337	-213	TARGET NOT ACHIEVED Insufficient LL events were hosted to benefit small business employees
3.1.37	Number of offices opened at a public TVET College annually	N/A	N/A	2	1	1	0	
3.2.1	Number of partnership agreements signed between Fasset and a public Higher Education Institution	N/A	N/A	12	8	8	0	

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 3: Learning Programmes and Projects								
3.2.2	Number of partnership agreements signed between Fasset and a public TVET College annually	N/A	N/A	15	2	2	0	
3.2.3	Number of Partnership agreement signed between Fasset and an employer for placement of TVET learners annually	N/A	26	16	20	25	+5	TARGET OVER-ACHIEVED Some partnership agreements were signed earlier than anticipated with institutions
3.3.1	Number of quarterly management reports submitted to DHET annually	N/A	N/A	4	4	4	0	
3.3.2	Number of quarterly reports submitted to National Treasury (EME reports) annually	N/A	N/A	4	4	4	0	
3.4.1	Number of career guidance events supported annually	N/A	N/A	46	40	71	+31	TARGET OVER-ACHIEVED Due to additional career events supported by other Fasset departments
3.4.2	Number of times Fasset career guide is updated annually	N/A	1	1	1	1	0	

No	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on Deviations
Programme 4: Quality Assurance								
4.1.1	Number of skills development providers accredited to offer Fasset programmes annually	N/A	N/A	N/A	2	3	+1	TARGET OVER-ACHIEVED Additional application were received from service providers
4.2.1	Number of discretionary funded learning programmes monitoring reports produced annually	N/A	N/A	N/A	4	4	0	
4.3.1	Number of Qualification and Learning Certification reports produced quarterly	N/A	N/A	N/A	4	4	0	

*NB where N/A is reported; it means that this target was not measured during that period.

Revenue Collection

	Note(s)	2020 R'000	2019 Restated R'000
Revenue			
Revenue from exchange transactions			
Other income		47	
Investment income	13	54 534	53 894
Profit on disposal of assets			7
Total revenue from exchange transactions		54 581	53 901
Revenue from non-exchange transactions			
Transfer revenue			
Levies	14	552 506	549 192
Other income		5 703	
Total revenue from non-exchange transactions		558 209	549 192
Total revenue		612 790	603 093

PART C: Corporate Governance



Introduction

“ Good corporate governance is key to achieving the SETA’s vision to facilitate the achievement of world-class finance and accounting skills, and supports the SETA’s values of: Ethics; Accountability and Innovation.

Fasset is committed to good governance practices, which seek to promote transparency and accountability to all of its stakeholders and also promote the SETA’s ability to create for the sector essential attributes for an entity powered by public funding. The Fasset Board is the Accounting Authority (AA).

The Fasset Accounting Authority recognises that ethical and effective leadership is the starting point of corporate governance. The tone at the top creates the foundation for good governance. Simply put, the SETA (from its leadership to its staff on the ground, both individually and collectively) should do the right thing to enable delivery of appropriate outputs to those whom its operations impact. The SETA understands that good governance is aspirational and practices must be continuously monitored, adapted and improved. Critically, governance practices must be aligned to and enable the achievement of the SETA’s strategy.

Fasset complies with all applicable regulations, standards and frameworks. In addition, robust governance structures and processes are in place to ensure the execution of the strategy and the management of risks. Fasset’s commitments to internal controls include a code of conduct, service level agreements, declarations of conflict of interest, and a gifts and hospitality register.

King IV

As the cornerstone of good corporate governance, the meaningful and SETA-wide application of the King IV corporate governance practices is the starting point towards achieving the desired governance outcomes. In aligning with King IV, the principles of which apply to the reporting period, the SETA’s approach and commitment to corporate governance has not changed. The Board and management continue to fully acknowledge the role of good governance across all aspects of the SETA as a vital component of sustainable value creation.

The shift to King IV was managed as a project, with responsibility for each principle assigned to appropriate

functional business areas. The working committees put in place comprised senior representatives of the strategy and planning committee (including risk), human resources (including remuneration), finance, governance, IT, internal audit and executive management team with the chief executive officer as project champion; and the Board secretary as the head of governance. This inclusive approach ensures a SETA-wide understanding of the principles and multi-function application of the practices. It also facilitates governance leadership and accountability. The working groups benchmarked existing governance practices against King IV practices to identify areas for improvement.

Executive Authority

We report on our financial and non-financial performance to the MHET in his capacity as the Executive Authority.

Induction and Ongoing Board Development Programme

Board members are accountable and responsible for all actions of Board committees. This is emphasised during induction training provided to new Board members. Other ongoing training and education allows Board members to familiarise themselves with Fasset’s operations, the business environment, fiduciary duties and responsibilities, the Board’s expectations of a Board member’s commitment and behaviour, and regulatory changes and trends. The Chief Executive Officer oversees Board members induction and ongoing training, and will continue to make professional development of its members a priority. Board members have full and unrestricted access to management, SETA information and property. They are entitled to seek independent professional advice in support of their duties at the organisation’s expense.

The Board as a collective and its members as individuals are expected to conduct themselves with integrity, competence, responsibility, accountability, fairness and transparency. This is identified as a key responsibility in the formal board mandate by which the board is bound.

Board Members

The Fasset Board is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2019/2020 financial year, and has provided relevant information to stakeholders to satisfy the King IV disclosure requirements.



Njabulo Ngwenya CA(SA)
Chairman



Mark Bussin
Organised Business



Skalo Dikana CA(SA)
Organised Business



Bongani Mathibela
Organised Business



Angela Nyathela-Mahanjana
Organised Business



Tlakale Christina Phatlane
Organised Labour



Jacobus Christoffel Kruger
Organised Labour



Mopo Mushwana
Organised Business



Doreen Jacobs
Organised Labour



Gugu Mthombeni
Organised Labour



Nthato Mapiloko
Organised Labour



Nyameka Macanda
Organised Labour



Daluhlanga Majeke
The State/Government

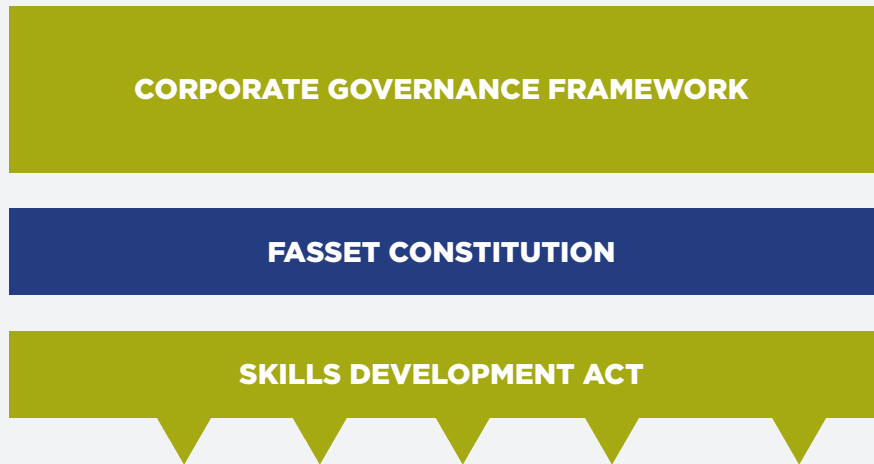
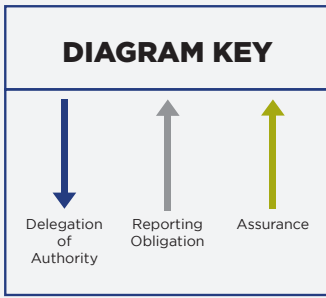


Nadine Kater
Professional Bodies

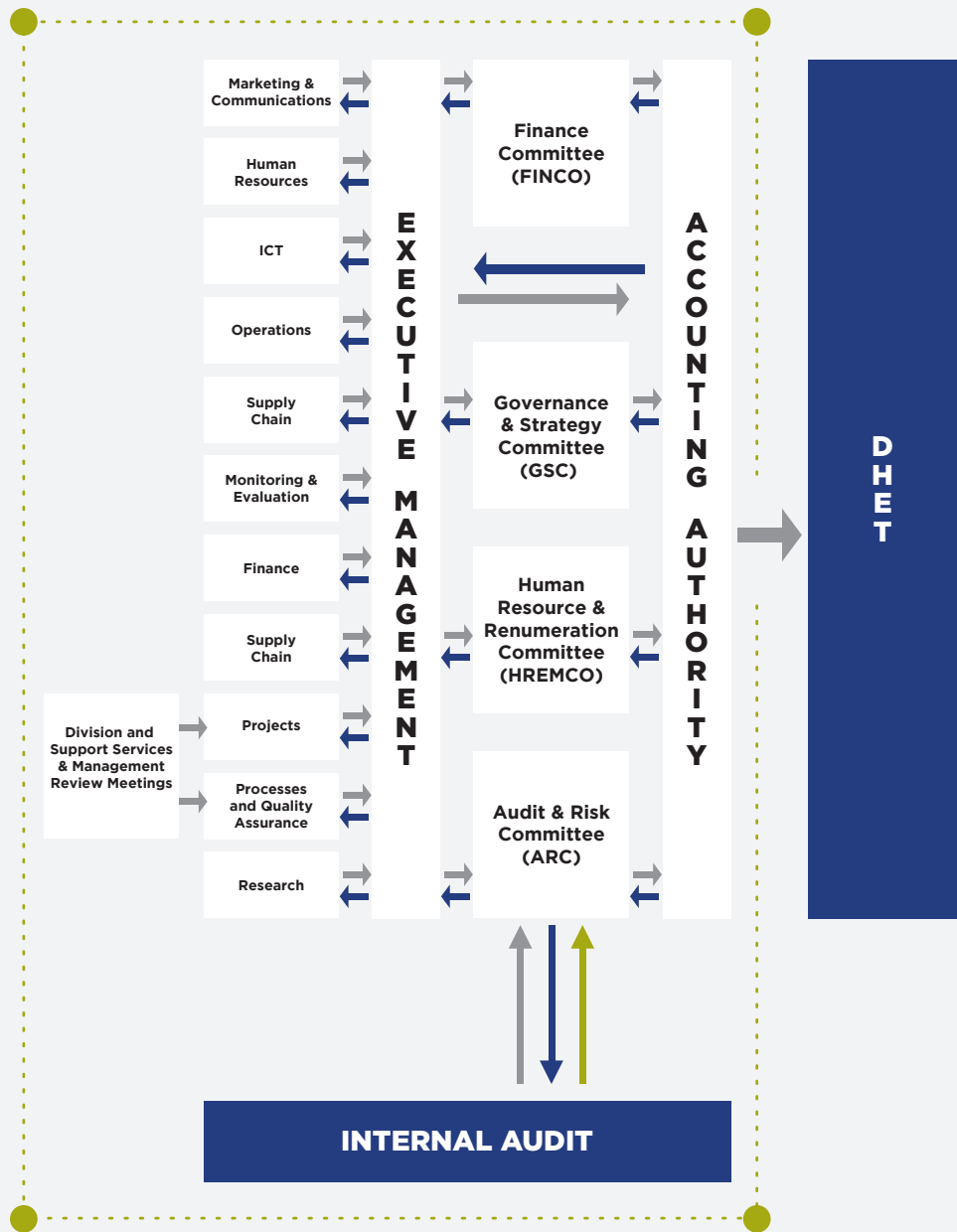


Patience Semenya
Professional Bodies

Figure 7: Corporate Governance Framework



The activities and actions undertaken by the Accounting Authority, its committees and senior management are in the context of and underpinned by (i) our values (ii) our ethics framework and (iii) our codes of conduct.



Accounting Authority

Introduction

As our highest governing structure, the Board retains full and effective control and management of Fasset in accordance with applicable legislation and provides strategic direction. The Board ensures that Fasset delivers on the requirements of the Skills Development Act, 97 of 1998, as amended.

The role of the Accounting Authority is as follows:

- Holds absolute responsibility for the performance of Fasset;
- Retains full and effective control and management of Fasset;
- Ensures that Fasset carries out its fiduciary duties;
- Formulates, monitors and reviews the strategic direction of Fasset;
- Formulates and/or monitors and reviews annual budgets and plans, risk policy and major plans of action;
- Develops clear definition of levels of materiality;
- Ensures financial statements are prepared;
- Manages conflicts of interest;
- Monitors the performance of the Chief Executive Officer;
- Ensures strategic and operational objectives of sustainable performance and meeting the needs of our stakeholders;
- Assesses organisational performance and risks.
- Ensures that decisions and material issues are addressed, and
- Maintains integrity, responsibility and accountability.

Board Charter

The King IV Code of Corporate Governance states that good governance starts with effective leadership. The Board Charter sets out the roles and responsibilities of the Board, which are disclosed in the annual report:

- Ensuring all Board members are aware of their individual and collective duties and responsibilities;
- Providing assurance to all stakeholders that the Board is fulfilling its obligations in terms of the Constitution and the Act;
- Ensuring the principles of corporate governance are applied by all Board members in the course of carrying out their fiduciary duties and in dealing with each other, and

- Ensuring all Board members are aware of the various legislation, regulations and policies that have a bearing on their conduct.

The Board ensures that Fasset delivers on the requirements of the Act by positioning the SETA to deliver on its mandate. At the core of this mandate is facilitating programmes geared towards achieving world-class finance and accountancy skills for the broader South African economy.

Composition of the Accounting Authority

The Accounting Authority comprises 14 members and an independent chairman. All Board members and the independent chairman are non-executive directors and are appointed by the MHET. The terms of office started on 31 March 2018 and ended on 31 March 2020. Board members represent constituencies.

- An independent chairperson;
- Six members representing organised business (including a representative of the State);
- Six members representing organised labour, and
- Two members representing professional bodies.

Committees

The Accounting Authority is assisted by four committees, namely:

- **Audit and Risk Committee (ARC)**, which is made up of four independent members and two Board representatives. The collective skills and expertise of the members of this committee include extensive knowledge and expertise in public sector accounting and GRAP standards, PFMA, National Treasury Regulations, ICT governance, King IV etc. The members also have exposure to the SETA environment.

The Audit and Risk Committee (ARC) has oversight responsibilities for financial management, internal controls, management of risks and monitoring of risk management policy and planning; compliance with laws, regulations, and ethics; accounting and financial reporting; responsibilities related to internal and external audit functions; and IT governance.

- The **Finance Committee**, whose primary responsibilities include monitoring and reporting on financial operations; internal financial policies; budget

performance; consolidating and recommending the annual budget; providing guidelines for reporting on levy collections and grant disbursements; considering and recommending financial reports; and recommending plans for and monitoring the progress of major capital and infrastructure work.

- The **Governance and Strategy Committee's** primary role is to develop policies, principles, criteria and guidelines for governance and strategy; provide strategic direction to the skills development strategy of the sector; monitor adherence to the codes of conduct/ethics; govern compliance with applicable laws; and set the direction for Fasset's approach to corporate citizenship.
- The **Human Resource and Remuneration Committee (REMCO)** advises and makes recommendations to the Board on:
 - Establishing human resource and remuneration strategies and processes to ensure alignment with Fasset's functions and mandate;

- Ensuring that the human resource organisational structure supports Fasset's vision, mission and the activities to be undertaken by Fasset;
- Establishing, maintaining and implementing human resource and remuneration strategies to ensure competitive, fair, equitable and market-related compensation policies and plans to attract, motivate and retain talented human capital;
- Reviewing and monitoring succession planning and policies, and
- Periodically reviewing the practice of diversity in the workplace and the adherence to employment equity plans.

Remuneration of Board members

Board members are remunerated in line with National Treasury and DHET guidelines. Board meetings are remunerated at a daily rate aligned to Category S. Committee meetings are remunerated at an hourly rate aligned to Category S. Board members are reimbursed for out-of-pocket expenses.



Table 8: Board attendance and remuneration 2019/2020

Member	Race and Gender	Constituency	Chairman	Board Meetings Attended	ARC Meeting Attended	FINCO meetings Attended	GSC Meeting Attended	HREMCO Meetings Attended	Total # of Meetings Attended	Total Amount paid
Njabulo Ngwenya	B/M	Independent Chairman	BOARD and GSC	11/11			4/5		15/16	R248 000
Mark Bussin	W/M	Organised business	HREMCO	7/11				4/4	11/15	R77 000
Skalo Dikana ¹	B/M	Organised business	ARC	11/11	4/4				15/15	R204 000
Doreen Jacobs	C/F	Organised labour		10/11				4/4	14/15	R152 000
Nadine Kater ^{2*}	C/F	Professional bodies		6/11		5/9	3/5		14/25	R107 000
Chris Kruger ³	W/M	Organised labour		11/11			5/5		16/16	Nil
Nyameka Macanda	B/F	Organised labour		5/11					5/11	R26 000
Daluhlanga Majeke ³	B/M	Organised business		5/11					5/11	Nil
Bongani Mathibela ⁴	B/M	Organised business		9/11			5/5		14/16	R219 000
Gugulethu Mthombeni	B/F	Organised Labour		11/11			5/5		16/16	R121 000
Mopo Mushwana	B/F	Organised business		11/11		9/9			20/20	R272 000
Angel Nyathela-Mahanjana	B/F	Organised business		11/11			5/5	4/4	20/20	R101 000
Tlakale Phatlane	B/F	Organised labour		10/11		9/9		4/4	23/24	R286 000
Patience Semanya	B/F	Professional bodies		5/11		9/9	4/5		18/25	R199 000
Nthato Mapiloko [#]	B/M	Organised labour		6/11	2/5	5/9			13/25	R176 000

¹ Remuneration paid to PricewaterhouseCoopers (PwC)

² Remuneration paid to SAICA

³ Not remunerated

⁴ Remuneration paid to Basamandla Consulting

* Resigned December 2018

Joined in August 2019

Risk Management

Fasset remains committed to the optimal management and mitigation of all risks associated with the performance of functions and delivery in line with its vision, mission, objectives and strategic plans.

To meet this commitment, the management of risks is integrated into strategy, planning, budgeting and operational internal control processes, and is fully recognised in funding and reporting processes on the basis of evaluation of risk and Fasset's risk appetite.

The Fasset Board has overall responsibility for risk management. The Audit and Risk Committee provides oversight of this function and an executive Risk Management Committee (RMC) is responsible for risk management. The Board recognises that risk management is an integral part of the SETA strategy-setting process. The responsibility for designing, implementing and monitoring the risk management plan is delegated to management.

Fasset defines the material issues that can potentially impact on its ability to deliver on its mandate, the associated risk and potential impact, and how the risks of these material issues are managed. The key risks are tabled and reviewed quarterly by the Audit and Risk Committee. Risk metrics and indicators are clearly defined for all risks, with the risk management process embedded in the SETA's operations.

Board and Committee assessments are conducted annually to gather feedback on the performance of the Board and its committees. The assessments focus on areas such as composition, skills and competence, individual performance/participation and standards of conduct.

Internal controls relating to the adherence of all policies, processes, legislation and standards in areas such as SCM, IT and reporting of performance information were also reviewed to ensure that all strategic and operational risks were effectively managed. Inherent and emerging risks will continue to be managed through governance structures, with the Fasset Board, as the Accounting Authority, remaining ultimately responsible for the risk management function.

Internal Control Unit

The Audit and Risk Committee monitors audit reviews and all internal controls implemented by Fasset

management. The SETA's systems and internal controls include a delegation of responsibilities within a clearly defined framework, effective accounting system and adequate segregation of duties. In addition, all the necessary structures, policies and procedures are in place and updated where necessary to ensure full compliance with various requirements, frameworks and standards, including compliance with the King IV Code of Corporate Governance, which includes placing greater emphasis on IT governance in recognition of the increasingly prominent role of IT as a strategic enabler for organisations.

The Board is of the opinion, based on the information and explanations given by management, the Audit and Risk Committee and AGSA, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, the Board acknowledges that weaknesses in internal control identified during the audit were a reflection of the previous year's challenges. It should also be acknowledged that any internal controls can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Compliance with Laws and Regulations

Fasset's Legislative Compliance Framework is reviewed quarterly by the Audit and Risk Committee and the Board.

Fraud and Corruption

To assist Fasset to give effect to its fraud prevention plan, stakeholders are encouraged to make use of the Fasset Tip-offs Hotline to notify Fasset of any suspected fraudulent activities impacting on the SETA. The hotline is monitored monthly and all activities are reported at management meetings. Neither fraud nor corruption was reported in the period under review.

Minimising Conflict of Interest

Fasset abides by the following principle: A constituent, representative or employee of Fasset who is directly or indirectly interested in any business of Fasset or the committee of which he/she is a member, or who holds any office or possesses any property that might cause a conflict of interest or duties or such possible perception, must:

- Declare such interest or potential conflict of interest;

- Disclose, in writing, to the Board and CEO (in the case of an employee) any conflict of interest or duties, or possible perception of such, as soon as practicable after he/she becomes aware of the relevant facts and shall not participate in the discussion or decision taken, and
- Not take part in any transaction between Fasset and any company, firm or enterprise in which he/she, or any member of his/her family, has an interest, without declaring such interest and having been specifically authorised by the Board to take part in the transaction.

All disclosures made to a meeting of the Board, and related decisions and motivations, are recorded in the minutes of the meeting.

Code of Conduct

Fasset is committed to a policy of fair dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that Fasset's affairs should be conducted honestly, fairly, ethically and legally. Fasset expects all constituents, representatives and employees to share in its commitment to high moral, ethical and legal standards and be aware of and adhere to Fasset's Code of Conduct. Procedures are in place to deal with the breach of the Code of Conduct, but these are still to be tested.

Health, Safety and Environmental Issues

The pressing need to address growing pressure on resources, and rising emissions and global temperatures, is almost universally accepted. Fasset subscribes to the philosophy that small, sustainable actions make a big impact and this belief forms the basis of the Fasset Environmental Policy and its implementation plan.

In spite of the relatively low environmental impact of Fasset, the policy seeks to ensure that the SETA's business is conducted in a responsible, fair and honest manner, in keeping with regulations and codes of practice related to environmental protection. The policy concentrates on energy and water usage and on printing, while encouraging a culture of recycling and of managing and disposing of all waste responsibly.

With the world facing the COVID-19 pandemic and the announcement of the first COVID-19 case in South Africa early in March, Year 2020 proved to be a challenging year for the Fasset family. Amid fears of the pandemic Fasset acted swiftly, through procurement

processes to secure and provide staff members with the essential Personal Protective Equipment (PPE). All the precautionary measures were taken to ensure the safety of staff until South Africa went into lockdown on 27 March 2020.

Company Secretary

The Board is cognisant of the duties of the Company Secretary and an environment exists in which the Company Secretary is able to ensure full adherence to Board procedures and relevant regulations. The Company Secretary's role entails:

- recording minutes of the Board and meetings of its committees;
- determining the annual calendar for Board meetings in consultation with the Board Chairman and the CEO;
- preparation and distribution of Board packs for meetings;
- maintenance of statutory records;
- facilitating the annual performance evaluation process for the Board and its committees;
- managing the nomination process of new Board members;
- facilitating the induction of new Board members and developing mechanisms for providing continuous education and training for Board members to improve and maintain Board effectiveness;
- Providing guidance on Board members' fiduciary responsibilities and duties;
- Providing guidance to Board members on governance, and
- Managing conflicts of interest.

These duties were discharged accordingly. The Board Secretary resigned in January 2020.

Social Responsibility

The PFMA precludes public entities from using public funds to support corporate social responsibility (CSR) initiatives. Fasset's CSR initiatives are, therefore, staff driven and voluntary in line with its commitment to making a difference, however slight, in the communities in which it operates.

In the 2019/2020 financial year, Fasset donated obsolete furniture to Community Learning Centres (CLCs). 4 (four) CLCs (Sydney Maseko, Bethsaida, Kwazini and Good Shepherd) benefited from this initiative, a gesture that was appreciated by the management of the centres due to the limited resources.

Audit and Risk Committee Report

Report of the Audit and Risk Committee in terms of Regulations 27 (1) (10) (B) and (C) of the PFMA. We are pleased to present our report for the financial year ended 31 March 2020.

Audit and Risk Committee responsibility

The Audit and Risk Committee ("ARC") has adopted appropriate terms of reference as per its ARC charter.

The charter is updated regularly and complies with the principles of good governance and with the requirements of the PFMA. The Audit and Risk Committee is accountable to the Board and has an oversight function for:

- Financial management
- IT governance
- Risk management and internal audit
- Compliance with laws, regulations and good ethics
- Reporting practices, and
- External audit

The Audit and Risk Committee has satisfied its responsibilities for the year, in compliance with its terms of reference and charter.

Report on the operations of the Audit and Risk Committee

During the period under review, the following activities were undertaken and demonstrate the commitment of the Audit and Risk Committee to achieve its mandate:

- Updated the ARC charter;
- Considered the risk management process;
- Considered the internal audit plans and reports and made recommendations as appropriate;
- Monitored progress with the internal audit coverage plans as well as management's follow-up on matters requiring attention;
- Monitored compliance with policies and applicable legislation;
- Conducted separate meetings with management, internal and external audit;
- Reviewed external audit plans, reports and management's follow-up of matters requiring attention;
- Provided guidance to the Board on IT governance issues and alignment to applicable legislation; and
- Conducted a self-assessment during the year. Results concluded that the Audit and Risk Committee is

effective in the execution of its duties. Minor areas of improvement were identified and action plans were put in place.

The effectiveness of internal control

The ARC is satisfied that:

- Risk management policies are in place however further improvements with the embedding thereof is required;
- The internal control systems were effective for the most part. Internal control weaknesses in the SCM, ICT and Grants Management Processes were identified. The weaknesses identified are being addressed;
- The internal auditors were operating objectively and independently, and
- Matters requiring management's attention have been addressed adequately.

Evaluation of financial statements

The Audit and Risk Committee has:

- Reviewed and discussed with the Auditor-General the audited financial statements to be included in the Annual integrated report;
- Reviewed significant judgements and accounting policies adopted in the preparation of the financial statements;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed significant adjustments resulting from the audit;
- Reviewed and discussed the Auditor-General's report;
- Reviewed and confirmed the independence of the external auditors with respect to non-audit services; and
- Reviewed the performance of the finance function and recommended improvements. The CFO was appointed during the year to address gaps identified.

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

Table 9: Audit and Risk Committee attendance and remuneration 2019/2020

Member	Skalo Dikana ¹ (Chairman)	Romeshni Govender	Juliet Tshoke	Nalini Maharaj ²	Nthato Mapiloko ³
Position	Board member	Independent member	Independent member	Independent member	Independent member
Meetings					
20 May 2019	x	✓	✓	✓	N/A
27 May 2019	✓	✓	x	✓	N/A
23 July 2019	✓	x	✓	✓	N/A
15 August 2019	✓	✓	✓	✓	N/A
31 October 2019	✓	✓	✓	✓	✓
02 March 2020	✓	x	✓	✓	✓
<i>Meetings attended</i>	5	4	5	6	2
Remuneration during year for financial year ending 31 March 2020	R55 490	R41 558	R40 000	R55 063	R17 268

¹Committee fees paid to PricewaterhouseCoopers (PWC): S.Dikana

²Appointed 01 May 2019

³Appointed 01 September 2019



Mr. Skalo Dikana CA(SA)

Chairperson of the Audit and Risk Committee

Fasset

30 September 2020

¹ Committee fees paid to PwC: S Dikana

² Resigned December 2018

³ Resigned November 2018

A blue-tinted photograph of two men in business attire. One man is in the foreground, looking at a laptop screen with his hand on his chin. The other man is in the background, gesturing with his hand. The scene is set in an office with shelves in the background.

PART D: Human Resource Management

Introduction

In a time where skill development is paramount in ensuring operational efficiency, Fasset continues to place critical value on employee training. We believe by training our employees we are enabling them to reach their objectives while solidifying their productivity goals.

Ultimately, a workforce that offers diverse and current skills capacitates an organisation, and Fasset is no different.

Background

In celebrating the resilience of financial and accounting skills in our economy, Fasset supports the country's skills development through partnerships with:

- Professional Bodies;
- Employers; institutions and learnerships; and
- Employees.

Fasset's goal is to take these stakeholders' internal and external skills to the next competitive level, equipping them for global developments such as the Fourth Industrial Revolution (4IR) which represent a fundamental change in the way business is conducted. Technology and skills are now applied differently – all contributing towards the growth and enhancement of the financial and accounting sector.

Fasset's employee value proposition

Fasset offers an employee value proposition which encompasses recruitment, remuneration, training and wellness; this in turn ensures that individuals are presented with all the support they need to enhance their skills and become part of a high-performance culture.

To ensure the Fasset team are well supported and taken care of, regular job grading and evaluation are undertaken as well consistent employee benefit enhancements.

Redefining Fasset's performance management system and approach

Fasset's Performance Management has moved beyond paper to become an impactful journey that takes employees from recruitment to growth within the organisation, ultimately enhancing the resilience of staff members.

Employees are for example presented with challenges in specific development areas that in turn contribute to role improvement and their contribution to Fasset, ultimately shaping high-performing individuals.

Fasset's operations are built on an agile workforce - alternative resources of talent are always vital.

Investing in people through training

Fasset's focus is to provide developmental opportunities to its internal staff, preparing them for growth in different roles whilst contributing to current and future skills development.

The organisation has also adopted an approach that prioritises learning and development initiatives that add value, ultimately culminating in improved business efficiency.

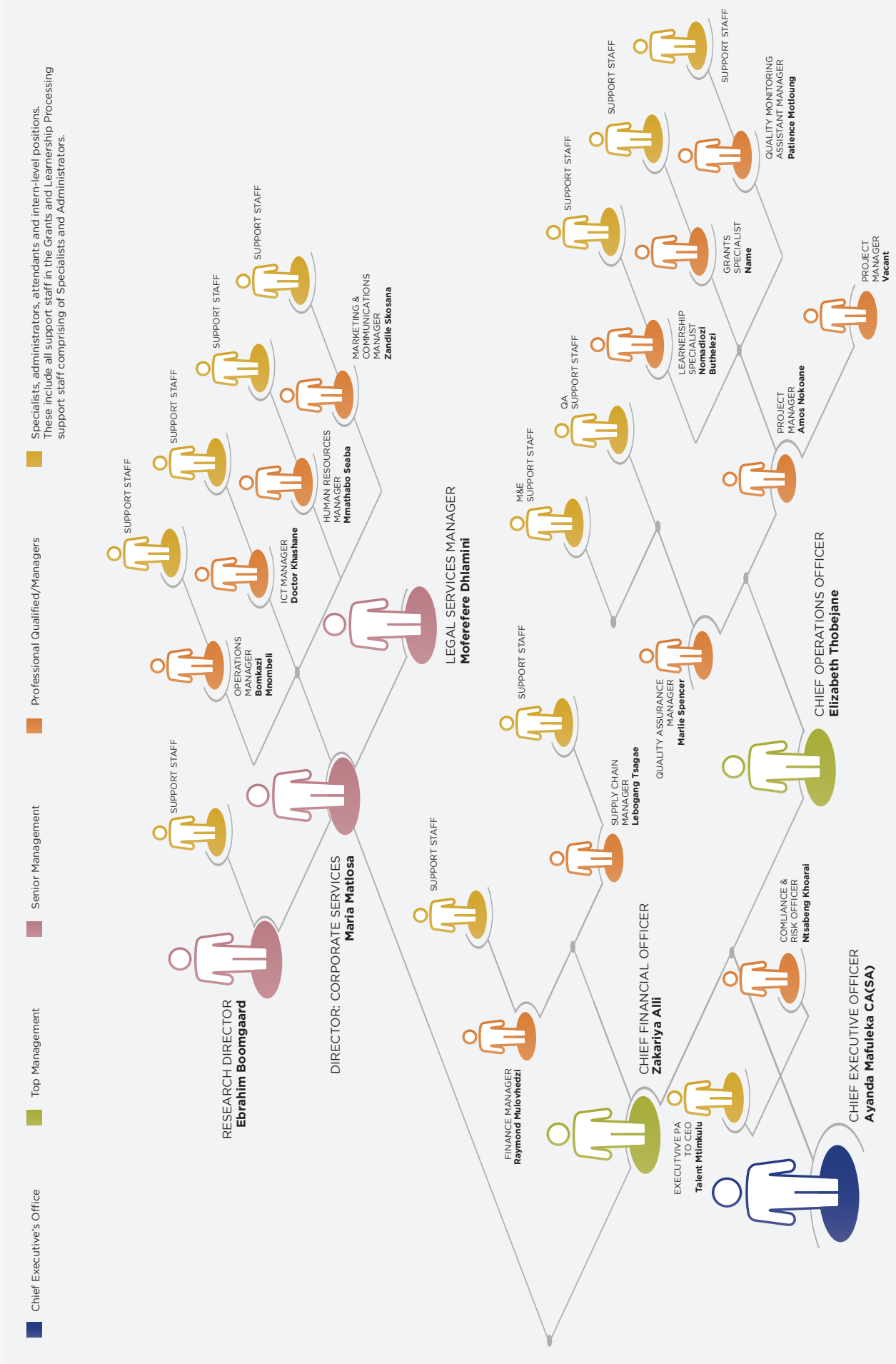
Employee relations

Fasset entered into a recognition agreement with a labour partner to ensure that employee relations are maintained. A recognition agreement was signed to solidify the relationship.

Updating HR policies and procedures

The conditions of service for all employees, were updated and will be reviewed annually. This ensures that legislative changes are factored in.

Figure 8: Organisational Structure



Human Resources Oversight Statistics

Personnel cost by programme/activity/objective

Programme/ activity/objective	Total expenditure for the entity	Personnel expenditure	Personnel expenditure as a % of total expenditure	Number of employees	Average personnel cost per employee
	(R'000)	(R'000)	%		(R'000)
Administration	59 050	12 443	21	34	518
Skills Planning	82 219	7 373	9	11	922
Learning Programmes	487 541	5 558	1	26	293
Quality Assurance	6 477	3 196	49	4	1 598
Total	635 287	28 570	-	75	-

Personnel cost by salary band

Level	Personnel expenditure	% of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee
	(R'000)	%		(R'000)
Top management	5 500	19	5	1 100
Senior management	4 127	14	4	1 261
Managers	6 704	23	10	670
Professional qualified	2 075	7	4	519
Skilled	5 374	19	20	269
Semi-skilled	4 102	14	23	178
Unskilled	688	2	9	76
Total	28 570	98	75	-

Performance rewards

Level	Performance rewards	Personnel expenditure	% of performance rewards to total personnel cost
		(R'000)	%
Top management	Incentive rewards	144	16
Senior management	Incentive rewards	164	18
Managers	Incentive rewards	283	30
Professional qualified	Incentive rewards	15	2
Skilled	Incentive rewards	108	12

Level	Performance rewards	Personnel expenditure	% of performance rewards to total personnel cost
		(R'000)	%
Semi-skilled	Incentive rewards	191	21
Unskilled	Incentive rewards	24	3
Total		929	102

Training costs

Programme/ activity/ objective	Personnel expenditure	Training expenditure	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee
	(R'000)	(R'000)	%		(R'000)
Administration	12 443	258	2	32	8
Skills Planning	7 373	136	2	9	15
Learning Programmes	5 558	214	4	16	13
Quality Assurance	3 196	16	0,5	2	8

Employment and vacancies

Programme/ activity/ objective	2018/2019 Number of employees	2019/2020 Approved posts	2019/2020 Number of employees	2019/2020 Vacancies	% of vacancies
					%
Administration	23	34	30	4	5
Learning Programmes	14	25	19	6	8
Skills Planning	11	12	8	4	5
Quality Assurance	4	8	2	6	7
Total	52	79	59	20	25

	2018/2019 Number of employees	2019/2020 Approved posts	2019/2020 Number of employees	2019/2020 Vacancies	% of vacancies
					%
Top management	4	4	3	1	1
Senior management	2	4	2	2	2.5
Managers	8	10	8	2	2.4
Professional qualified	4	4	4	0	0
Skilled	12	24	13	11	14.5
Semi-skilled	20	24	20	4	0
Unskilled	2	9	9	0	5
Total	52	79	59	20	25

Within FY 19/20 there has been a reshuffling of the Process Quality Director position to Research Director position as well as a conversion of the Quality Assurance Manager position to Assistant Manager Quality and Monitoring positions, however, in FY 2019/20 we experienced a high number of turnover and successfully replaced critical positions with out any delays.

Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	4	1	2	3
Senior management	3	1	2	2
Managers	8	2	2	8
Professional qualified	5	1	0	*6
Skilled	14	6	7	13
Semi-skilled	16	9	4	*21
Unskilled	8	1	0	9
Total	58	21	17	*62

The total staff complement at the end of the period was fifty nine (59) due to the three (3) positions, which were staff movements under the professional and semi-skilled levels. These movements were due to fixed term contracts coming to an end and other changes in contract terms.

Reasons for staff leaving

Reason	Number	% of total number of staff leaving
Death	0	0
Resignation	7	13
Dismissal	2	4
Retirement	0	0
Ill health	0	0
Expiry of contract	6	11
Other	2	4
Total	17	32

2019/20 Fasset experienced a lot of resignations with different reasons as per exit interviews, which, ranges from career advancement to salary expectations. Termination of contract employees who were appointed as Data captures during a season ended as well as two (2) dismissals.

Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	2
Total	2

Equity target and employment equity status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	2	0	0	0	1	0	0	0
Senior management	0	0	1	0	0	0	0	0
Managers	6	0	0	0	0	0	0	0
Professional qualified	1	0	0	0	0	0	0	0
Skilled	7	0	0	0	0	0	0	0
Semi-skilled	7	0	0	1	0	1	0	0
Unskilled	2	0	0	0	0	0	0	0
Total	25	0	1	1	1	1	0	0

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	0	1	0	0	0	0	0
Senior management	2	0	0	0	0	0	1	0
Managers	3	0	0	0	0	0	1	0
Professional qualified	3	0	0	0	0	0	0	0
Skilled	13	0	0	0	0	0	0	0
Semi-skilled	16	0	0	1	0	1	0	0
Unskilled	7	0	0	0	0	0	0	0
Total	45	0	1	1	0	1	2	0

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	1	2
Unskilled	0	0	1	0
Total	0	0	2	2

The disability status is still the same, no appointments of persons with disability has been done.

PART E:

Financial Information



Statement of Responsibility for the Annual Financial Statements

The Accounting Authority is responsible for the preparation of Fasset's financial statements and for judgments made in compiling this information.

It is responsible for establishing and implementing a system of internal control to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

In our opinion, the Annual Financial Statements fairly reflect the operations of Fasset for the financial year ended 31 March 2020.

The external auditors have a statutory duty to express an independent opinion on Fasset's Annual Financial Statements for the year ended 31 March 2020. The Auditor-General's report is on page 79.

The Annual Financial Statements of Fasset have been approved. The full set of audited financial statements can be found on pages 84 to 120 of this report.



Ms. Lynette Ntuli
Chairperson

Report of the Auditor-General of South Africa

Report of the Auditor-General to Parliament on the Finance and Accounting Services Sector Education and Training Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Finance and Accounting Services Sector Education and Training Authority set out on pages 84 to 120, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Finance and Accounting Services Sector Education and Training Authority as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act of South Africa, 1998 (Act No. 97 of 1998) (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Subsequent events

7. As disclosed in note 30 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of COVID-19 on the public entity's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances.

Responsibilities of accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and the SDA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the Finance and Accounting Services Sector Education and Training Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the

appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general’s responsibilities for the audit of the financial statements

- 10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report.

Report on the audit of the annual performance report

Introduction and scope

- 12. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
- 13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3 – learning programmes and projects	50 - 57

- 15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 16. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme:
Programme 3 – learning programmes and projects

Other matter

- 17. I draw attention to the matter below.

Achievement of planned targets

- 18. Refer to the annual performance report on pages 43 to 58 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets.

Report on the audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material finding on compliance with specific matters in key legislation are as follows:

Procurement and contract management

21. The preference point system was not applied in some of the procurement of goods and services above R30 000 as required by section 2(a) of the PPPFA.

Other information

22. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the report of the chairperson of the board, the chief executive officer's report, and the audit committee's report, as required by the PFMA. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. We did not receive the other information prior to the date of this auditor's report. When we do receive and read this information, if I conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
27. The public entity did not review and monitor compliance with applicable laws and regulations relating to the application of the preference point system for quotations above R30 000.

Auditor-General

Pretoria

30 September 2020



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure - Auditor-General's Responsibility for the Audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the public entity's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Finance and Accounting Services Sector Education and Training Authority's to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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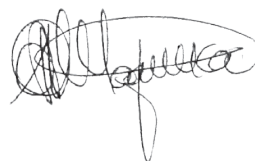
The reports and statements set out below comprise the annual financial statements:

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The annual financial statements set out on pages 84 to 120, which have been prepared on the going concern basis, were approved by the board of members on 30 September 2020 and were signed on its behalf by:



Ms. Lynette Ntuli
Chairperson



Ms. Ayanda Mafuleka CA(SA)
Chief Executive Officer

Annual Financial Statements

for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

	Note(s)	2020 R'000	2019 Restated* R'000
Assets			
Current Assets			
Inventories		125	117
Receivables from exchange transactions	3	299	158
Receivables from non-exchange transactions	4	9 459	11 026
Cash and cash equivalents	5	787 582	795 658
Total current assets		797 465	806 959
Non-Current Assets			
Property, plant and equipment	6	4 685	1 912
Intangible assets	7	275	157
Total non-current assets		4 960	2 069
Total Assets		802 425	809 028
Liabilities			
Current Liabilities			
Operating lease liability	8	580	285
Payables from exchange transactions	9	2 326	4 512
Payables from non-exchange transactions	10	98 359	84 918
Provisions	11	43 373	38 909
Total current liabilities		144 638	128 624
Total Liabilities		144 638	128 624
Net Assets		657 787	680 404
Reserves			
Administration reserve		4 960	2 069
Mandatory reserve		1 288	401
Discretionary reserve		651 539	677 934
Net Assets		657 787	680 404

Statement of Financial Performance for the year ended 31 March 2020

	Note(s)	2020 R'000	2019 Restated* R'000
Revenue			
Revenue from exchange transactions			
Other income		47	-
Investment income	13	54 534	53 894
Profit on disposal of assets		-	7
Total revenue from exchange transactions		54 581	53 901
Revenue from non-exchange transactions			
Transfer revenue			
Levies	14	552 506	549 192
Other income		5 703	-
Total revenue from non-exchange transactions		558 209	549 192
Total revenue		612 790	603 093
Expenditure			
Employee related costs	15	(28 569)	(25 270)
Internal audit fees		(1 338)	(850)
External audit fees		(3 547)	(3 622)
Depreciation and amortisation		(1 250)	(644)
Lease rentals on operating lease		(3 043)	(3 056)
Impairment of receivables		(111)	(713)
Receivables Written off		(54)	(1)
Consulting and professional fees	16	(7 556)	(11 614)
Employer grant and project expenses	17	(569 515)	(499 797)
Loss on disposal of assets and liabilities		(20)	-
Other administration expenses	18	(20 401)	(15 389)
Total Expenditure		(635 404)	(560 956)
(Deficit) surplus for the year		(22 614)	42 137

Statement of Changes in Net Assets

	Administration reserve R'000	Mandatory reserve R'000	Discretionary reserve R'000	Total reserves R'000	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2018	638	589	637 041	638 268	-	638 268
Changes in net assets						
Surplus for the year	-	-	-	-	42 137	42 137
Allocation of accumulated surplus	14 441	48 678	(20 982)	42 137	(42 137)	-
Excess transferred to Discretionary reserve	(13 010)	(48 866)	61 875	(1)	-	(1)
Total changes	1 431	(188)	40 893	-	-	-
Balance at 01 April 2019	2 069	401	677 934	680 404	-	680 404
Changes in net assets						
Deficit for the year	-	-	-	-	(22 614)	(22 614)
Allocation of accumulated surplus Note 12	7 047	52 288	(81 949)	(22 614)	22 614	-
Excess reserves transferred to Discretionary reserve	(4 156)	(51 401)	55 554	(3)	-	(3)
Total changes	2 891	887	(26 395)	-	-	-
Balance at 31 March 2020	4 960	1 288	651 539	657 787	-	657 787

Cash Flow Statement

	Note(s)	2020 R'000	2019 Restated* R'000
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		561 342	569 196
Interest income		54 534	53 894
Other cash receipts		47	-
		615 923	623 090
Payments			
Grants and project payments		(553 731)	(463 505)
Compensation of employees		(28 207)	(23 787)
Payments to suppliers		(37 900)	(33 716)
		(619 838)	(521 008)
Net cash inflows from operating activities	19	(3 915)	102 082
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(3 910)	(1 887)
Proceeds from sale of property, plant and equipment	6	-	11
Purchase of other intangible assets	7	(251)	(193)
		(4 161)	(2 069)
Net increase in cash and cash equivalents		(8 076)	100 013
Cash and cash equivalents at the beginning of the year		795 658	695 645
Cash and cash equivalents at the end of the year	5	787 582	795 658

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	R'000
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	-	-	-	47	47	Note no. 26.1
Interest received - investment	24 919	25 081	50 000	54 534	4 534	
Total revenue from exchange transactions	24 919	25 081	50 000	54 581	4 581	
Revenue from non-exchange transactions						
Transfer revenue						
Levies	586 598	(25 365)	561 233	552 506	(8 727)	
Approved Retained Surplus	-	154 500	154 500	-	(154 500)	Note no. 26.2
Other income-fruitless and wasteful recoveries	-	-	-	5 703	5 703	Note no. 26.1
Total revenue from non-exchange transactions	586 598	129 135	715 733	558 209	(157 524)	
Expenditure						
Employee related costs	(31 057)	(467)	(31 524)	(28 569)	2 955	
External audit fees	(2 968)	-	(2 968)	(3 547)	(579)	Note no. 26.5
Internal audit fees	(1 166)	-	(1 166)	(1 338)	(172)	Note no. 26.3
Depreciation and amortisation	-	-	-	(1 250)	(1 250)	Note no. 26.4
Consulting and professional fees	(5 058)	(2 752)	(7 810)	(7 556)	254	
Lease rentals on operating lease	(3 253)	(120)	(3 373)	(3 043)	330	Note no. 26.10
Impairment of receivables	-	-	-	(111)	(111)	Note no. 26.6
Receivables written off	-	-	-	(54)	(54)	
Employer grant and project expenses	(533 767)	(157 432)	(691 199)	(569 515)	121 684	Note no. 26.7
Loss on disposal of assets	-	-	-	(20)	(20)	Note no. 26.9
Administration expenses	(34 248)	6 555	(27 693)	(20 401)	7 292	Note no. 26.8
Total expenditure	(611 517)	(154 216)	(765 733)	(635 404)	130 329	
Surplus for the year	-	-	-	(22 614)	(22 614)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(22 614)	(22 614)	

Accounting Policies

1. Presentation of Audited Annual Financial Statements

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999). Accounting policies are in accordance with the Skills Development Act, Act No. 97 of 1998, as amended and the Skills Development Levies Act, Act No. 9 of 1999, as amended.

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, are disclosed below.

1.1 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

Receivables from exchange transactions

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Receivables from non-exchange transactions

Fasset refunds amounts to employers in the form of grants, based on information from SARS. Where

SARS retrospectively amends the information on levies collected this may result in grants that have been paid to affected employers being in excess of the amount Fasset would have granted to those employers had all information been available at the time of paying those grants. A receivable relating to overpayments made in earlier periods is recognised at the amount of the grant over payment, net of bad debts and allowance for irrecoverable amounts.

Payables from exchange transactions

Payables from exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

Payables from non-exchange transactions

Payables from non-exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

1.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The useful lives of items of property, plant and equipment have been assessed as follows:

Office furniture and fittings	10
Office equipment	5
Computer equipment	3
Leasehold improvements	over the lease term

Fasset assess whether there is any indication that the expected useful life of the asset has changed based on the condition of the asset if it has improved or declined during the reporting period.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised).

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	2 years

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

Intangible assets are amortised on the straight line basis over their expected useful lives to their estimated residual value.

Where the carrying amount of an intangible asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e impairment losses are recognised).

1.6 Financial instruments

Financial assets

All financial assets of Fasset are categorised at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise balances held at banks and deposits made with the Corporation for Public Deposits and are stated at amortised cost, which, due to their short-term nature, closely approximates their fair value.

Financial assets at amortised cost

Fasset classifies receivables from exchange and non-exchange transactions as financial assets at amortised cost and measures these using the effective interest method. These financial assets are not quoted in an active market and have fixed or determinable payments as defined in the standards of Generally Recognised Accounting Practice.

Interest income is recognised by applying the effective interest rate.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at

amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables from non-exchange transactions where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit for the year.

Financial liabilities

All financial liabilities of Fasset are measured at amortised cost. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

Fasset has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or to the notes thereto:

Class	Category
Trade and payables	Financial liability measured at amortised cost

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.7 Tax

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Inventories consist of consumables on hand at the reporting date and are measured at cost. An individual inventory item whose cost does not exceed R1 000 is recognised as an expense in their year of acquisition.

1.9 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

Termination benefits are recognised and expensed only when the company can no longer withdraw the offer of the benefits.

Liabilities for annual leave are recognised as they accrue to employees. The entity recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee. The leave liability is recognised as an accrual.

Fasset provides for retirement benefits for all its permanent employees through a defined contribution scheme to the NMG Umbrella Smart fund that is subject to the Pension Funds Act, 1956 (Act No. 24 of 1956) as amended. In terms of the Pension Funds Act, 1956 (Act No. 24 of 1956).

1.10 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Fasset recognises a provision for the repayment of levies contributed by companies exempted from contributing skills development levy but continue to do so.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow

of resources embodying economic benefits or service potential will be required, to settle the obligation.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is (a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Commitments are disclosed in a note to the financial statements if both the following criteria are met:

Contracts should be non-cancellable or cancellable at a significant cost; and

Contracts should relate to something other than the routine, steady, state business of the entity - therefore salary commitments relating to employment contracts are excluded.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

1.11 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

Interest income is accrued on a time proportionate basis, taking into account the principal outstanding and effective interest rate over the period to maturity.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.12 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the entity, usually in accordance with a binding arrangement.

When the entity receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that the entity will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to the entity are subject to the fulfillment of specific conditions, it recognises an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised.

The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education and Training (DHET) and contributions received from government departments for which Fasset qualifies as the line function SETA.

Levy income

The accounting policy for the recognition and measurement of skills development levy income is based on the Skills Development Act (SDA), Act No. 97 of 1998, as amended and in the Skills Development Levies Act (SDLA) Act No. 9 of 1999, as amended.

In terms of section 3(1) and 3(4) of the SDLA, 1999 as amended, registered member companies of the entity pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collect the levies on behalf of the DHET. Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the SDLA (1999) as amended, effective 01 August 2005.

80% of Skills Development Levies (SDL) are paid over to Fasset (net of the 20% contribution to the NSF).

Revenue is adjusted for transfers between the SETAs due to employers changing SETAs. Such adjustments are separately disclosed as inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the most recent Standard Operating Procedure issued by DHET. SDL transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training makes an allocation to the entity, as required by Section 8 of the SDLA, 1999 as amended.

In terms of the DPSA circular, circular HRD 1 of 2013, all departments are required to set aside a minimum of 1% of the total department's annual personnel budget for training and development of its personnel and potential employees. 30% of this amount is appropriated to the SETA with which the department is affiliated. For departments belonging to more than one SETA the 30% levy is apportioned proportionally. Fasset receives contributions in this regard from SARS (as an employer) and National and Provincial Treasuries.

Interest and penalties

Interest and penalties received on the SDL are recognised on an accrual basis.

1.13 Investment income

Interest income from investments including Corporation for Public Deposits and cash held in current accounts, is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any Provincial Legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.17 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.18 Reserves

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with the SETA Grant Regulations as follows:

Grant Regulations as follows:

- Administration reserve
- Mandatory reserve

- Discretionary reserve
- Accumulated surplus

Employer levy payments are set aside in terms of the SDA (1998) and the SETA Grant Regulations for the purpose of:

- | | |
|---|-------|
| • Administration costs of the SETA | 10.5% |
| • Employer grant fund levy | 20.0% |
| • Discretionary Grants and projects | 49.5% |
| • Contributions to the National Skills Fund | 20.0% |

Government department levy payments are set aside for the purpose of:

- | | |
|-------------------------------------|-------|
| • Administration costs of the SETA | 33.3% |
| • Discretionary Grants and projects | 66.7% |

Interest and penalties received from SARS as well as interest received on investments is utilised for Discretionary Grant projects.

Surplus funds in the administration and unallocated funds in the employer grant reserves are moved to the discretionary fund reserve. Provision is made in the administration reserve equal to the book value of depreciable assets. Provision is made in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date.

1.19 Grants and Project Expenditure

A registered employer may recover a maximum of 20% of its total levy payment as a Mandatory Grant (excluding interest and penalties) by complying with the criteria in accordance with the SDA, 1998, as amended, SETA Grant Regulations regarding monies received and related matters.

Mandatory Grants

The grant expenditure is recognised when the employer has submitted an application for a grant in the prescribed form within the legislated cut off period and the application has been approved. The grants are equivalent to 20% of the total levies contributed by employers.

1.20 Grants

Mandatory Grant payments

A liability is recognised for Mandatory Grant payments once the specific criteria set out in the SETA Grant Regulation have been complied with by member companies and it is probable that the entity will approve the grant application for payment. The liability

is measured at estimated cash outflow as determined in accordance with the SDA (1998). This measurement involves an estimate, based on the amount of levies received.

Discretionary Grant payments

A liability is recognised for Discretionary Grant payments once the specific criteria set out in the SETA Grant Regulation and any additional criteria as approved by the Accounting Authority have been complied with by member companies and it is probable that the entity will approve the grant application for payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the GRAP. This measurement involves an estimate, based on the amount of levies received.

Discretionary projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to Annual Financial Statements.

Commitments as per the SETA Regulations are defined as contractual obligations that exist at the end of the financial year that oblige the SETA to make payments or agreement (written) with specific terms between a SETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which a SETA will be obliged to make a payment against the Discretionary Grant.

Commitments are disclosed where the entity has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are yet due for payment.

1.21 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity or another entity are subject to common control. Only disclosed if not at arm's length.

Notes to the Audited Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact
Guideline: Accounting for Arrangements Undertaken i.t.o the National Housing Programme	01 April 2019	No material impact.
GRAP 20: Related parties	01 April 2019	The adoption of this has not had a material impact on the results of the entity, but has resulted in additional disclosure than would have previously been provided in the financial statements.
GRAP 32: Service Concession Arrangements: Grantor	01 April 2019	No material impact.
GRAP 108: Statutory Receivables	01 April 2019	The adoption of this has not had a material impact on the results of the entity, but has resulted in additional disclosure than would have previously been provided in the financial statements.
GRAP 109: Accounting by Principals and Agents	01 April 2019	No material impact.
IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2019	No material impact.
IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	No material impact.
IGRAP 19: Liabilities to Pay Levies	01 April 2019	No material impact.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:

Standard / Interpretation	Effective date: Years beginning on or after	Expected impact
GRAP 104 (amended): Financial Instruments	01 April 2020	No material impact.

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods but are not relevant to its operations:

3. Receivables from exchange transactions

	2020 R'000	2019 Restated* R'000
Pre-payments	250	-
Deposits	-	104
Other receivables	48	47
Staff debtors	1	7
	299	158

4. Receivables from non-exchange transactions

	2020 R'000	2019 Restated* R'000
Government Levy receivable	-	1 306
Employer receivables	4 581	1 006
Provision for impairment of employer receivables	(825)	(714)
Levy debtor receivable	-	174
Project receivables	5 703	9 254
	9 459	11 026

R4 581 000 (2019: R1 006 000) was recognised as a receivable relating to the overpayment to the levy paying-employers in prior periods, as a result of levy income reversals done by SARS after the grants had been paid. Fasset refunds amounts to employers in the form of grants, based on information from DHET. Where information is retrospectively amended, it may result in grants that have been paid to certain employers that are in excess of the amount Fasset is permitted to have granted to employers.

A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts. The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the Accounting Authority based on assessment of the risk of non-recoverability. The carrying amount of these assets approximates their fair value.

Project receivables to an amount of R5 703 000 relates to the recoveries of fruitless and wasteful expenditure incurred in the 2017/2018 financial period from a service provider.

Reconciliation of provision for impairment of employer receivables

	2020 R'000	2019 Restated* R'000
Opening balance	(714)	-
Provision for impairment raised in current period	(165)	(714)
Amounts written off as uncollectible	54	-
	825	(714)

The provision is raised for employers with a debit balance who cannot be traced and the amount has not changed over 6 months.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand
Bank balances - FNB current account
Reserve Bank (CPD account)

2020 R'000	2019 Restated* R'000
-	2
24 790	44 784
762 792	750 872
787 582	795 658

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. Fasset invests surplus funds in line with the Treasury Regulations 31.3.3. During the current year funds were invested with the Corporation for Public Deposits. The average interest rate on funds held at the Corporation for Public Deposits was 6.07% (2019: 7.06%).

6. Property, plant and equipment

	2020 R'000			2019 R'000		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office furniture and fittings	2 238	(377)	1 861	560	(527)	33
Office equipment	1 026	(672)	354	980	(591)	389
Computer equipment	2 710	(1 533)	1 177	1 761	(972)	789
Leasehold improvements	1 681	(388)	1 293	797	(96)	701
Total	7 655	(2 970)	4 685	4 098	(2 186)	1 912

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and fittings	33	1 980	(20)	(132)	1 861
Office equipment	389	95	-	(130)	354
Computer equipment	789	950	-	(562)	1 177
Leasehold improvements	701	885	-	(293)	1 293
	1 912	3 910	(20)	(1 117)	4 685

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and fittings	50	-	-	(17)	33
Office equipment	186	300	-	(97)	389
Computer equipment	305	817	(5)	(328)	789
Leasehold improvements	-	770	-	(69)	701
	541	1 887	(5)	(511)	1 912

7. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	445	(170)	275	193	(36)	157

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	157	251	(133)	275

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	97	193	(133)	157

8. Operating lease accrual

	2020 R'000	2019 Restated* R'000
Current liabilities	(580)	(285)

Lease payments under an operating lease was recognised as an expense in the statement of financial performance on a straight-line basis over the lease term in accordance with GRAP 13.

9. Payables from exchange transactions

	2020 R'000	2019 Restated* R'000
Trade creditors	1 083	1 595
Accrued leave pay	1 090	872
Administration accruals	153	2 045
	2 326	4 512

10. Payables from non-exchange transactions

	2020 R'000	2019 Restated* R'000
Skills development grants payable - mandatory	13 646	11 021
Skills development grants payable - discretionary	-	10 105
Project accruals	50 503	50 790
Project creditors	18 623	12 296
Levy Creditors	7 647	706
Other payables - Economic Dev Dept	7 940	-
	98 359	84 918

11. Provisions

Reconciliation of provisions - 2020

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for Discretionary Grants - LEG grants	2 260	13 070	(2 260)	-	13 070
Provision for Discretionary Grants - projects	22 832	14 610	-	(22 832)	14 610
Exempt employer provision	12 141	1 732	-	-	13 873
Bonus Provision	1 676	1 820	(930)	(746)	1 820
	38 909	31 232	(3 190)	(23 578)	43 373

Reconciliation of provisions - 2019

	Opening balance	Additions	Total
Provision for Discretionary Grants - LEG grants	-	2 260	2 260
Provision for Discretionary Grants - projects	-	22 832	22 832
Exempt employer provision	10 133	2 008	12 141
Bonus Provision	-	1 676	1 676
	10 133	28 776	38 909

Provision for Discretionary Grants - LEG

An amount of R13 070 000 (2019: R2 260 000) relates to learner Employer Grants. Applications for 2020 were received and evaluated during the current year and the final approval was after year end.

Provision for Discretionary Grants - Projects

An amount of R14 610 000 : (2019: R22 832 000) relates to Discretionary Grants for the Bursary projects, which are still subject to verification.

Exempt employer provision

An amount of R13 873 000 (2019: R12 141 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DHET, after being exempted from contributing SDL due to legislation changes which came into effect from 01 August 2005. As SARS collects the levies on behalf of DHET, the responsibility to refund the levies to the employers remains with SARS.

In terms of Skills Development Circular No. 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190 (4) of the Tax Administration Act. These amounts have been transferred to the discretionary funds in line with the aforementioned circular.

Bonus provision

An amount of R1 820 000 (2019: R1 676 000) relates to performance bonus which is payable to employees that are with Fasset for six months or more at year end and the company has achieved sixty percent or more on the Annual Performance Plan targets.

The bonus was calculated using a maximum of 10% of the employees's basic salary, The assessment of performance will be conducted by the Human resources department and the timing of payment will be considered and approved by the Accounting Authority subsequent to year end.

12. Allocation to accumulated surplus

Current year - 2020	Administration reserve R'000	Mandatory reserve R'000	Discretionary reserve R'000	Total R'000
Levies	72 889	134 507	345 110	552 506
Interest received-investments	-	-	54 534	54 534
Other income	47	-	5 703	5 750
Administration expenses	(65 889)	-	-	(65 889)
Employer grants and projects expenses	-	(82 219)	(487 296)	(569 515)
	7 047	52 288	(81 949)	(22 614)

Prior year -2019	Administration reserve R'000	Mandatory reserve R'000	Discretionary reserve R'000	Total R'000
Levies	75 593	132 316	341 283	549 192
Interest received-investment	-	-	53 894	53 894
Profit on disposal of assets	7	-	-	7
Administration expenses	(61 159)	-	-	(61 159)
Employer grants and projects expenses	-	(83 638)	(416 159)	(499 797)
	14 441	48 678	(20 982)	43 137

13. Investment income

	2020 R'000	2019 Restated* R'000
Interest revenue		
Reserve Bank (CPD account)	51 920	49 660
FNB Current account	2 614	4 234
	54 534	53 894

14. Levies

	2020 R'000	2019 Restated* R'000
Levy transfer: Employer grants	134 507	132 316
Levy transfer: Discretionary Grants	339 207	335 618
Levy transfer: Administration	72 889	75 593
Levy penalties and interest	5 903	5 665
	552 506	549 192

15. Employee related costs

	2020 R'000	2019 Restated* R'000
Basic salaries	23 737	21 257
Performance bonus-current year provision	1 004	1 676
Medical aid - company contributions	694	554
UIF	65	68
Workmens compensation	53	60
SDL	239	236
Leave pay accrual	201	332
Group life benefits	515	543
Post-employment benefits: Defined Contribution Plans***	1 719	-
Performance bonus - prior year under provision	-	544
Leave paid-out	342	-
	28 569	25 270

In the current period, Fasset introduced the retirement benefits for all its permanent employees through a defined contribution scheme to the NMG Umbrella Smart fund that is subject to the Pension Funds Act, 1956 (Act No. 24 of 1956) as amended. In terms of the Pension Funds Act, 1956 (Act No. 24 of 1956) .

16. Consulting and professional fees

	2020 R'000	2019 Restated* R'000
Consulting fees	514	751
Service provider fees	7 042	10 863
	7 556	11 614

17. Employer grant and project expenses

	2020 R'000	2019 Restated* R'000
Mandatory Grants	82 219	83 638
Discretionary Grants	144 201	137 237
Project expenditure	343 095	278 922
	569 515	499 797

Amount of R5 558 000 (2019: R0) relating to the employee cost has been included under project expenditure. In the current year management has decided to account for employee cost that relates to running the project department under project expenditure.

18. Other administration expenses

	2020 R'000	2019 Restated* R'000
Advertising and stakeholders engagement costs*	3 761	924
Bank charges	94	76
Cleaning	18	-
Catering and refreshments	104	75
Committee costs and related costs	817	1 042
Education and Training Quality Assurance (ETQA)	152	11
Insurance	582	380
Interest and penalties	-	57
IT expenses	220	170
Legal fees	2 062	2 705
Other expenses	658	359
Office maintenance	97	133
Postage and courier	13	2
Printing and stationery	897	819
Quality Council for Trades and Occupations (QCTO)	3 702	3 451
Recruitment costs	299	829
Repairs and maintenance	1	1
Research expenditure #	2 775	1 425
Remuneration to members of the Accounting Authority	1 905	1 512
Relocation costs	-	184
Small assets write offs	1	4
Telephone +	518	194
Training**	631	320
Travel and accomodation ++	479	107
Water and electricity	615	609
	20 401	15 389

* The increase on Advertising and stakeholder engagement is due to the decision by the accounting authority to move the expenditure of stakeholder engagement cost from Projects cost to Advertising and stakeholder engagement in the current period.

The increase in research expenditure is due additional research that was done in the current year due to the capacity constraints in prior period.

+ The increase in telephone costs is due to the introduction of cellphone and mobile data for managers and executives in the current period.

** The increase in training costs is due to increase drive to upskill the workforce within the organisation and more training interventions and bursaries were given to staff members.

++ The increase in travelling and substance is due to additional stakeholder interventions that required additional traveling and accommodation.

The increase in water and electricity costs is due moving to a new office and additional staff members who joined the organization in the current period.

19. Cash (used in) generated from operations

	2020 R'000	2019 Restated* R'000
(Deficit) surplus	(22 614)	42 137
Adjustments for:		
Depreciation and amortisation	1 250	644
Profit on disposal of assets	-	(7)
Loss on disposal of assets	20	-
Impairment of receivables	111	713
Receivables written off	54	1
Movements in operating lease liability	295	285
Movements in provisions	4 464	28 776
Other non-cash items	(5 703)	-
Changes in working capital:		
Inventories	(8)	(51)
Receivables from exchange transactions	(140)	(14)
Receivables from non-exchange transactions	7 104	23 800
Payables from exchange transactions	(2 186)	2 055
Payables from non-exchange transactions	13 438	3 743
	(3 915)	102 082

20. Commitments

	2020 R'000	2019 Restated* R'000
Admin commitments		
Office rental	9 727	13 686
Internal audit services	-	1 213
Document storage	-	296
Service provider fees	5 218	12 423
Tender evaluation	449	-
Employee wellness	-	315
Printing services - course material	905	1 157
Water coolers	26	-
Printing machines	40	-
Travel	-	128
Marketing	-	769
Provision of design layout and furniture	-	1 731
Research projects	308	749
Installation of leasehold improvements	-	228
Business re-engineering	1 978	-
Investigations	500	-
Telephones	22	-
	19 173	32 695

20. Commitments *contd.*

Discretionary projects

2019/2020 Active Projects - Others

Small Business Learner Placement Grant (2020/2021)	1 636	-
YES NSC Projects (2020/2021)	9 147	-
Yes HET! Work Programme	18 440	-
Community Education and Training College Support (new project)	1 140	-
TVET Lecturer Development Workplace Exposure	800	-

2020 R'000	2019 Restated* R'000
1 636	-
9 147	-
18 440	-
1 140	-
800	-
31 163	-

2019/2020 Active Projects - Bursary and academic support

University of Free State (QwaQwa)	3 128	-
University of Free State	3 623	-
University of Pretoria	4 232	-
Cape Peninsula University	4 831	-
Walter Sisulu University	2 537	-
Thuthuka HDI Bursaries	4 577	-
Central University of Technology	3 532	-
Rhodes University	4 590	-
Career Wise Empowerment Ventures	4 353	-
University of Cape Town (UCT)	331	-
UNISA	5 989	-
University of Johannesburg	3 600	-
ISAFAP (Old)	4 485	-
University of Witwatersrand	5 027	-
Trend Setters/Pul Kep Inves	1 173	-
Afro Bhan Hai	1 952	-
ISAFAP (New)	4 658	-
Thuthuka CTA	6 882	-
SAIT - Ithuba 2	1 032	-
Credo Business College	4 384	-
SAIT - TT in Academy	2 055	-
SAIT - IN Academy	1 969	-
SAIT - TTF Disability	898	-
Tax Faculty and SAIT - TP Disabilities	898	-
The Tax Faculty and SAIT and UWC TP	491	-
CIMA - CA Programme	968	-
CIMA - CCP Programme	1 408	-
CIMA - Certificate in Business Business Accounting	1 538	-

3 128	-
3 623	-
4 232	-
4 831	-
2 537	-
4 577	-
3 532	-
4 590	-
4 353	-
331	-
5 989	-
3 600	-
4 485	-
5 027	-
1 173	-
1 952	-
4 658	-
6 882	-
1 032	-
4 384	-
2 055	-
1 969	-
898	-
898	-
491	-
968	-
1 408	-
1 538	-

Discretionary projects *contd.*

	2020 R'000	2019 Restated* R'000
Spectrum - ICBA	2 131	-
Spectrum - CIMA	2 046	-
ACCA	3 636	-
IMAS - ACCA Qualification	1 285	-
IMAS - CIMA Qualification	66	-
SAIT - Kukhula 2	890	-
ISFAP	1 380	-
Mahlasedi Educational Project	2 853	-
University of Free State	5 199	-
Rhodes University	970	-
University of Johannesburg	2 130	-
UNISA	11 017	-
Institute of Management Accounting and Strategy	2 211	-
South African Institute of Professional Accountants (SAIPA)	6 754	-
North West University	777	-
South African Institute of Chartered Accountants (SAICA-ITC)	3 343	-
South African Institute of Chartered Accountants (SAICA-APC)	1 962	-
Fort Hare University	28 286	-
National Treasury - 10 Learners Thabo Mashamba	12 869	-
National Treasury - 65 Learners Xolisa Dlanga	4 857	-
SAICA Undergrand	11 017	-
	190 820	-

2016/2017 Active Projects

TVET Work-place based experience project	-	2 149
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2016/2017 Projects - Implemented in 2017/18

Special Projects - National Treasury	2 371	4 427
ISFAP	33 717	89 322
TVET Workplace-based Experience Project	-	10 635
	36 088	104 384

2017/2018 Projects - Implemented in 2018/2019

Institute of Certified Bookkeepers and Accountant (ICBA)	-	3 282
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Discretionary projects *contd.*

2018/2019 Projects - To be implemented in 2019/2020

	2020 R'000	2019 Restated* R'000
College of Accounting Sciences, (1 Application of 2)	-	7 085
College of Accounting Sciences, UNISA (2 Application of 2)	-	1 235
University of Western Cape	-	10 601
University of Free State	-	7 277
University of Fort Hare (First Year)	-	1 487
University of Fort Hare (Second Year)	-	1 487
University of Fort Hare (Third Year)	-	1 487
University of Johannesburg	-	5 407
UFS - Bloemfontein	-	9 082
University of Pretoria	-	9 916
UFS - Qwaqwa	-	2 741
University of Western Cape (Financial Aid Office)	-	8 844
Thuthuka Education Upliftment Fund	-	7 295
University of Westren Cape (EMS)	-	10 136
Careerwise Empowerment Venture	-	4 168
Thuthka Education Upliftment Fund (ISFAP)	-	3 577
Thuthuka Education Upliftment Fund CTA	-	8 393
Nelson Mandela University	-	6 597
College of Accounting Science	-	523
UCT Colloge of Accounting	-	5 128
University of Fort Hare	-	10 182
Rhodes University	-	2 315
University of Witwatersrand	-	8 076
Credo Business College	2 883	7 581
South African Institute of Tax Professionals (SAIT 1) - Intela 3	572	4 991
Association of Certified Chartered Accountants	6	4 854
NWU	-	1 973
Spectrum	6	4 787
SAIBA (Unemployed)	102	2 036
SAIBA (Employed)	16	846
SAICA (AT SA)	4 849	5 308
University of Johannesburg	-	5 605
University of Pretoria	-	5 535
UNW	-	6 701
UCT College of Accounting	-	3 723
Rhodes University	-	2 365
Careerwise Empowement Venture	-	7 451

Discretionary projects *contd.*

	2020 R'000	2019 Restated* R'000
UFS (Qwaqwa)	-	2 841
UFS (Programme 2)	-	5 885
UFS (South Campus)	-	3 910
UFS (SABAS)	-	2 201
UWC (EMS)	-	22 066
NMU	-	3 419
Thuthuka CTA	-	10 733
CPUT	-	14 610
UWC (Financial Aid)	-	9 888
ISFAP	-	22 552
Mosebo	-	11 427
UFH	-	19 000
Thuthuka HDI	-	10 086
Credo Business College	-	3 071
IMAS	175	2 923
South African Institute of Tax Professionals (SAIT) Intela 3	245	2 028
SAIT 4 - Enterprises University of Pretoria	464	2 048
CIMA - Star Students	34	1 055
SAIT 3 - The Tax Faculty (Tax Professional)	465	3 034
SAIT 5 - The Tax Faculty (Tax Technician)	519	4 230
Association of Certified Chartered Accountants (ACCA) 2	1 790	2 612
ATSA	3 359	5 308
SAIPA	1 272	17 083
Ideahub Group - LLP, LPD	45	2 218
TVET Workplace-based Experience Project	15 641	34 574
TVET Workplace-based Experience Project-Surplus	43 816	-
	76 259	415 597
	334 330	525 411

An amount of of R334 330 000 (2019: R525 411 000) was contracted out of the total R651 539 000 (2019: R677 934 000) discretionary reserves. The percentage commitment as at 31 March 2020 is 52 %. A request for accumulation of the discretionary surplus will be submitted to National Treasury through DHET.

Year 2019/2020 split between Pivotal and Non-pivotal:

The grant regulations require at least a 80/20 split for discretionary projects between Pivotal and Non-pivotal programmes. We have performed the calculation based on current year project allocations. During the current year Fasset has allocated 91% (2019: 90%) of projects to Pivotal programmes and 9% (2019: 10%) to Non-pivotal programmes.

21. Related parties

Relationships

Controlling entity	DHET
Entities under common control	<p>By virtue of the fact that Fasset is a National Public Entity controlled by DHET, it is considered related to other SETAs, the QCTO, the NSF, public Universities and TVET colleges. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such. This will include any transaction that may occur during the period under review recognised in the statement of financial performance, any balance outstanding at the reporting period recorded the statement of financial position as well as any committed balance at reporting date.</p> <p>At reporting date committed amounts related to Public Universities and TVET colleges included in the notes to the financial statements amount to R89 126 181,10 and R640 000 respectively. Balances included in the statement of financial position relating to Public Universities amount to R48 019 392,33 at reporting date.</p>
Members of the Accounting Authority whose Entities are beneficiaries of PricewaterhouseCoopers	(KJ. Dikana), SAICA (NA. Kater), National Treasury (D. Majeke), ACCA (MP. Semanya), Basamandla Consulting (HB. Mathibela), NERPO (NE. Nyathela-Mahanjana), LIEDA (MF. Mushwana)
Members of Accounting Authority	<p>NE. Ngwenya (Chairman)</p> <p>MHR. Bussin</p> <p>KJ. Dikana</p> <p>HB. Mathibela</p> <p>NE. Nyathela-Mahanjana</p> <p>TC. Phatlane</p> <p>JC. Kruger</p> <p>MF. Mushwana</p> <p>HD. Jacobs</p> <p>GE. Mthombeni</p> <p>TN. Macanda</p> <p>NA. Kater - Resigned 10 September 2019</p> <p>MP. Semanya</p> <p>D. Majeke.</p> <p>N. Mapiloko - Appointed 01 September 2019</p>
Members of key management	<p>A. Mafuleka (CEO)</p> <p>E. Thobejane (COO)</p> <p>Z. Alli (CFO) - Appointed 08 November 2019</p> <p>S. Maye (Acting CFO) - Contract ended August 2019</p> <p>Z. Koyana (CFO) - Contract Terminated May 2019</p> <p>E. Boomgaard (Research Director)</p> <p>M. Matlosa (Director Corporate Services) - Appointed 01 September 2019</p> <p>L. Derman (Research Director) - Contract Terminated May 2019</p>

Related party balances

	2020 R'000	2019 Restated* R'000
Transactions with SETAs and other entities under common control		
QCTO	3 702	3 451

22. Remuneration of Executive Management and Members of Accounting Authority

Remuneration of Executive management

2020	Basic	Allowances	Employee related benefits	Bonus	Termination Payout	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Ayanda Mafuleka - Chief Executive Officer	2 149	104	70	-	-	2 323
Elizabeth Thobejane - Chief Operations Officer	1 605	-	192	144	-	1 941
Zanoxolo Koyana - Chief Financial Officer (Contract terminated May 2019)	182	-	8	-	319	509
Solomzi Maye - Acting Chief Financial Officer (Contract ended August 2019)	565	-	-	-	-	565
Lauren Derman - Research Director (Contract terminated May 2019)	107	2	7	-	661	777
Ebrahim Boomgaard - Research Director	1 196	-	160	87	-	1 443
Zakariya Alli - Chief Financial Officer (Appointed November 2019)	522	-	104	-	-	626
Maria Matlosa - Director Corporate Services (Appointed September 2019)	665	-	70	-	-	735
	6 991	106	611	231	980	8 919

22. Remuneration of Executive Management and Members of Accounting Authority *contd.*

2019	Basic	Allowances	Acting allowances	Other benefits	Bonus	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Ayanda Mafuleka - Chief Executive Officer (Appointed 01 January 2019)	534	2	-	18	-	554
Elizabeth Thobejane - Chief Operating Officer	1 602	-	326	53	-	1 981
Zanoxolo Koyana - Chief Financial Officer	1 407	-	-	52	-	1 459
Solomzi Maye - Acting Chief Financial Officer (Appointed 01 March 2019)	70	-	-	-	-	70
Lauren Derman - Research Director	1 282	25	-	52	50	1 409
Ebrahim Boomgaard - PQA Director	940	-	-	36	-	976
	5 835	27	326	211	50	6 449

22. Remuneration of Executive Management and Members of Accounting Authority *contd.*

Remuneration - Members of the Accounting Authority (excludes travel)

	R'000	R'000
NE. Ngwenya (Chairman)	248	275
MHR. Bussin	77	93
KJ. Dikana*	204	110
TN. Macanda	26	30
N. Mapiloko	176	-
HB. Mathibela	219	101
NA. Kater*	107	192
MF. Mushwana	272	153
MP. Semanya	199	183
NE. Nyathela-Mahanjana	101	100
TC. Phatlane	286	198
GE. Mthombeni	121	101
JC. Kruger+	-	-
HD. Jacobs	152	141
D. Majeke+	-	-
S. Daniels	-	8
S. Machaba	-	8
K. Hlangwane	-	8
P. Stock	-	8
DL. Storom	-	101
	2 188	1 810

The Accounting Authority consists of members appointed in terms of the Fasset's Constitution. Remuneration is paid to members or to their nominating organisations. Fasset has remunerated members of the Accounting Authority for attending board and sub-committee meetings as disclosed above. The transactions above occurred under terms that were no more favourable than those available in similar arm's length dealings.

* Remuneration for attending Accounting Authority and sub-committee meetings relating to these members is paid to their nominating entity.

+ JC. Kruger and D. Majeke were not remunerated for attending Board and Committee meetings as they are employed in public service.

23. Risk management

Liquidity risk

Fasset manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are maintained.

2020	Carrying amount	6 months or less	6-12 months	1-2 years
	R'000	R'000	R'000	R'000
Payables from exchange transactions	(2 326)	(2 326)	-	-

2019	Carrying amount	6 months or less	6-12 months	1-2 years
	R'000	R'000	R'000	R'000
Payables from exchange transactions	(4 512)	(4 512)	-	-

Credit risk

Financial assets which potentially subject Fasset to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents and receivables from exchange transactions.

Fasset limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. Fasset's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. Fasset does not have any material exposure to any individual or counter-party. Fasset's concentration of credit risk is limited to the industry (Financial and Accounting Services) in which Fasset operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt. Fasset is exposed to a concentration of credit risk, as significant amounts are owed by SARS and DHET. This concentration of risk is limited as SARS and DHET are government entities with sound reputation.

2020	Gross	Impairment	Carrying amount
	R'000	R'000	R'000
Receivables from exchange transactions	299	-	299
Cash and cash equivalents	787 582	-	787 582

2019	Gross	Impairment	Carrying amount
	R'000	R'000	R'000
Receivables from exchange transactions	158	-	158
Cash and cash equivalents	795 658	-	795 658

Market risk

Fasset is exposed to fluctuations in the employment market, for example, sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year in the market that Fasset is aware of. There are adequate procedures in place to address changes in the market when necessary.

23. Risk management *contd.*

Interest rate risk

Fasset manages its interest rate risk by effectively investing Fasset surplus cash in term deposits with the Corporation for Public Deposits according to Fasset's investment policy.

The exposure to cash flow interest rate risk and the effective interest rates on financial instruments at reporting date are as follows:

2020	Floating rate	Non-interest bearing	Total
	R'000	R'000	R'000
Cash	787 582	-	787 582
Receivables from exchange transactions	-	299	299
Payables from exchange transactions	-	(2 326)	(2 326)
	787 582	(2 027)	785 555

2019	Floating rate	Non-interest bearing	Total
	R'000	R'000	R'000
Cash	795 654	2	795 656
Receivables from exchange transactions	-	158	158
Payables from exchange transactions	-	(4 512)	(4 512)
	795 654	(4 352)	791 302

24. Going concern

The entity is currently established until 31 March 2030. There are no known instances which cast doubt on the SETA's ability to continue as a going concern for the next 12 months.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

25. Contingencies

First time employer registrations

The Skills Development legislation allows an employer, registering for the first time, 6 months to submit an application for a Mandatory Grant.

At the reporting date it is estimated that, as a result, additional Mandatory Grant expenditure of R1 288 000 (2018: R401 000) will be payable. The amount is contingent on the number of submissions received and approved.

Legal case

In October 2019, BUSA won a court case against DHET where the department's decision to decrease the Mandatory Grant Levies and Grants percentage was decreased from 50% to 20% in terms of section 4(4) of the SETA grant regulations was set aside. The court did not decide on the Mandatory Levy or Grant percentage to be applied from the court date onwards. The effect of the ruling is that the Minister would have to decide on the percentage for Mandatory Grants in consultation with the sector. The Minister has not yet made the decision in regard to the Mandatory Grant percentage.

DHET continued to show the Mandatory Levies portion as 20% in 2019/20 year in the levy download information. The SETA continued to pay and accrue Mandatory Grants at 20% in the 2019/20 financial year in the absence of a revised percentage which is aligned to the approved annual performance plan. The Mandatory Grant expenditure in Note 3 as well as the Mandatory Grant liability in note 11 were calculated using Mandatory Grant percentage of 20%. The SETA therefore discloses a contingent liability in regard to the amount of the Mandatory Grants payable to qualifying levy payers from the date of the court decision to the year end. This is disclosed as a liability as the intention of the litigants, BUSA, was to increase the Mandatory Grant percentage from 20%. The timing and amount of this contingent liability is uncertain and no reasonable estimate can be made at this point. Currently the department is in discussions with BUSA in regard to the Mandatory Grant percentage.

Surplus Funds

Retention of cash

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. During May 2017, National Treasury Issued Instruction No.12 of 2020/21 which gave a revised definition of a surplus. According to this instruction, a surplus is based on cash and cash equivalents, plus receivables, less current liabilities at the end of the financial year.

Application to retain accumulated surplus as at year-end

The Fasset will be applying for the retention of its accumulated surplus at the financial year ending 31 March 2020 in terms of section 53(3) of the PFMA from National Treasury during the second quarter of the 2020/21 financial year. The accumulated surplus as at year-end is therefore disclosed as a contingent liability until approval has been obtained.

On 30 November 2017, DHET issued Skills Development Circular No. 15/2017 which requires SETAs to continue to apply for the retention of surpluses in terms of section 53(3) of the PFMA and should observe National Treasury Instruction No.12 of 2020/21.

As of 31 March 2020 the surplus for the year is as follows:

	2020 R'000	2019 Restated* R'000
Cash and cash equivalents at the end of the year	787 582	795 658
Add: Receivables	9 758	11 184
Less: Current liabilities	(144 638)	(128 624)
Less: Admin commitments	-	(32 695)
Less: Project commitments	-	(525 411)
	652 702	120 112

Notwithstanding the accumulated surplus above, Fasset has at year end commitments in the form of contracts with various service providers as indicated in note 20, the below reflects the accumulated surplus after taking into account the impact of the these commitments:

	2020 R'000	2019 Restated* R'000
Committed amounts at 31 March 2020		
Amount per surplus calculation above	652 702	120 112
Project Commitments	(19 173)	-
Project Commitments	(334 330)	-
Net surplus after taking into account commitments	299 199	120 112

26. Budget differences

Notes to Statement of Comparison of Budget and Actual amounts

Legislation requires that Fasset annually, in September submit a budget to the Minister for approval.

Variances of 10% and above are considered material and are explained below:

Note 26.1. Other income

This relates to the recoveries of fruitless and wasteful expenditure and proceeds on insurance which was not budgeted for.

Note 26.2. Approved accumulated surplus

National Treasury approved the surplus for 2019 and the amount was committed before year end.

Note 26.3. Internal audit fees

Internal audit fees were 15% above budget due to catch up of the previous year audit to complete the audit plan.

Note 26.4. Depreciation

Fasset does not budget for depreciation as this is a non-cash item.

Note 26.5. External audit fees

External audit fees were 20% above budget due to additional work requested for external auditors to perform relating to 2019 financial year.

Note 26.6. Impairment of receivables

Fasset does not budget for impairment of receivables as this is a non-cash item.

Note 26.7. Employer grant and project expenses

Employer grants and project expenditure is 18% lower than budget. The contributing factor to this reduction was the late implementation of some discretionary projects which took place during the last quarter of the financial year.

Note 26.8. Other administration expenses

General expenditure is 26% lower than budget. The significant factors contributing to this was the under spending in Employees related costs and IT expenditure.

Note 26.9 Loss on disposal of assets

This relates to the loss on disposal of assets which was not budgeted for.

Note 26.10 Lease rentals on operating lease

Lease rentals is 10% lower than budgeted due to the planned addition space was not procured.

27. Operating lease

At the reporting period, Fasset had the non-cancellable operating leases that relates to rental of the office, copiers machines, water coolers and telephone equipments.

Future minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2020 R'000	2019 Restated* R'000
Within one year	3 086	2 797
Later than one year not later than five years	7 892	10 889
	10 978	13 686

28. Fruitless and wasteful expenditure

Opening balance as previously reported

Opening balance as restated

Add: Expenditure identified - current

Less: Amounts transferred to recoverable - current

Less: Amount condoned by AA - current

Amount recovered

Closing balance

2020 R'000	2019 Restated* R'000
8 166	30 035
8 166	30 035
-	133
(5 703)	(2)
(2 342)	(22 000)
(121)	-
-	8 166

Details current year

During the current year Fasset did not incur fruitless and wasteful expenditure.

Details prior year

The tender advert cost incurred for a cancelled advert

Interest on invoices not paid within 30 days

Penalties and Interest on late payment of PAYE

Bursary awarded twice to the same learner

NSFAS loan repayment

2019 Restated* R'000
1
1
52
50
29
133

Expenditure identified in the current year include those listed below:

29. Irregular expenditure

Opening balance as previously reported

Less: Prior period error

As restated

Add: Irregular Expenditure - current

Less: Amount written off - current

Closing balance

2020 R'000	2019 Restated* R'000
17 750	21 122
-	(3 372)
17 750	17 750
115	-
(17 250)	-
615	17 750

Details of Irregular expenditure-current Year

The expenditure incurred was in line with Fasset's mandate as per the SETA Grant Regulations and the entity did not incur any material financial loss.

Non-compliance

Fasset incurred irregular expenditure as a result of non-compliance with SCM laws and regulations.

Details of Irregular expenditure in the-prior Year

In the prior period an amount of R3 372 000 was incorrently diclosed as irregular expenditure and the opening balance as at 01 April 2018 was restated.

In the prior period 2019 an amount of R1 981 000 was incorrectly disclosed as irregular expenditure and 2019 figures was restated.

Analysis of expenditure awaiting condonation

	2020 R'000	2019 Restated* R'000
Amounts not condoned by National Treasury and recommended for write off by Accounting authority	-	17 250
Amounts still awaiting response from National Treasury	500	500
Amount to be sent to National treasury for condonment	115	-
	615	17 750

Amounts written-off

After the investigations by independent investigator, The Accounting Authority approved to write-off an amount of R17 250 000 - in accordance with the National Treasury framework on Irregular Expenditure.

30. Events after the reporting date

Subsequent to year end, the President of South Africa announced relief measures for companies due to the impact of the global coronavirus pandemic. One of the relief measures was a four-month Skills Development Levy payment holiday for all companies. As a result of this payment holiday there will be a significant drop in revenue for the 2020/21 financial period. Fasset has assessed this drop in revenue against its active commitments and has sufficient reserves to compensate for this shortfall.

A new board was appointed on the 01 April 2020 by the Minister of Higher Education, Science and Technology.

31. Prior period error

31.1 Operating lease

Operating lease accruals was incorrectly understated by R264 296.60 in the prior period. This Operating accruals relates to the office rental which was entered into on 01 August 2018.

31.2 Water and electricity

Water and electricity accruals of R268 672.45 was omitted in prior period 2019. This water and electricity costs related to the previous office rental.

31.3 Project expenditure

Projects expenditure accruals of R456 991.73 was omitted in the prior period 2019. This projects expenditure relates to the invoices which was submitted very late by the service provider.

31.4 Telephone Expenditure

The telephone expenditure was incorrectly overstated by R1 633.69 in the prior period.

The financial statements of 2019 has been restated to correct the errors. The effect of the restatement on these financial statements is summarised below.

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior period corrections:

Statement of financial position

2019	As previously reported	Correction of error	Total
	R'000	R'000	R'000
Payables from exchange transactions	4 246	266	4 512
Operating lease liability	21	264	285
Payable from non-exchange transactions	84 461	457	84 918
Total	88 728	987	89 715
Total liabilities	127 637	987	128 624

Statement of financial performance

2019	As previously reported	Correction of error	Total
	R'000	R'000	R'000
Lease rentals on operating lease	2 792	264	3 056
Other administration expenses	15 123	266	15 389
Employer grant and project expenses	499 340	457	499 797
Total	517 255	987	518 242
Total expenditure	559 969	987	560 956
Surplus for the year	43 124	987	42 137

Discretionary project commitments

An amount of R742 500, relating to the TVET Workplace-based Experience Project was omitted in prior period 2019. 2019 figures were restated.

Irregular expenditure

	As previously reported	Correction	Restated
	R'000	R'000	R'000
Opening balance	21 122	(3 372)	17 750
Irregular expenditure-current year 2019	1 981	(1 981)	-
	23 103	(5 353)	17 750

In the prior period an amount of R3 372 000 was incorrently diclosed as irregular expenditure and the opening balance as at 01 April 2018 was restated.

In the prior period 2019 an amount of R1 981 000 was incorrectly disclosed as irregular expenditure and 2019 figures was restated.

PART F:

Annexures



Annexure A: Acronyms

AAT	(SA) Associate Accounting Technician
ABP	Academic Bridging Programme
ACCA	Association of Certified Chartered Accountants
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
AQP	Assessment Quality Partner
ARC	Audit and Risk Committee
ASB	Accounting Standards Board
ATR	Annual Training Report
CA (SA)	Chartered Accountant South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIMA	Chartered Institute of Management Accountants
COO	Chief Operating Officer
CPA (SA)	Chartered Professional Accountant South Africa
CPD	Continuous Professional Development
CSR	Corporate Social Responsibility
CSSA	Chartered Secretaries Southern Africa
CTA	Certificate in Theory of Accounting
DG	Discretionary Grant
DHET	Department of Higher Education, Science and Technology
DoL	Department of Labour
DPSA	Department of Public Service and Administration
DQP	Development Quality Partner
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee
FBS	Fasset Bursary Scheme
FINCO	Finance Committee
GRAP	(Standards of) Generally Recognised Accounting Practice
GRI	Global Reporting Initiative
GSC	Governance and Strategy Committee
HET	Higher Education and Training
HR	Human Resources
HRDS-SA	Human Resources Development Strategy for South Africa
ICB	Institute of Certified Bookkeepers
ICT	Information and Communications Technology
IIA (SA)	Institute of Internal Auditors
IIRC	International Integrated Reporting Committee
IPAP	Industrial Policy Action Plan
IT	Information Technology
King IV	King IV Code of Governance Principles for South Africa
LCG	Learnerships Cash Grants
LL	Lifelong Learning
LPD	Learner Professional Development
MG	Mandatory Grant
MHET	Minister of Higher Education and Training
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTSF	Medium-term Strategic Framework
NDP	National Development Plan

NGO	Non-governmental Organisation
NGP	National Growth Path
NLEG	Non-PIVOTAL Learner Employment Grant
NLP	Non-levy Paying
NLRD	National Learner Records Database
NLRG	NSFAS Loan Repayment Grants
NQF	National Qualifications Framework
NSA	National Skills Accord
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
PCHET	Portfolio Committee on Higher Education and Training
PFMA	Public Finance Management Act
PIVOTAL	Professional, Vocational, Technical and Academic Learning Programme
PPFA	Preferential Procurement Policy Framework Act
PSET	Post-school Education and Training
QA	Quality Assurance
QAP	Quality Assurance Partner
QCTO	Quality Council for Trades and Occupations
REMCO	Remuneration and Human Resource Committee
RMC	Risk Management Committee
ROI	Return on Investment
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
SAIT	SA Institute of Tax Professionals
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SARS	South African Revenue Service
SCM	Supply Chain Management
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDL	Skills Development Levy
SDLA	Skills Development Levy Act (Act No. 9 of 1999)
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SP	Strategic Plan
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
UIF	Unemployment Insurance Fund
UNISA	University of South Africa
UJ	University of Johannesburg
UP	University of Pretoria
UWC	University of Cape Town
WBE	Work-based Experience
White Paper	White Paper for Post-school Education and Training
WSP	Workplace Skills Plan

Annexure B: Stakeholder Engagement Plan

The stakeholder engagement table below illustrates our stakeholder engagement grid in more detail. Seven sections have been carefully thought through to ensure that each one has context in understanding how we view each stakeholder, how we measure value and how we monitor progress over time.

Table 10: Stakeholder Engagement Grid

Key Stakeholder	Fasset Communication Objective	Communication Intervention(s)	Engagement Level(s)	Desired Engagement by Stakeholder	Measurement
1. Employers					
a) Levy-paying members	<ul style="list-style-type: none"> Communicate the benefits and incentives available to Fasset-registered employers: Grant scheme Lifelong Learning programme 	<ul style="list-style-type: none"> Workshops Advertising Face-to-face meetings Events Promotional material Newsletters Annual Report 	<ul style="list-style-type: none"> Collaborate Inform Consult 	<ul style="list-style-type: none"> Uptake of Grants Applications for Accreditation Participation in the Lifelong Learning and learner professional development programmes Assist in communicating the Fasset messages 	<ul style="list-style-type: none"> Grant Analysis Monitoring of accreditation applications Uptake of the Training Incentive grant Customer Satisfaction Survey results
b) Non levy-paying members	<ul style="list-style-type: none"> Learnerships and Internships Accreditation Obtain feedback from employers about their skills development needs and Fasset strategies 				
2. Learners					
a) Employed learners in the sector	<ul style="list-style-type: none"> Communicate the benefits available to employed learners in the sector: Learnerships NSFAS Loan Repayment Grant (NLRG) Career path information Learner professional development Fasset bursary scheme 	<ul style="list-style-type: none"> Roadshows Learner advertising Career guide Career portal Brand ambassadors through Fasset's Staff Social media Career Events Promotional material Website 	<ul style="list-style-type: none"> Inform 	<ul style="list-style-type: none"> Uptake of Learnerships Uptake of the NLRG Assist in communicating the Fasset messages Entrance into the sector Uptake of available bursaries Pay it forward 	<ul style="list-style-type: none"> Grant Analysis Monitoring of learnership registrations and related throughput rate Customer Satisfaction Survey Monitoring of the Fasset funded NSFAS bursary Monitoring of learnership registrations and related throughput rate Monitoring of bursaries registrations and related throughput rate
b) Parents and Educators					
c) Secondary school learners	<ul style="list-style-type: none"> Communicate the benefits available to unemployed learners interested in entering in the sector: Career awareness Bursary information Opportunities through other entities e.g. Department of Labour 				
d) Under-graduates					
e) Unemployed Graduates					
f) NEETs (Unemployed Youth)					

Key Stakeholder	Fasset Communication Objective	Communication Intervention(s)	Engagement Level(s)	Desired Engagement by Stakeholder	Measurement
3. Government					
a) Supporting Departments: <ul style="list-style-type: none"> National Treasury Department of Basic Education Parliament Department of Labour Other SETAs Auditor-General 	<ul style="list-style-type: none"> Determine various opportunities to support national imperatives Counter the negative perception of SETAs 	<ul style="list-style-type: none"> Newsletters Publicity Events Sponsorships Promotional material Meetings Annual Integrated report 	<ul style="list-style-type: none"> Inform Involve 	<ul style="list-style-type: none"> Invitations to participate on joint interventions Requests for sector specific information Supporting information about Fasset interventions Assist in communicating the Fasset messages 	<ul style="list-style-type: none"> Attendance at Fasset events Interaction with Fasset information
4. Public					
a) General Public (national)	<ul style="list-style-type: none"> Communicate Core function of the SETA and showcase various SETA projects Counter the negative perception of SETAs 	<ul style="list-style-type: none"> Career portal Website Advertising Publicity Social media 	<ul style="list-style-type: none"> Inform 	<ul style="list-style-type: none"> Participation in Fasset interventions dependant on applicable criteria Positive perception and understanding of the SETA 	<ul style="list-style-type: none"> Media analysis
	<ul style="list-style-type: none"> Determine various opportunities to support national imperatives Creating accessibility to Fasset information 				
5. Internal Stakeholders					
a) Staff	<ul style="list-style-type: none"> Build constructive and mutually beneficial relationships 	<ul style="list-style-type: none"> Meetings Advertising Intranet Events Committee meetings Publications 	<ul style="list-style-type: none"> Inform Consult Involve Collaborate 	<ul style="list-style-type: none"> Support and buy in to the #LastingLegacy strategy Active participation in Fasset interventions Assist in communicating the Fasset messages 	<ul style="list-style-type: none"> Attendance at Fasset initiatives Internal surveys
b) Working committees & Board	<ul style="list-style-type: none"> Determine various opportunities to support skills development imperatives Facilitate information sharing and determine opportunities to support skills development imperatives in line with the applicable terms of reference 			<ul style="list-style-type: none"> Partner with and support Fasset initiatives Participation in Fasset interventions 	<ul style="list-style-type: none"> Attendance at Fasset initiatives Interaction with Fasset information Surveys

Key Stakeholder	Fasset Communication Objective	Communication Intervention(s)	Engagement Level(s)	Desired Engagement by Stakeholder	Measurement	
5. Internal Stakeholders						
c) Board	<ul style="list-style-type: none"> • Sets the strategic direction and communicate activities through: • Performance Reporting • Illustrating the impact of SETA imperatives • Sharing strategic information 	<ul style="list-style-type: none"> • Meetings • Advertising • Intranet • Events • Committee meetings • Publications 	<ul style="list-style-type: none"> • Inform • Consult • Involve • Collaborate • Empower 	<ul style="list-style-type: none"> • Sets the strategic direction • Empower management to implement the approved strategic direction • Assist in communicating the Fasset messages 	<ul style="list-style-type: none"> • Impact of set strategy • Attendance at Fasset initiatives • Interaction with Fasset information • Surveys 	
d) DHET & AGSA	<ul style="list-style-type: none"> • Communicate SETA activities and opinions through: • Performance monitoring • Evaluation/Validation visits 		<ul style="list-style-type: none"> • Inform • Consult • Involve • Collaborate 	<ul style="list-style-type: none"> • Partner with and support Fasset initiatives 	<ul style="list-style-type: none"> • Validation visit reports • Monitoring of the implementation of the MoA 	
e) Outsourced partners/providers	<ul style="list-style-type: none"> • Reporting • Showcase SETA projects • Lobbying 		<ul style="list-style-type: none"> • Inform • Consult • Involve • Collaborate 	<ul style="list-style-type: none"> • Partner with and support Fasset initiatives 	<ul style="list-style-type: none"> • Attendance at Fasset initiatives 	
f) Labour Union - Nehawu		<ul style="list-style-type: none"> • Meetings • Industrial relations training 				
6. Education and Training Providers						
a) HETs	<ul style="list-style-type: none"> • Communicate core function of the SETA and showcase various SETA projects • Encourage partnerships between education and training institutions across South Africa • Determine opportunities to advance skills development • Creating accessibility to Fasset information • Facilitate Technical and Vocational Education and Training (TVET) institute interaction • Creating accessibility to Fasset information 	<ul style="list-style-type: none"> • Advertising • Publicity • Events • Publications • Sponsorships • Promotional material • MoUs 	<ul style="list-style-type: none"> • Inform • Collaborate • Involve 	<ul style="list-style-type: none"> • Participation in Fasset interventions dependant on applicable criteria • Invitations to participate on joint interventions 	<ul style="list-style-type: none"> • Monitoring of partnership agreements 	
b) TVETs						
c) Professional Bodies			<ul style="list-style-type: none"> • Provide additional support and quality assurance 	<ul style="list-style-type: none"> • Inform • Consult 		<ul style="list-style-type: none"> • Partner with and support Fasset initiatives
d) Private Training Providers			<ul style="list-style-type: none"> • Extend opportunities 	<ul style="list-style-type: none"> • Inform 		<ul style="list-style-type: none"> • Participation in Fasset interventions

Key Stakeholder	Fasset Communication Objective	Communication Intervention(s)	Engagement Level(s)	Desired Engagement by Stakeholder	Measurement
6. Education and Training Providers					
e) Secondary Schools (addressed through the Department of Basic Education)	<ul style="list-style-type: none"> • Communicate Core function of the SETA • Creating accessibility to Fasset information • Disseminating scarce and critical skills information through the career awareness programme 	<ul style="list-style-type: none"> • Advertising • Publicity • Events • Publications • Sponsorships • Promotional material • MoUs 	<ul style="list-style-type: none"> • Inform 	<ul style="list-style-type: none"> • Participation in Fasset interventions 	<ul style="list-style-type: none"> • Attendance at Fasset initiatives
7. Media					
a) Editors b) Journalists c) Programme Producers d) Broadcasters e) Bloggers	<ul style="list-style-type: none"> • Creating accessibility to Fasset information • Educating the media about Fasset's interventions • Communicate Fasset's successes 	<ul style="list-style-type: none"> • Press releases • On-air interviews • Opinion pieces • Annual integrated report 	<ul style="list-style-type: none"> • Inform • Involve 	<ul style="list-style-type: none"> • Spread the Fasset's good news • Contact Fasset as first SETA of choice if comments are sought for education and skills development matters 	<ul style="list-style-type: none"> • Monitoring of Fasset news

Annexure C: Success Stories

RSM South Africa Consulting Proprietary Limited

“ Nombulelo Maya is yet another success story from the Thuthuka Bursary initiative, successfully completing her articles on the 31 January 2019.

Thanks to the bursary, Nombulelo enrolled at the University of Cape Town (UCT) in 2011 where she completed her BCom Accounting Degree, Tax Honours, and obtained her Certified Theory of Accounting (CTA) qualification. Without the Thuthuka bursary, Nombulelo would not have been able to fund her studies.

Nombulelo joined RSM South Africa which form parts of Thuthuka programme initiative for a three-year SAICA learnership. As a Thuthuka student she had to select three industries that form part of the initiative to complete her articles. She chose SMEs which led to her internship at RSM South Africa.

“My time at RSM South Africa was very fruitful and provided me with amazing opportunities during my articles. I was fortunate to travel abroad and work in one of the RSM offices in Melbourne, Australia for four months to expand my knowledge and experience,” said Nombulelo.

Nomubelo grew tremendously during her articles, becoming a young and strong professional black female. She qualified as a CA(SA) in 2020.



Lead Change Developments and Matrix Fund Managers support Marther Moruledi

“ *Matrix Fund Managers is proud to have been able to support Marther Moruledi in achieving her End User Computing Level 3 certificate over the period 01 February 2019 until 31 January 2020.* ”

Matrix Fund Manager partnered with Lead Change Developments, who are based in Dobsonville in Soweto. Their focus is on providing a service to the disabled community by aiming to empower a disabled beneficiary to a level that sees non-disabled and disabled people working together.

Marther's specific intellectual impairment meant that she required a lot more practical experience compared to theoretical, and to assist her further, Lead Change Developments introduced her to a Life Skills Programme, focusing on work ethics, interview skills, office etiquette and CV writing.

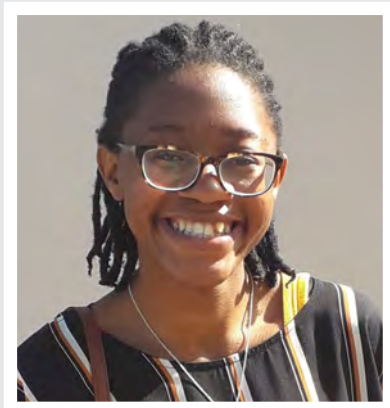
She was also given an overview and introduction to different types of investment opportunities as well as acquiring some financial knowledge to help her make the right decisions regarding her monthly stipend.

Prior to COVID-19, Marther was assisting the front office personnel at Lead Change Developments until she can source permanent employment elsewhere. She has proved to be an asset to the organisation.



NOTANDO LETSIE

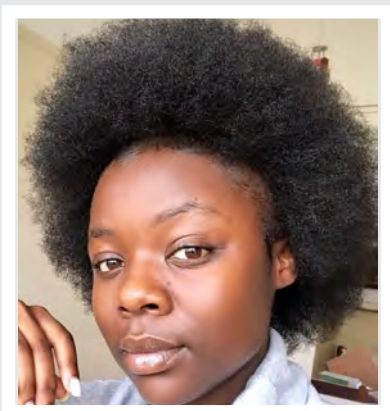
from ISFAP studying through
Stellenbosch University



My family and I will always be grateful for the opportunity that I have been given to pursue my studies. Being awarded this funding has also shown me that life is not a solitary thing – we all need people to come alongside us, to make a positive contribution to our lives and show us that they believe we can make it as much as we do, if not more. I would also love to be that person to somebody else one day.

LELONA-XABISO MYIRA

from ISFAP studying through
Stellenbosch University



I am so grateful for this funding because it has made my life a whole lot easier. It has allowed me to participate in activities that will help me discover myself and develop my character. This funding has made me a happier person as I am not stressed about things that a person my age should stress about. Fasset and ISFAP funding has granted me the opportunity to pursue my dream of being a Chartered Accountant.

KHUMBUDZO GUNDULA

from Haralambous and Associates

As a recipient of the 2019-2020 “Fasset Funds for NSFAS Loan, I wanted to thank you for awarding me these funds. I am appreciative of your support of my education.

I am currently a Tax Practitioner and Professional Accountant (SAIPA). Thanks to you, today my BTech: Cost and Management Accounting NSFAS debt is paid off by Fasset; I am one step closer to reaching my education and career goals. Instead of being worried about how I am going to pay off my NSFAS loan; I will be able to focus more on establishing a company that will be providing professional services. This will allow me to help my family members and those in need of financial assistance.

Thank you again for your investment in students like myself and in our education/articles. I hope that one day I will also be able to help a student achieve their goals, like you’ve helped me. Continuing my studies wouldn’t be possible without generous support from Fasset and NSFAS. Thank you for making this possible.

TIYANI MAVUNDZA

from BDO South Africa

The Learner Employment Grant has afforded our organisation to invest more on training, adding to our budget and enabling us to provide training in areas we could previously not afford due to financial constraints.

ELZAIDA SEDEMAN

from University of Western Cape



Dear Fasset Bursary Scheme.

I would like to express my gratitude towards the funders of the Fasset Bursary Scheme. I would like to thank the sponsors for selecting me as one of their students and so I enjoyed the benefits that the bursary gave to us. I was so amazed and blessed by the fact that I was selected even after I was rejected initially but my God answered my prayers as I did not have NSFAS and my parents did not have the money to pay for my tuition fees and everything that I needed to get through this year.

I was awarded the bursary because I prayed to God to bless me with a miracle even though I did not know where it would come from, and He came through for me. I would like to thank you for all the benefits that we got to enjoy from having mentors to having extra classes and getting monthly allowances this meant the world to me and it really helped me financially to get to campus and to attend my classes. Those meetings with my mentor was something new for me something I have never experienced before; I am forever thankful that I got the chance to have a mentor and just someone I could talk to whenever I felt like giving up.

Lastly thank you for everything you have done for us as students and It was a privilege to be part of the Fasset bursary scheme for 2019.

AVUYA KOEBERG

from University of Western Cape



I would like to take this opportunity to thank you for granting me the opportunity to be part of the Ukukhula Program. I'm not only grateful for the financial support that was carried out successfully throughout the year but also the academic support provided.

Lastly thank you for showing compassion towards students in need and I'm very lucky to be amongst those students. May you continue to do so tirelessly.

PAULINE HALANE

from Myfamily Consulting

Myfamily Projects and Consulting helps many graduates, entrepreneurs as well unemployed youth with skills development, coaching and mentoring. This includes preparing some of them with job readiness to enter the market as well linking them to the relevant industries.

Our main objective is to help combat unemployment rate in South Africa. Up to 2019, we weren't aware that we could benefit from Non-Pivotal learner Employment Grant (NLRG)

It was also during 2019 that we started receiving many requests from the graduates who needed to acquire skills from Myfamily Projects and Consulting and to also be mentored.

We decided to contact Fasset and were guided by Ms. Nomadlozi Buthelezi and her friendly team. We registered as a non-levy employer and managed to take graduates on an internship programme under Management Consulting. Having the interns helped has also helped grow our company revenue by 20% as they assisted a lot in terms of daily operations. Thank you to Fasset for believing in us as a small business; today we continue to run our business and hope to evolve and help many unemployed graduates reach their dreams.

ACKNOWLEDGEMENTS

The compilation of our Annual Integrated Report is a collaborative effort. The reporting team acknowledges the constructive input and involvement of the following:

- The Fasset Accounting Authority, GSC, Finco, Remco and ARC for providing the necessary guidance on Fasset's integrated reporting journey, and signing off the report.
- The various assurance teams, including Internal Audit and External Audit as well as the Fasset Board.
- The CEO and Executive Management team for its sound leadership and conducting the necessary reviews.
- Fasset Managers who contributed to the content and provided editorial inputs.
- The Fasset staff for supporting the auditing process and for contributing to the performance achieved by the SETA.
- Project beneficiaries who participated in the case studies.
- Active Brand Communications who are the production and editorial team for writing and proofreading the content as well as for design and printing of the report.



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