

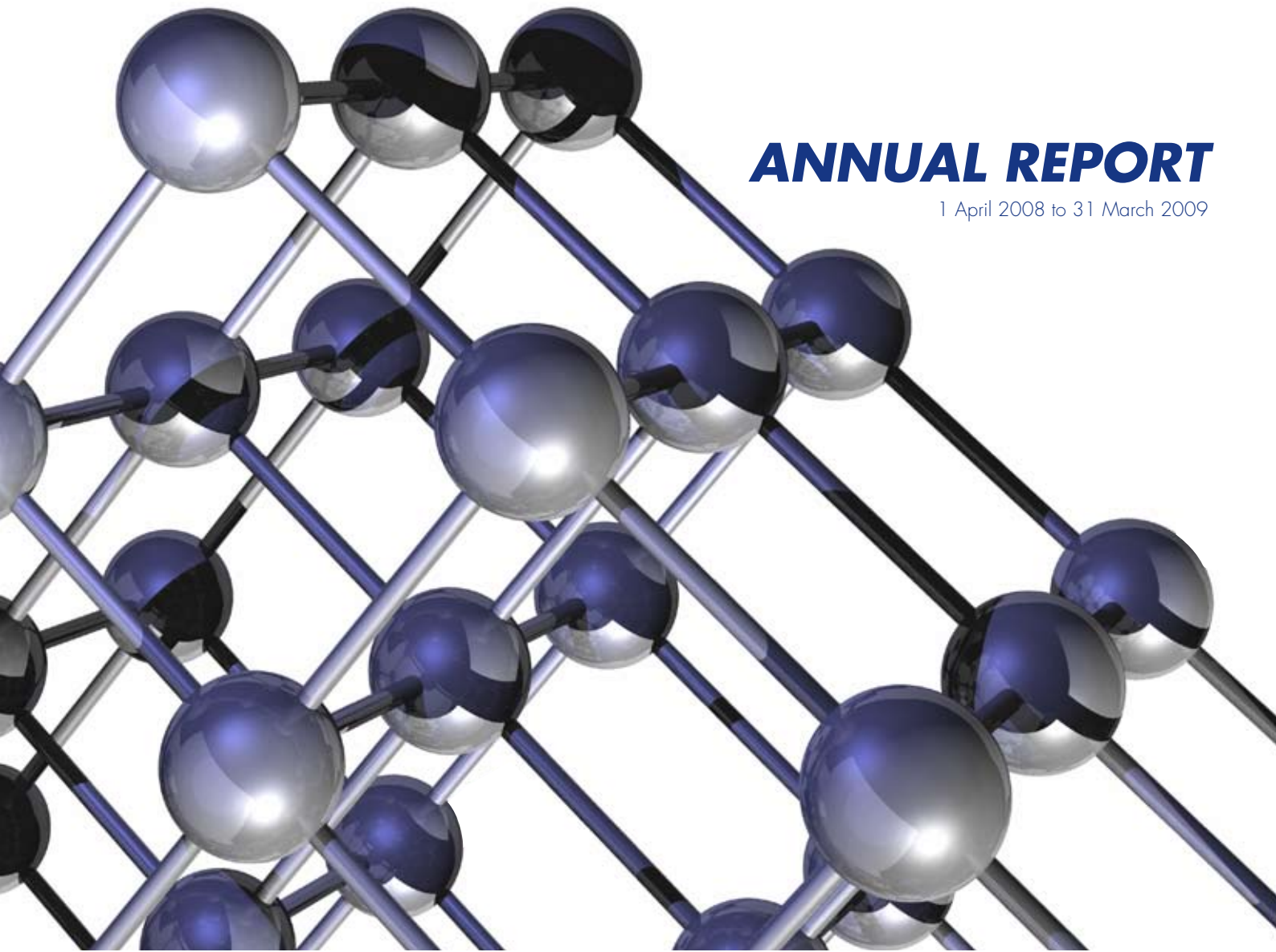


F A S S E T

Make the future count

ANNUAL REPORT

1 April 2008 to 31 March 2009



PROVIDING STABILITY AND MAKING THE FUTURE COUNT

As we enter our tenth year of operation and the final year of our current operating license, Fasset continues to make the future count for thousands of young South Africans. Over the past nine years 31 219 learners have been signed onto Fasset learnerships. Particularly gratifying is the fact that all 15 862 learners who have already completed Fasset learnerships have been placed in employment.

An additional 41 686 delegates have attended Fasset lifelong learning interventions. These interventions have enabled small and medium sized practitioners to ensure that their skills levels are at the leading edge.

Over R256 million in funding has been approved for our Development Projects. These continue to play an important role in opening up access to the sector for black learners and learners with disabilities. Projects range from those that enable high potential learners to rewrite matric, to those that support learners at undergraduate and post graduate level.

Mention should also be made of our Work Readiness Programmes. Placement rates of over 90% on completion, confirm that these programmes are not only playing an important role in meeting skills needs within the sector, but they are also playing an important role in enabling unemployed graduates to find employment.

Recruitment for our Development Projects is in line with National Skills Development Strategy targets of 85% black, 54% women and 4% people with disabilities.

The current economic slowdown enables Fasset to position itself as a safety net, for education and training for individuals already in the sector, and for those wanting to enter the sector. It is very gratifying to see that an ever-increasing number of stakeholders are partnering with Fasset and participating in more skills upliftment initiatives to ensure that employees' skills levels are continually developed during the so called, "great recession."

Government has announced that Setas will move from the Department of Labour to the Department of Higher Education and Training. Working in partnership with all stakeholders, Fasset will continue to provide stability and make the future count, by facilitating skills upliftment within the sector.

Fasset:
Providing
stability
in uncertain
times



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT OF FASSET

(Sector Education and Training Authority for Finance, Accounting, Management Consulting and Other Financial Services)

1 April 2008 to 31 March 2009

PUBLISHER

Fasset
Chief Executive Officer
P.O. Box 6801
Cresta
2118

EDITING AND DISTRIBUTION

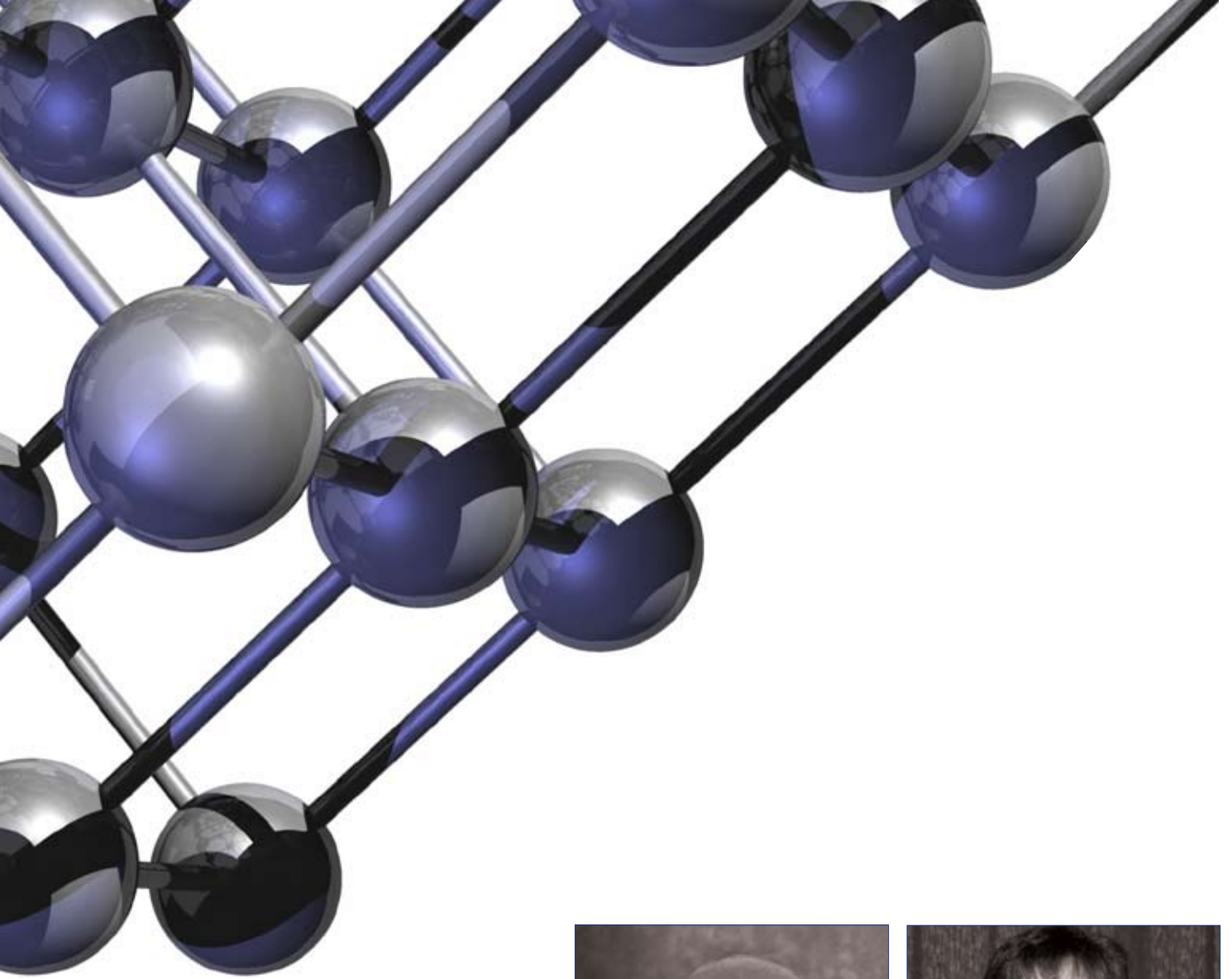
Marketing and Communication Department

DESIGN, LAYOUT, PHOTOGRAPHY AND PRINTING

www.blackmoon.co.za

RP 91/2009

ISBN 978-0-621-38613-4



Minister MMS Mdladlana, MP
Minister of Labour



Cheryl James
Fasset CEO

Honourable Minister, it is my pleasure to present to you the Annual Report of the Seta for Finance, Accounting, Management Consulting and Other Financial Services for the financial year ended 31 March 2009.

VISION

“To influence the effective operation of the labour market, through effective skills development, so as to ensure appropriate supply of competent labour necessary to compete in the global economy”.

MISSION

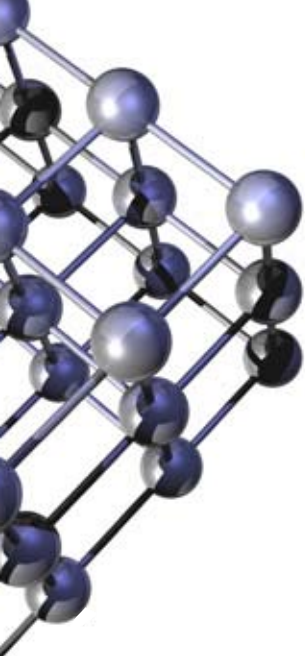
- To improve the competence of employees and potential employees, thereby enhancing productivity in the sector
- To increase the level of investment in education and training in the sector and to optimise the return on this investment
- To encourage employers and employees to adopt a culture of life-long learning
- To ensure the quality of training and education in the sector and to support the development of standards in line with the National Qualifications Framework (NQF) and to actively promote these standards
- To expand the provision of education and training in the sector through partnerships with public and private providers of education and training
- To enhance co-operation between the public and private sectors
- To support the objectives of the Employment Equity Act of 1998
- To enhance access to learning opportunities in the sector
- To position the sector as “the sector of career choice” for prospective learners and entrants into the labour market

INDEX

Chairman’s Foreword	6
Chief Executive Officer’s Report	9
Audit Committee Report	20
Annual Financial Statements	23

APPENDICES

NSDS II Targets and Achievements	62
Management Board	66
Working Committees	67
Organisational Structure	70



CHAIRMAN'S FOREWORD

HONOURABLE MINISTER, IT IS A PLEASURE TO PRESENT TO YOU THE ANNUAL REPORT OF THE SETA FOR FINANCE, ACCOUNTING, MANAGEMENT CONSULTING AND OTHER FINANCIAL SERVICES (FASSET) FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009.

INTRODUCTION

The year under review was our ninth year of operation and the fourth year of Fasset's functioning in terms of the Department of Labour's (DoL's) second National Skills Development Strategy (NSDS II), which came into effect on 1 April 2006 and will run to 31 March 2010. An overview of Fasset's functioning and performance against NSDS II is provided in Appendix A on page 62 of this Report.

Fasset remains firmly committed to meeting its NSDS II targets, and our achievements during the year under review confirm that the Seta is on track to meet these targets.

FINANCIAL INFORMATION

Fasset was financed predominantly from skills development levies paid in accordance with the Skills Development Levies Act (SDLA) (Act 9 of 1999), as amended, comprising 1% of the salary and wage bill of employers in the sector. Levies were distributed in accordance with the determining legislation, i.e.:

- 20% of funds (paid to the South African Revenue Service (SARS) withheld by the DoL's National Skills Authority (NSA) for purposes of funding national skills development initiatives)
- 80% of funds paid to SARS transferred to Fasset, which funds may be used as follows:
 - 10% administrative costs
 - 70% available for grants



Mpuseng Moloi

Members were able to access three sub grants during the period:

- Mandatory grants
 - Mandatory Grant 2008 (Combined Annual Training Report (ATR) 2007/08 and Workplace Skills Plan (WSP) 2008/09)
- Discretionary grants
 - Strategic Cash Grant (SCG) 2008/09
 - Learnership Cash Grant (LCG) 2008/09



Employers are able to claim back 50% of the Skills Development Levy (SDL) paid to SARS by way of a mandatory grant. To access the grant employers are required to submit a WSP for the upcoming year and a report on the implementation of training (ATR) in respect of the previous year. Discretionary grants are disbursed in line with sector priorities as defined in the Sector Skills Plan (SSP) which are approved by the Management Board at an annual strategic planning session.

All unclaimed funds, amounting to, R71 754 000 for the period under review, have been allocated to strategic projects identified by Fasset's Management Board. All budgeted income for 2008/09 has been spent or allocated to specific skills development projects for the sector. Generally Accepted Accounting Practice (GAAP) does not permit committed funds to be reported as a liability. This unfortunately creates a misconception that there are unspent funds. It is important to emphasise that 100% of budgeted funds have either been spent or allocated to approved projects, which are currently in progress and for which payment is only due on full completion of all deliverables. The finalisation of all deliverables can take up to four years, during which time the allocated funding is held in trust and is therefore, reflected in the Fasset bank accounts. Fasset has reflected a surplus in the Statement of Financial Performance. This is due to the extraordinary growth in the finance and accounting sector, the limited impact of the R500 000 payroll levy threshold and the economic downturn, which was not anticipated when the budgets were prepared. It is important to note that the surplus has been allocated to projects which will be implemented out in 2009/2010.

It is important to recognise that the quality of levy information received is beyond the control of the Accounting Authority. Fasset is making every effort to compensate for this.

Full financial details are provided on pages 23 to 60 of this Report.

GOVERNANCE

As the Management Board, we are custodians of public funds and have a fiduciary duty to ensure that we invest and manage those funds appropriately, enabling Fasset to meet the aims of skills development. Fasset is very pleased to report that the Seta has obtained an unqualified Audit Report for the ninth year in succession.

Fasset will continue to strive to position itself as the leader in corporate governance systems and structures within the public

sector environment. In keeping with this philosophy, we have always adopted a conservative investment approach, in terms of cash on hand and the projects that we fund.

Assisted by internal auditors, the Management Board and working committees conducted a self-assessment of their performance to check whether their terms of reference are still relevant, and whether specific actions could be taken to make them even more effective. Performance was benchmarked against the King II Report on Corporate Governance. The results confirmed that these structures are performing well. Fasset's Management Board and Working committees will however, continue to monitor the operating environment, embracing Best Practices in corporate governance, as these evolve.

During the year under review, Internal Audit Activity (IAA), which is currently carried out by an outsourced service provider, underwent an external Quality Assessment Review (QAR). The QAR included an assessment regarding the extent of conformance of the IAA to the International Standards for the Professional Practice of Internal Auditing (Standards) and to evaluate the IAA's efficiency and effectiveness in carrying out its function. The QAR assessed the review of the following categories of Standards:

- Attributable Standards;
- Performance Standards; and
- Internal Audit Activity Code of Ethics.

Fasset is pleased to report that the overall rating received following the QAR was one of General Conformance indicating that the IAA has a charter and the policies, procedures and processes have been judged to be in accordance with the *Standards*.

The QAR is further evidence of Fasset's commitment to ensuring that governance remains top of our agenda and that we will continue to identify opportunities to ensure that we are evaluating our performance against both local and international best practice standards.

FOCUS AND ACHIEVEMENTS

The year under review has been another very good and exciting year for Fasset. Seeking to raise the bar even higher, Fasset negotiated with DoL to increase its NSDS targets for the 2008/09 financial year. In terms of Service Level Agreements with DoL Fasset has either met or exceeded 12 of its 14 NSDS targets. Details of the achievement or reason for the deviation appear in the Appendix A, on pages 62 to 65 of this Report.

Fasset continues to innovate and to broaden its footprint. When allocating Project Funding our Management Board has tended to focus on the professional level. Going forward, the Management Board has, however, taken a strategic decision to focus on more levels of the National Qualifications Framework (NQF). In line with this shift in focus, funding was allocated to the Association of Accounting Technicians (AAT) Certificate Programme and the Sci-Mathus Bridging Programme. Funding has also been allocated to research the need for a Tax Learnership and a Financial Markets Learnership. As far as the latter is concerned the research on the need for both of these learnerships has commenced.

It is appropriate that we comment on our preference with regard to the Seta landscape post 2010. Based on Fasset's consistent strong track record for delivery, and the Seta's responsiveness to the skills needs within the sector, our Management Board took the decision more than a year ago, that when Seta operating licenses expire on 31 March 2010, we believe it would be in our sector's best interest if the status quo was maintained.

Many of the difficulties experienced in terms of Seta delivery emanate from systemic problems. Seta restructuring will not resolve these problems. Our Management Board believes Seta delivery could be impacted upon very negatively if the Seta landscape was restructured significantly. If, for example, good performers were merged with poor performers, this would lower performance to average performance at best. Centres of Excellence would be lost and delivery could be set back as much as 18 months.

It is our Management Board's view that mechanisms should be created for the transfer of skills and for capacity building between Setas as part of a skills development initiative. Hopefully, all Seta stakeholders will ensure that their voice is heard at the Seta public hearings due to be held in August 2009. Hopefully, Seta

experiences and Seta Best Practice will be distilled and inform the Seta landscape debate post 2010.

I would like to express my gratitude to the Management Board for expressing their confidence in me by electing me to a second term of office. I am very grateful to the Management Board for the passionate and lively debates that we enjoyed during the past year. It has been a pleasure working with people who are so passionate about skills development and so committed to improving skills levels within the sector. I would also like to take this opportunity to welcome the new Management Board, who assumed office in June 2008.

I have really enjoyed working with Fasset's Management Team. Consummate professionals, their presentation of documents and papers is humbling, and their passion for skills development, is unequalled.

It is important to recognise that our achievements would not have been possible without the ongoing commitment and support of all our stakeholders: the Department of Labour, organised business, organised labour, professional bodies, the Fasset staff, our service providers and the learners themselves. We thank each and every one of you for your exceptional commitment and hard work over the past year: this has played a pivotal role in ensuring Fasset's



MPUSENG MOLOI
Chairman

FRAUD POLICY STATEMENT

Fasset is committed to protecting its revenue, expenditure, assets and its reputation from any attempt by any person to gain financial or other benefit in an unlawful, dishonest or unethical manner.

ANTI-FRAUD CHARTER

In implementing the Fraud Policy of Fasset:

We are maintaining an anti-fraud environment throughout Fasset

- The Fraud Prevention Plan is being implemented throughout Fasset
- Fraud reduction is a priority in all governing structures (eg the Management Board, the various Working Committees and the Audit Committee)

- We will continue to embrace and acknowledge the contribution of all employees and members of the community who assist in the combating of fraud and in the prosecution of fraudsters

We understand and manage our risks

- Our fraud risks are reviewed and assessed on a regular basis
- Cognisance to fraud risk is given in all procedure changes
- Internal controls and audit measures are in place to identify and manage fraud risk

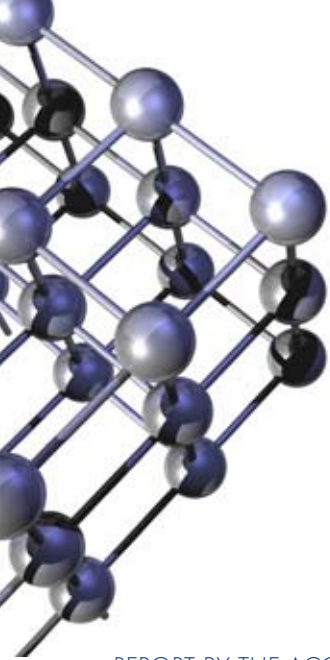
We are proactive in defending our assets

- We are forming strategic alliances in combating fraud
- We are establishing a profile on potential fraudsters
- We are monitoring direct and indirect losses incurred via fraud, through effective information and communication

We react swiftly when a crime is uncovered

- We react swiftly and appropriately when a crime is uncovered





CHIEF EXECUTIVE OFFICER'S REPORT

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA.

INTRODUCTION

We were delighted to be recognised by DoL at the 2008 National Skills Conference, as South Africa's top performing Seta. Recognition was based on performance against Service Level Agreement targets entered into with DoL for the 2007/2008 financial year (1 April 2007 to 31 March 2008). We hope to achieve similar recognition again this year.

The year under review, 2008/09 has proved another very successful year with Fasset either meeting or exceeding 12 out of 14 of its NSDS targets in terms of its Service Level Agreements with DoL. Where targets were not met there were very good reasons for this, including administrative timing differences between professional bodies and Fasset's reporting timeframes and pending changes to the Quality Assurance model.

The Skills Development Act 2008 has been passed, formalising the Quality Council for Trade and Occupations (QCTO) process. Fasset is participating in all DoL pilot projects around quality assurance and the QCTO. Our Management Board has allocated R4m to assist in the transition to the QCTO. Funding will enable professional bodies within the sector to identify and develop career pathing within the QCTO framework, to re-evaluate existing qualifications and learnerships, and where necessary, to amend or modify these.

Mandatory Grant submissions, attendance at lifelong learning events and the number of companies taking on learners, continues to increase year-on-year, confirming that what Fasset does is



Cheryl James

relevant to the sector. More importantly, it confirms that Fasset is meeting business needs and assisting firms to grow their business. A 100% placement rate for learners who have completed Fasset learnerships attests to this fact.

As business in South Africa experiences tougher times as a result of the global economic downturn, our stakeholders are increasingly appreciating the strategic importance of having people whose



skills are at the cutting edge. They are also increasingly viewing skills development as a business imperative.

Our stakeholders recognise the important role that lifelong learning interventions play in maintaining professional competence, building CVs and ensuring that skills remain current. Increasing awareness of the importance of lifelong learning is reflected in outstanding attendance figures for all lifelong learning interventions.

It is imperative that we create well-rounded people in the sector, particularly in times of uncertainty, such as those that we are currently experiencing. Our Development Projects focus on assisting learners to hone their 'soft skills'. Having completed one of these interventions, learners are far more marketable because they are more well-rounded individuals.

Mention was made in the Chairman's Report that Fasset has extended the scope of its funding. Even though the 25 learners funded on the SciMathus Bridging Programme may not ultimately end up as employees in our sector, Fasset recognises that there is a desperate need to assist these young people to enter financial careers in the long-run.

It is extremely gratifying to note the strong support that Fasset has enjoyed in terms of the Seta re-establishment process. Our Management Board has taken the decision that it wants Fasset to continue in its current format. Respondents in our Annual Customer Satisfaction Survey support this view. All professional bodies within our sector, nine out of ten training providers and 86% of respondents surveyed are opposed to any kind of merger. Respondents believe Fasset is a well-run organisation, which generally serves the sector well. Our stakeholders have indicated that Fasset would be in a better position to help them spend their skills development funds more effectively than any re-aligned Seta landscape.

Fasset continues to push for the development of NSDS III and would like to provide input into this process. However, only once NSDS III has been formulated, can one look at the type of agencies that would be best to implement this strategy. The final announcement on the future Seta landscape will, however, only be made at the National Skills Conference in October 2009.

LEARNERSHIPS

As at 31 March 2009, Fasset had registered 20 learnerships.

Of the 31 219 learners registered on Fasset learnerships to date:

- 3 436 learners were signed on during the year under review

- 1 103 are 18.1 learners (previously employed)
- 2 333 are 18.2 learners (previously unemployed)
- 1 620 have already completed their learnerships this year
- 14 882 learners from the Fasset sector are currently registered on Fasset learnerships
- 15 862 learners have already completed Fasset learnerships

During the course of the year, the NQF Level 3 Association of Accounting Technicians (AAT) Local Government Accounting Certificate was piloted very successfully. Ninety-five learners participated in the pilot programme. The learnership represents a partnership between Fasset, the South African Institute of Chartered Accountants (SAICA), AAT, the Local Government Seta (LGSeta) and the Gauteng Department of Local Government. Twenty-four learners were awarded the full Local Government Accounting Certificate and 71 learners were recognised for completing individual units of the qualification.

Fasset has gained a good reputation for working with professional bodies in the sector. Fasset has recently been approached by The Association of Certified Fraud Examiners, (South African Chapter), requesting that Fasset serve as the ETQA for the Association's qualifications.

Since its inception nine years ago, Fasset has incentivised employers with 150 or fewer employees to sign African, Coloured, Indian or learners with disabilities onto learnerships by offering a Learnership Cash Grant (LCG). Fasset is delighted to report an increase in submissions for the LCG. While 261 applications in respect of 613 learners were received for the period ending 31 March 2008, this year 327 applications were received for 791 learners. The increase in submissions confirms that the LCG continues to impact positively on transformation efforts within the sector.

The 21 Memoranda of Understanding (MoUs) Fasset has with other Setas has facilitated the implementation of learnerships across sectors. There are currently 368 learners from other sectors on Fasset learnerships. Fasset employers have registered 710 learners to date on learnerships from other sectors.

QUALITY ASSURANCE

The Association of Chartered Certified Accountants (ACCA) was accredited as a QAP, bringing the number of accredited QAPs to five. QAP partners include the Association of Accounting Technicians (AAT), the Chartered Institute of Management Accountants (CIMA), the Institute of Certified Bookkeepers (ICB), and the Institute of Chartered Secretaries and Administrators (ICSA).

QAPs serve as agent ETQAs and are responsible for performing the Education and Quality Assurance (ETQA) functions for their qualifications on Fasset's behalf.

The Skills Development Act 2008 has been passed, formally establishing the Quality Council for Trades and Occupations (QCTO). The National Qualifications Framework Act, 2008 (NQF Act) has been passed, which repeals the South African Qualifications Authority (SAQA) Act.

Fasset is part of DoL's Transitional Task Team, which is encouraging DoL to pilot the QCTO model and only launch the QCTO in 2010, coinciding with the implementation of NSDS III. Although quality assurance may no longer form part of Setas legislated functioning, Fasset, in partnership with its QAPs and professional bodies will continue to focus on quality assurance, providing the sector with a guarantee of quality. DoL has expressed interest in Fasset's QAP model and this will hopefully inform the QCTO model. Fasset is assisting DoL with information in this regard.

Verification visits were undertaken to AAT and CIMA head offices in London. The verification visits went extremely well. AAT and CIMA conduct assessments internationally. Many Best Practice initiatives were noted and Fasset ETQA learnt a great deal.

Fasset ETQA's annual assessor and moderator event was well supported. Approximately 100 assessors and moderators attended. Robert Zwane, a former CIDA City Campus learner and beneficiary of the Fasset-funded SAICA managed, Thuthuka CTA/QE Programme at the University of Johannesburg, provided valuable insights from a learner's perspective, on how he had personally experienced the assessment and moderation process.

SKILLS PLANNING

Fasset received positive feedback from the DoL concerning the Seta's Sector Skills Plan (SSP) Update for 2008/09. During the period under review, Fasset commissioned a sector survey: the last survey was undertaken in 2002. Employers, professional bodies, training providers and learners were surveyed. The survey sought to provide Fasset with an integrated profile of the Fasset sector, education and training provision in the sector, and the skills needs and requirements of the sector. The research also sought to develop a demand projection model and to produce projections of future demand and supply of labour to the sector.

During the year under review 1 954 Mandatory Grant applications were received and 1 894 applications were approved. The number of applications was marginally less than the 1 992 applications received in the previous year.

A breakdown of submissions received appears in the table below:

Organisation Size	Number of Approved Mandatory Grants
0-49	1 695
50-149	136
150+	63
Total	1 894

In 2008/09 Fasset again offered the SCG to levy-paying members and 45 applications in total were received. This represents a slight decrease in applications: 46 applications were received during the previous financial year.

An analysis of grant applications for 2006/07 was undertaken, contributing to the trend research and series of reports on grant submissions. The number of Mandatory Grants approved by Fasset has increased steadily from 324 in 2000/01 to 1 227 in 2006/07. The percentage of the available Mandatory Grants paid out has increased steadily from 50% in 2000/01 to 76% in 2006/07. Collectively, organisations that successfully submitted WSPs employed 56 971 people for year 7.

As reported in last year's Annual Report, an increasing number of non-levy paying members are voluntarily participating in Fasset initiatives. During the year under review 614 non-levy paying organisations registered with Fasset, compared to 556 organisations in the previous year.

Fasset has deployed Fasset Skills Advisors (FSAs) for the past nine years. Most importantly FSAs maintain Fasset's presence in all nine provinces in South Africa and advocate and encourage participation in Fasset initiatives. Specific deliverables for the period ending 31 March 2009 included: providing employers with an update on Fasset activities and Fasset benefits; providing employers with an explanation on Fasset learnerships; advising employers on where their skills needs/skills gaps may be appropriately met by learnerships; facilitating change in registration of SDFs if required; meeting with the SDF to complete the Mandatory Grant; updating employer details on the Fasset database; and ensuring that non-levy paying employers are assisted to become members of Fasset by completing or updating non levy paying member registration forms.



Lifelong learning remains a flagship initiative. Since the Seta's inception nine years ago, 41 686 delegates in total have attended these interventions. Our free lifelong learning interventions ensure that small and medium sized practitioners are able to keep upskilled. Our Management Board has identified lifelong learning as one of the interventions that Fasset needs to continue to offer, especially for small and medium-sized practitioners.

Annual attendance of these events continues to grow: attendance has increased from 4 900 in 2007/2008 to 11 026 in 2008/2009. We have always believed that it is imperative to have a geographic footprint not only in all nine provinces, but in urban and rural centres. We are very proud of the fact that our Budget & Tax Update was offered in towns as far afield as Bethlehem, Springbok, De Aar and Saldanha.

Nine lifelong learning events were held during the year. Attendance figures appear in the table:

Table 1: Attendance of Lifelong Learning Events

Lifelong Learning Event	Month	Total Attendees	Fasset Member Attendees
SDF 1 Day Training	April 2008	121	107
Complying With Changes in Legislation	April/ May 2008	1 382	1 310
Latest Trends in Recruitment	July 2008	277	258
Labour Law Update 2008	August/ September 2008	1 031	941
Performance Management	October 2008	377	325
Managing Time and Stress Effectively	October/ November 2008	2 012	1 817
Talent Management	November 2008	189	172
Mentoring and Coaching	February 2009	576	484
Budget and Tax Update 2009	March/April 2009	5 061	4 202
Total		11 026	9 616

Fasset has identified Adult Basic Education and Training (ABET) as a skills priority within the sector. Although only 2.1% of employees in the sector require ABET training, our Management Board advocates the support of individuals requiring such training. Fasset over-achieved on five of its eight Service Level Agreement targets entered into with DoL. Details of Fasset's achievements appear in Appendix A on page 62 of the Report.

Although overall targets for ABET were met, this comprised the exceeding of certain targets and not meeting other targets set. Progression from one subject area and ABET level may be affected

by dynamics within the learner group, and the employer and learner aspirations.

The 2009/2010 SSP update reveals that only 0.8% of employees in the Fasset sector have disabilities; this is well below the National Skills Development Strategy (NSDS) target of 4%. Fasset's Management Board agreed in August 2007 that Fasset would commission the development of an employer toolkit for employing people with disabilities, using existing research and information, to support employers who wish to train and employ people with disabilities. The toolkit has been finalised and will be launched at a SDF lifelong learning event later this year.

MARKETING COMMUNICATION

The media is monitored on an ongoing basis. Fasset continues to obtain fair and equitable media coverage. Coverage was obtained in business publications, national and regional newspapers, professional body publications, community based newspapers and web-based publications. Fasset was mentioned in at least 139 articles.

While Fasset editorial was published in a range of newspapers and business publications nationwide, Fasset achieved the greatest success distributing its press releases through Witness Job Guide, Skills Portal and the Star Workplace respectively. These were either published in their original format or reworked by the publication concerned. Details appear in the table below:

Table 2: Publications

	Skills Portal	Star Workplace Report	Witness Jobguide
April	1	1	1
May	5	1	0
June	3	2	4
July	2	1	0
August	0	2	5
September	2	2	5
October	2	3	3
November	0	0	1
December	0	0	2
January	3	0	0
February	0	1	2
March	3	2	1
	21	15	24

Publicity to the value of R 2.93 million was achieved, compared to R2.16 million in the previous year (2007/08).

As in the previous financial year, while Fasset participated in a number of Seta and skills development surveys in regional and national newspapers, many of the planned surveys were cancelled by the publications, for various reasons, primarily, due to a lack of advertising support.

Fasset produced various publications during the course of the year, including, the quarterly newsletter, Facts, monthly e-zine, e-Facts, bi-annual e-zine for learners, (L-Facts) and the 2007/08 Annual Report.

The Fasset website remains a flagship mechanism for ongoing communication and building the Fasset brand. The number of visits and visitors to Fasset's website has increased incrementally over the past three years. During the year under review 313 303 visitors visited the Fasset website. The average number of visitors on a monthly basis was 26 109, while the average total number of visits was 79 457, compared to 21 835 and 62 818 for the period 2007/08.

Although Setas have a "captive audience" Fasset believes, nevertheless that it is important to satisfy stakeholders through service excellence. In the light of this Fasset commissioned its second Customer Satisfaction Survey in June 2008, to ascertain whether current services are meeting stakeholder needs and to highlight potential areas for improving services and delivery. The survey focused primarily on the satisfaction of member organisations with service delivery, and included a survey of all professional bodies and training providers.

The research included a qualitative and a quantitative phase. Three focus groups provided valuable input for the qualitative phase. The quantitative phase included interviews with 170 member organisations. The member organisation survey questionnaire focused on uptake of service, reasons for lack of uptake, rating on process and correspondence related to service, rating on quality and or relevance of service offered and recommendations for improving specified services.

A section dealt with ratings on accessibility and usefulness of Fasset staff. A general section asked respondents to rate Fasset's overall performance in terms of meeting the sector's needs. The interview ended with responses to a possible merger of Setas.

The professional body survey required respondents to provide recommendations for improving specified processes and ratings for registering for accreditation, registering training providers, monitoring by Fasset, communication, meeting the sector's need, reaction to a possible merger of the Setas and the future QCTO.

The training provider survey asked respondents to provide recommendations for improving specified processes and rating for registering as a provider, monitoring by Fasset, systems engagement, communication, meeting the sector's needs and reaction to a possible merger of Setas and the future QCTO.

The survey also indicated that:

- For the majority of focus group participants, associations with the Fasset brand are positive
- Most member organisations and professional bodies felt that Fasset generally understands the sector's needs
- A number of participants in the focus groups from both large and small organisations felt that Fasset should concentrate more on non-financial subject matter in lifelong learning events and course offerings
- As many smaller firms often do not have the money to spend on learnerships, lifelong learning events were seen as important in providing small firms with a chance to send employees on training and show commitment to employee development
- Many organisations in smaller towns did not feel less catered for than those in the main metro centres
- In the survey, professional bodies, training providers and 86% of member organisations said no to a merger,
- 82% of respondents said the mandatory grant process was easy to follow
- 74% of respondents said the SCG process was easy to follow
- 78% of respondents said the process for claiming LCGs was clear and easy to follow
- 80% of respondents said the process of registering learners on a learnership was easy to follow
- 74% of respondents said learners from Development Projects were of a high calibre
- 84% of respondents said lifelong learning topics were relevant to their organisation's needs
- 80% of respondents said the process of enrolling learners on ABET Programmes was clear and easy to follow
- 84% of respondents said that Fasset newsletters were informative and relevant
- 82% of respondents said relevant contact people provide relevant information

Call Centres have become an important resource for serviced oriented industries, worldwide. This is certainly the case with Fasset. Our Call Centre remains the primary area of focus for maintaining excellent standards of service to our stakeholders. Monthly meetings continued to be held with the Call Centre supervisor to



manage the quality of service and process. Some 121 872 calls were received during the period under review.

DEVELOPMENT PROJECTS

Unclaimed grant monies are used to fund strategic projects, including Development Projects. These projects meet high skills needs within the sector as identified in Fasset's SSP. Development Projects seek to address the poor demographic profile within the sector, and as such, beneficiaries are in line with NSDS targets:

- 85% black
- 54% women
- 4% people with disabilities

Fasset continues to support fewer projects with larger amounts of money, concentrating on projects that provide maximum return on investment. Five projects were approved by the Executive Committee (EXCO) during the year under review: the Bonani 4 Work Readiness Programme, the Thusanani 3 Work Readiness Programme, the SciMathus Bridging Programme 2009, the Thuthuka Repeat Qualifying Examination (QE) Part 1 Project 2009/10, and AAT Certificate Programme. With the exception of the AAT Certificate Programme, the other programmes are all repeats. Almost R50m in funding was approved, bringing the amount of funding approved for all projects (over the past nine years) to just over R 256 million.

In line with our Management Board's decision to focus on funding more levels of the NQF, the AAT Certificate Programme targets unemployed matriculants and those with incomplete degrees or diplomas. In addition to obtaining a Certificate and Advanced Certificate from the AAT, learners will also receive work readiness training and will be placed in the Fasset sector on Accounting Technician learnerships.

No additional NSF funding was open to Setas during the period. The Bonani Virtual Office and Thuthuka Small Practice Projects, for which NSF funding was secured in 2006, will terminate in 2010. Forty-four of the original 45 additional learners on the Thuthuka Small Practices Project are still employed and are still pursuing their qualification. More than 70% of Bonani learners have been placed into full-time employment and the majority have been signed onto three-year learnerships.

Guarantee Trust Corporate Support Services (GTCSS) has surveyed employers who have taken on Bonani learners. Feedback from employers has been very positive. The indication has been that this project is meeting a real skills need within the sector. Feedback

from Fasset's employer site visits has also been very positive. Employers have commented that if they hire a learner "off the street", it takes 12 months before learners start earning money for the practitioner. Bonani learners who have completed the Virtual Office component start earning income for their employer within a much shorter time.

Fasset and GTCSS have received numerous letters from Bonani "graduates" explaining how the Bonani Programme has empowered them and made their dreams come true.

Yandiswa Ntozakhe a learner in the bookkeeping group on the 2007 Bonani Work Readiness Programme writes:

"Guarantee Trust brought life into my life because I never believed they can make our dreams possible. If you live in South Africa and you are from a previously disadvantaged background and inexperienced, it is difficult to find companies that can train you and hire you. Guarantee Trust Holdings has given me that opportunity to fulfill my dreams and become a qualified accountant. At the beginning it was not easy. You have to learn dictionary skills. I learnt how to spell, pronounce words and where to use words.

Guarantee Trust has taught me lots of things - how to behave in life, the corporate world and with people around me. They have taught me how to communicate with people both younger and older than myself. I can speak and do anything confidently knowing that I have learnt from the masters. Now everything that I do I will ensure that I do 100%, according to the Guarantee Trust motto.

Fasset, thank you for believing in us and for funding us so that we can pursue our dreams. Never stop believing in us. I promise we will not let you down. When we have our own accounting firms we will also take trainees from Guarantee Trust because we know where they come from.

I am currently working at WiZZIT Bank. I am in the Finance Department. I am doing debtors and creditors and I am learning a lot because we are using Pastel to process everything. I am happy. Next year I will be doing my BCTA. I am currently completing my B-Tech in Financial Information Systems."

We were particularly pleased with the results from the Thuthuka QE Part I Repeat Project. The first group of 195 students attended part-time classes over a six-month period and wrote three examinations as part of their preparation. Although a 50% pass rate was projected, a 53% pass rate was achieved, compared to a national pass average for Black candidates of 30% in 2008.

Based on these results, Fasset's Management Board agreed to fund a project which would assist Thuthuka QE 1 Repeat Project learners, who had successfully passed the examination, to prepare for Part Two of the Qualifying Exam. Fasset is very proud to report that two of the top ten candidates who successfully passed the QE 2 Exam, were beneficiaries of Fasset-funded projects.

For as long as there are funds available, Fasset will continue to support its sector by ensuring a steady flow of well-trained individuals into the sector.

INVESTORS IN PEOPLE

Investors in People (IIP) is an international standard that sets a level of good practice for improving an organisation's performance through its people. The standard was adopted by DoL and was piloted in a number of companies and organisations throughout South Africa. In 2006 DoL agreed to establish a framework of standards which would include a national standard to promote good practice in skills development, and not to continue with supporting IIP exclusively. It was envisaged that the framework would consist of different standards to promote good practice in skills development. Such a framework has not yet been developed. In view of this, Fasset decided to terminate the IIP project for its stakeholders. The Seta agreed, however, to support the two organisations that still needed to undergo a final assessment at the end of May 2008. These assessments have been completed. CIMA South Africa was recognised as an IIP organisation. Logista Pty Ltd was re-assessed and continues to meet the IIP Standard.

Fasset is an IIP accredited organisation and intends retaining its IIP accreditation. We believe it is good business practice to benchmark against an international standard of people management. Fasset will be re-assessed as an IIP organisation in the year ahead.

DoL BEST PRACTICE AWARDS

During the period under review DoL initiated the Department of Labour National Skills Development Good Practice Awards 2008. The aim of the Awards is to assist in establishing a sustainable national culture of good practices in skills development. DoL feels that embedding good skills development practices as part of standard organisational practice is key to maintaining an ongoing culture of investing in the development of the skills of South Africans to meet economic and social development and sustainability requirements at organisation, sector and national levels.

DoL has five categories for their awards: Public; Private (non-levy paying and levy-paying); non-levy paying organisations (NGO and CBO); Social Development projects/structures and skills development institutions, and Statutory Bodies. Setas were asked to manage the process for the Private category. The Awards for each category were held as part of the NSDS Conference in October 2008. Both of Fasset's submissions to DoL received Awards at the Conference.

FASSET BEST PRACTICE AWARDS

Instead of merely calling for submissions for DoL's National Skills Development Good Practice Awards, adjudicating these and submitting the winners to DoL, Fasset decided to recognise Best Practice employers by presenting them with the Fasset Making Best Practice Count Award. The Fasset categories were Best Practice in a large employer, Best Practice in a medium employer, Best Practice in a smaller employer and Best Practice in a registered non-levy paying employer.

Fasset received submissions from Anglo American, Deloitte Consulting Services and Ernst & Young in the category large employer and from Guarantee Trust Holdings, SAB&T and Silica Financial Administration in the medium-sized companies category. Ernst & Young was declared the winner in the category Best Practice in a Large Employer, and Silica Financial Administration Solutions, emerged as the winner in the category Best Practice in a medium-sized employer. The Awards were conferred at Fasset's combined AGM and year-end function.

THE ORGANISATIONAL FRAMEWORK

Fasset's successes would not have been possible without a strong organisational infrastructure. The Management Board, plus the various Working Committees and a Management Team, enable Fasset to carry out its mandate in terms of the Skills Development Act.

MANAGEMENT BOARD

The Board's responsibility has been expanded on in the Accounting Authority Report (see page 28). Other pertinent information relating to the Board is provided on the next page:

Composition of the Board:

- one executive member
 - the Chief Executive Officer (CEO)
- sixteen non-executive members, of which
 - four are trade union representatives
 - four are professional body representatives
 - eight are employer representatives

The Board meets quarterly to evaluate the Seta's performance, assess risks and review strategic direction. During the period under review, the Management Board met on four occasions:

- 22 May 2008
- 17 September 2008
- 27 November 2008
- 12 March 2009

In accordance with Fasset's Constitution, Management Board members serve for a two-year period. Mpuseng Moloi and Robert Capper were re-elected as Chairman and Deputy Chairman respectively.

Employer representatives, Paolo Giurcich (KPMG), Dorothy Ndletyana (Deloitte) Maryanne Trollope (Anglo Operations Limited), Stadi Mngomezulu (National Treasury), Robert Capper (PricewaterhouseCoopers), Holger Fischer (IDC), Shirley Olsen (MB Accounting Services) and Mpuseng Moloi (JSE Limited) were re-elected. Paolo Giurcich has since resigned from (KPMG) and Fasset's Management Board, he has been replaced by Heidi Volschenk (KPMG).

Kariem Hoosain (IRBA) was also re-elected, but he resigned subsequently as he has left the IRBA. His seat has been filled by Mandi Olivier (SAICA). Zahra Cassim (IPFA) retained her seat. Two new employee representatives from professional bodies were elected, namely Samantha Louis (CIMA) and Andrew Carlsson (ICB).

Employee representative, Pieter Lombard (PSA) was not re-elected. He was replaced by Christa du Plooy (PSA). Hanneljje Els (previously Botma) PSA and Witness Magoswana (Nehawu) were re-elected. Zola Williams (Nehawu) was elected onto the vacant trade union seat. Appendix B (page 66) provides details on the composition of the Board, which took over office on 26 May 2008, with Mpuseng Moloi elected as Chairman. One employer representative resigned and was replaced. There were no changes in employee representatives. The number of meetings attended by Board Members is also detailed.

The Board is supported by seven Working Committees, as detailed in Appendix C (page 67). Committees are responsible for formulating policies and procedures. With the exception of the Audit Committee, Working Committee members are not remunerated for attendance at Committee meetings. They are, however, remunerated for out-of-pocket expenditure, such as travel.

Audit Committee

Members of the Audit Committee are remunerated at a rate of R5 000 per scheduled meeting, as approved by the Management Board (May 2004). The Board also approved a remuneration rate, as per the Auditor-General rate, of R1 649 per hour for ad hoc meetings (this rate is reviewed on an annual basis based on the Auditor-General rate for audit partners).

The Audit Committee held four scheduled meetings and one special meeting during the period under review. Details of the Audit Committee members, the number of meetings attended, resignations, new appointments and the remuneration received appear in the Audit Committee Report (page 20 to 21)

Fasset has an Audit Committee Charter and an internal audit function. The Audit Committee has confirmed that Fasset maintains adequate internal control systems and that there were no material breakdowns in the functioning of the internal financial control systems during the year.

In terms of Fasset's Charter, Audit Committee members have to rotate every six years. Kariem Hoosain resigned, and was replaced by Stadi Mngomezulu. Bill Shellard joined the Committee as an independent member after his Management Board term ended. Mandi Olivier was previously an independent member: her status has changed, however, since joining the Management Board.

Management Team

During the year under review, Fasset's Management Team consisted of the CEO, the Chief Operating Officer (COO) and four professionals. The Management Team is tasked with implementing strategies and policies outlined in the legislation and agreed to by the Management Board. Specifically, the Management Team is responsible for:

- implementing core functions as defined by the SDA
- implementing strategies and policies



- implementing financial administration and accounting systems in terms of the budget
- maintaining and constantly re-evaluating the governance systems
- research
- dissemination of information
- maintaining the database and website
- performing all administrative functions necessary to ensure compliance with relevant legislation

Fasset has, since its inception, outsourced non-core activities. IT and financial functions are outsourced to Deloitte until 31 March

2010 and OMA will serve as Fasset's internal auditors until 31 March 2010.

Staffing

Fasset had a staff complement of 19 at year end. There were five new appointments and three resignations. Reasons for resignation included emigration. Two new positions were created, and two employees were promoted. A breakdown of the demographic profile and staffing positions is provided in Table 3 below and in Appendix D on page 70.

Table 3: Staff Profile for the period 1 April 2008 – 31 March 2009

Staff member	Position	Female				Male			
		A	C	I	W	A	C	I	W
Farhana Bhamjee	Skills Planning Officer			1					
Nomadlozi Buthelezi	Learnerships/ETQA Assistant	1							
Berlinda Chidi	Learnerships/ETQA Assistant	1							
Lauren Derman	Director of Skills Planning				1				
Natércia Faustino	ETQA/Learnerships Manager				1				
Unathi Jakalase	Learnerships/ETQA Officer	1							
Cheryl James	Chief Executive Officer				1				
Nadine Kater	COO and Director of Learnerships/ETQA		1						
Tania Lee	Projects Manager		1						
Mando Mahlangu	Skills Planning Officer	1							
Annah Maseko	Office Attendant	1							
Bomkazi Mnombeli	Operations Officer	1							
Gugu Moetanalo	Operations Manager	1							
Glodinah Moleko	Receptionist	1							
Marelda Moodley	Marketing Communication Manager			1					
Bontle Monchusi	Projects Assistant	1							
Thandiswa Nduna	Skills Planning Assistant	1							
Naamochenee Pillay	Senior Skills Planning Officer			1					
Caroline Pulford	Publications Officer				1				
Desireé Rikhotso	Skills Planning Assistant	1							
Thabiso Sebashe*	Marketing & Communications Assistant	1							
Nompumelelo Somta	Operations Assistant	1							
Pearl Thomo	Office Attendant	1							

* One disabled African female

Key: A - African C - Coloured I - Indian W - White

Our Remuneration Policy is designed to establish and maintain competitive, fair, equitable and market-related compensation to attract, motivate and retain talented people.

The composition of Fasset's Management Team is in line with the Seta's commitment to skills development and Employment Equity

(EE), not only within the organisation, but within the sector as a whole. The occupational levels and grades are detailed in Table 3 above. Occupational Levels and Grades are aligned with the sector and reflect the organisation's commitment to meeting its human resource needs through clearly defining the roles and activities that would be required to fill all relevant positions.



Table 4: Occupational Levels and Grades

OCCUPATIONAL CATEGORY	JOB TITLE	Grade (Patterson)	Guaranteed Cost to Company Salary Band
Senior Managers	CEO / COO	E3	R674 000-R1199 000
Professionals	Functional Directors Managers	DU DL	R537 000-R681 000 R310 000-R612 000
Skilled technical	Senior Officers Officers	CU CL	R227 000-R326 000 R132 000-R238 000
Clerks	Assistant Junior Assistants	BU BL	R105 000-R150 000 R71 000-R132 000
Elementary workers	Attendants	AU	R29 000-R42 000

Fasset has always benchmarked itself against best practice: HR policies not only meet, but exceed the Basic Conditions of Employment.

Fasset has a strong focus on internal staff development. We participate as a member of Fasset in terms of workplace skills planning, and staff attend many of the lifelong learning training interventions that Fasset hosts. In addition, staff attend relevant interventions at private training providers and are also encouraged to further their education via degrees or diplomas.

Fasset is proud of its achievements in terms of its commitment to staff development and education and training. All 23 staff members employed during the year attended at least one training intervention: 25 training interventions were attended during the year. The in-house Customer Service training course proved to be the most popular.

Constantly seeking to innovate, Fasset participated in the Umsobomvu Youth Fund's "Invite a Person with a Disability to Work campaign". Fasset hosted three learners from the University of the Witwatersrand. The trio spent time in various departments, so that they could gain first hand experience of what happens in each department. Fasset staff now has a better understanding of the needs of people with disabilities and are better positioned to identify opportunities for people with disabilities in the area of skills development and employment.

CORPORATE GOVERNANCE

This item is addressed in the Accounting Authority Report (page 28), but we can add that Fasset adheres to a comprehensive set of policies (see Table 5) designed and developed in accordance with Fasset's Constitution and in support of the SSP and the Business Plan. These contribute to the effectiveness of corporate governance strategies and are in accordance with the Public Finance Management Act (PFMA) (Act No 1 of 1999), as amended.

Table 5: Fasset Policies

Appraisal and Succession of Management Board and CEO Policy	Grant Disbursement Policy
Audit Committee Charter	Human Resources Manual
Business Continuity Plan	Information Systems Policy
Code of Conduct	Management Board and Committees Terms of Reference
Discretionary Funding Policy	Proatia Manuals: English, Afrikaans and Xhosa
Financial Policy	Risk Management Framework
Fraud Prevention Plan	Supply Chain Management Policy
Fraud Response Plan	

Internal Financial Control

Internal financial control focuses on critical risk areas, which are identified by Management and reviewed by the Audit Committee. The Management Team and the governing structures are confident that the standards that have been set and the systems of internal control and accounting control that have been implemented are adequate and ensure the integrity and reliability of the Financial Statements and accountability of Fasset's assets. These systems are monitored continuously throughout the year by both Management and Internal Audit.

The system of internal controls provides reasonable, as opposed to, absolute assurance. During the period under review, adequate accounting records were maintained. The external auditors are responsible for reporting on fair representation of the Annual Financial Statements and their report can be found on page 24.

Risk Management

An independent risk process is in place to enable Management to effectively identify, evaluate and assess risk. It is the Internal Auditor's responsibility to monitor the prescribed procedures: no unmitigated high-risk areas have been identified.

In compliance with Treasury Regulation requirements, the Internal Auditors have direct access to the CEO, the Audit Committee and the Management Board.

Fasset's Code of Ethics ensures that ethical standards are adhered to at all times. The management of financial affairs has been undertaken in accordance with the Financial and Procurement Policies and Procedures which have been put in place and which comply with the King II Report on Corporate Governance. Fasset therefore complies with best practice and with all legislation in terms of compliance.

A Materiality Framework is also in place. No instances occurred during the year that required an implementation of the policy developed in the Materiality Framework.

In addition, it is a requirement that the Annual Financial Statements of public entities be audited by the Office of the Auditor-General and this has been done. The Auditor-General has completed the audit and issued the final report, which can be viewed on pages 24 to 26 of this Report.

CHALLENGES

Fasset's greatest challenge in the year ahead emanates from the uncertainty surrounding the future Seta landscape. Fasset will continue to focus on its original Seta mandate and continue to do what we believe is best for our sector. We recognise, however, that is very important to influence at a strategic level what happens post 2010. The longer it takes for strategic decisions to be taken in this regard, the greater the need to focus on managing 2010 operational issues, as all existing contracts expire on 31 March 2010. Top of mind is the need to ensure that delivery is not compromised in the transition from NSDS II to NSDS III.

Despite massive retrenchments worldwide as a result of the meltdown in financial markets, skills development remains the best form of unemployment insurance. Fasset urges employers to maximize Fasset's free lifelong learning interventions to ensure that training continues and that skills remain current.

Fasset has always believed it is critical to ensure that one's qualifications stand up to the greatest scrutiny. Decisions taken nine years ago to continuously look at quality and our decision to continuously push the quality barrier, has ensured that the product that comes out at the end is able to stand up to scrutiny. While this strategy has always paid off it will pay off even more in uncertain times.

The poor throughput from school and tertiary institutions at undergraduate level remains an ongoing challenge. A new challenge emanates from the introduction of the National Senior Certificate (NSC), with the requirement that learners either complete Maths or Maths Literacy. While many institutions have said they will not recognise Maths Literacy, Fasset has been at the forefront of recognizing Maths Literacy, recruiting learners with Maths Literacy for the AAT Certificate Programme and the SciMathus Bridging Programme 2009.

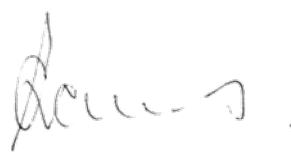
The gender and race issues are changing. While Fasset is having an impact, the impact is slow, and especially so at the higher occupational levels. The current financial slowdown will

undoubtedly impact on transformation. As companies down-size, people at senior levels, are less likely to move. Furthermore, fewer opportunities will be available globally, and we are already seeing this in the accounting profession. Opportunities for overseas placement on completion of articles are no longer available. The upside for the profession is that we will now be able to retain these skills in the country.

The other impact that we are already seeing, is that because companies are retaining their staff, employment opportunities at entry level are shrinking. In the year ahead, we do not expect the shortages of articulated clerks that have bedeviled the sector in the past to continue.

CONCLUSION

Although Fasset is experiencing challenging times, these are very exciting times, nevertheless. The current economic slowdown enables Fasset to position itself as a safety net, for education and training for individuals already in the sector, and for those wanting to enter the sector. Hopefully through our development projects, lifelong learning and our learnerships, Fasset will be able to make that path from the world of education to the world of work that much easier.



CHERYL JAMES
CEO

AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE IN TERMS OF REGULATIONS 27 (1) (10) (B) AND (C) OF THE PFMA OF 1999, AS AMENDED.

We are pleased to present our Report for the financial year ended 31 March 2009.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The accompanying table shows persons who served as members of the Audit Committee during the period under review, and their attendance record of formal Audit Committee Meetings.

Table 6: Audit Committee Members and attendance

Member	Meetings attended
Independent Members	
Judy Grobler	5 of 5
Mandi Olivier ¹	2 of 2
Sakhi Simelane (Chair)	4 of 5
Erna Swart	2 of 5
Bill Shellard ³	4 of 4
Board Members	
Kariem Hoosain ^o	0 of 1
Mandi Olivier ¹	3 of 3
Bill Shellard ³	1 of 1
Stadi Mngomezulu ²	3 of 4

^o Resigned 05/2008

¹ Independent until 08/2008 when joined Management Board

² Joined 07/2008

³ Management Board term ended 05/2008. Joined as independent member 07/2008

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has adopted appropriate terms of reference as its Audit Committee Charter. The Charter is annually reviewed

and updated as needed and complies with principles of good governance and with the requirements of the PFMA. The Audit Committee is accountable to the Management Board and has an oversight function with regard to:

- Financial management
- Governance
- Risk management
- Compliance with laws, regulations and good ethics, and
- Reporting practices.

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

REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

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

- Reviewed quarterly management accounts
- Reviewed and approved the Internal Audit Charter
- Updated the Audit Committee Charter
- Reviewed the risk analysis, as well as the internal audit coverage plans and budget
- Considered internal audit reports and made recommendations as appropriate
- Monitored progress with the internal audit coverage plans as well as Management's follow-up of matters requiring attention throughout
- Monitored compliance with Fasset policies and applicable legislation
- Conducted separate informal meetings with both internal and external audit
- Make provisions in Audit Committee Charter made to address succession planning
- Conducted a self-assessment during the year. Results concluded that by far and large the Audit Committee is effective in the execution of their duties. Minor areas of improvement identified were identified.

The Effectiveness of Internal Control

The Audit Committee is satisfied that:

- The risk management process is in place and the major risks under the control of Fasset are properly managed
- The internal control systems are effective and the Internal Auditors are operating objectively and independently
- Matters requiring Management attention have been adequately addressed.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor and Management the audited Annual Financial Statements to be included in the Annual Report
- Reviewed the Auditors' management report and Management's response thereto
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the conclusions of the Auditors 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.



A.S. Simelane
Audit Committee Chairman

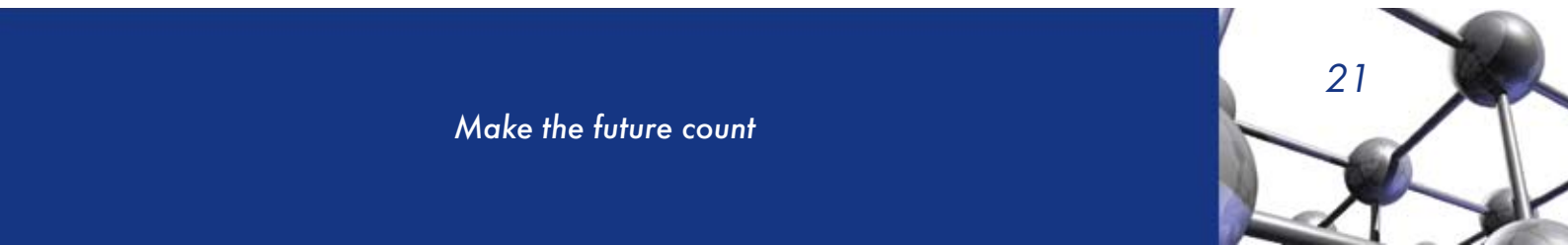
Audit Committee Meeting Attendance and Remuneration

Member	Mandi Olivier ¹	Mandi Olivier ¹	Judy Grobler	Sakhi Simelane	Kariem Hoosain ²	Stadi Mngomezulu ²	Bill Shellard ³	Bill Shellard ³	Erna Swart
Formal Meetings									
21 May 2008	✓	N/A	✓	-	-	N/A	✓	N/A	-
24 July 2008	✓	N/A	✓	✓	N/A	✓	N/A	✓	✓
30 October 2008	N/A	✓	✓	✓	N/A	✓	N/A	✓	-
25 February 2009	N/A	✓	✓	✓	N/A	-	N/A	✓	-
Meetings Attended	2	2	4	3	0	2	1	3	1
Special Meetings									
11 December 2008	N/A	✓	✓	✓	N/A	✓	N/A	✓	✓
Meetings Attended		1	1	1		1		1	1
Management Board Meetings									
22 May 2008				✓					
12 March 2009				✓					
Remuneration during year for financial year ending 31 March 2009	R10,000.00*	R11,649.00*	R21,649.00	R21,649.00	Nil	R11,649.00^	R5,000.00	R16,649.00	R6,649.00"
Travel reimbursement		R424.80		R314.88		R920.40	R518.24	R701.08	

° Resigned 05/2008
¹ Independent until 08/2008 when joined Management Board
² Joined 07/2008
³ Management Board term ended 05/2008. Joined as independent member 07/2008

Remuneration Rate
 Formal meetings = R5000.00 per meeting
 Ad hoc meeting = R1649.00 per hour (rate reviewed annually based on A-G rate for audit partners)

Committee fees paid to:
 * South African Institute of Chartered Accountants (SAICA) iro M Olivier
 ^National Treasury iro S Mngomezulu
 " Accounting Standards Board (ASB) iro E Swart





ANNUAL FINANCIAL STATEMENTS

Report of the Auditor-General	24
Report of the Accounting Authority	28
Statement of Financial Performance	30
Statement of Financial Position	31
Statement of Changes in Net Assets	32
Cash Flow Statement	33
Accounting Policies to the Annual Financial Statements	34 to 39
Notes to the Annual Financial Statements	40 to 60

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Finance, Accounting, Management Consulting and other Financial Services Sector Education and Training Authority (Fasset) which comprise the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 60.

The accounting authority's responsibility for the financial statements

The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) 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.

The Auditor-General's responsibility

As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 14(6) (a) of the Skills Development Act, 1998 (Act No. 97 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of the Fasset as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the PFMA.

Basis of accounting

Without qualifying my opinion the public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relates to my responsibilities in the audit of the financial statements:

Re-licensing

SETA's were established for a five year period until 31 March 2010. Fasset has applied for the renewal of its certificate of establishment. It is expected that the legislated renewal process will be concluded by 31 March 2010.

Governance framework

The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting authority and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	✓	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 55 of the PFMA.	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	

No.	Matter	Y	N
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The public entity had an audit committee in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	✓	
	<ul style="list-style-type: none"> The audit committee fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8. 	✓	
7.	Internal audit		
	<ul style="list-style-type: none"> The public entity had an internal audit function in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	✓	
	<ul style="list-style-type: none"> The internal audit function fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2. 	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	✓	
12.	Powers and duties have been assigned, as set out in section 56 of the PFMA.	✓	

No.	Matter	Y	N
Follow-up of audit findings			
13.	The prior year audit findings have been addressed.	✓	
Issues relating to the reporting of performance information			
14.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
15.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
16.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Fasset against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulation 30.1.	✓	
17.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

Fasset continued to comply with the legislation relating to governance matters and adopted and applied good governance practices throughout the year.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

I have reviewed the performance information as set out on pages 62 to 65.

The accounting authority's responsibility for the performance information

The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the

annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

The Auditor-General's responsibility

I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

The assistance rendered by the staff of the Fasset during the audit is sincerely appreciated.

Auditor-General

Pretoria
31 July 2009

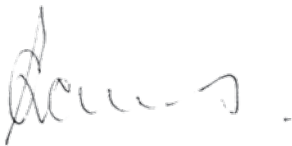


**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

**REPORT BY THE MEMBERS OF THE BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009**

The Annual Financial Statements for the year ended 31 March 2009, set out on pages 30 to 60, have been approved by the Accounting Authority on 28 May 2009 in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 as amended, and are signed on their behalf by:



Cheryl James
CEO



Mpuseng Moloi
Chairman



**REPORT OF THE ACCOUNTING AUTHORITY
FOR THE YEAR ENDED 31 MARCH 2009**

HONOURABLE MINISTER, IT IS WITH PLEASURE THAT THE ACCOUNTING AUTHORITY PRESENTS TO YOU THE ANNUAL FINANCIAL STATEMENTS OF THE SETA FOR FINANCE, ACCOUNTING, MANAGEMENT CONSULTING AND OTHER FINANCIAL SERVICES (FASSET) FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009.

GOVERNANCE

As Fasset's Accounting Authority, it is the Management Board's responsibility to prepare Financial Statements that fairly present Fasset's financial position at 31 March 2009 and also the Financial Performance and Summary Cash Flow Activities for the year ending 31 March 2009. Once again, the Board of Fasset is of the opinion that appropriate Accounting Policies, supported by reasonable and prudent judgement and estimates, have been applied on a consistent, going concern basis and the Financial Statements comply with Generally Accepted Accounting Practices (GAAP), Generally Recognised Accounting Practices (GRAP) and the Public Management Act (PFMA) (Act No 1 of 1999), as amended.

With regard to systems and controls, these include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties. Further, the management of these financial affairs has been undertaken in accordance with the Financial and Procurement Policies which have been put in place, and which comply with the King II Code on Corporate Governance. In addition, all necessary structures, policies and procedures are in place in order to ensure compliance with the requirements of the PFMA. These include an independent Audit Committee, a Fraud Prevention Plan and Internal Auditors. Fasset therefore complies with best practice, and with all legislation with regard to governance, and this continues to be a crucial and very serious aspect of the functioning of the Seta.

Various additional responsibilities are incumbent on the Board, i.e. providing strategic direction to Fasset; determining strategies and policies; and managing performance against agreed strategies and business plans. In order for the Board to successfully implement its mandate, new Management Board members are thoroughly capacity built into the skills development and Fasset environments via a comprehensive induction and on-going training programme. A process of self-assessment and discussion of performance by the Management Board has also been implemented and it is hoped that this will serve as an additional useful tool in ensuring effective functioning of the

Board. This self-assessment process has also been implemented at Working Committee level and further ensures effective functioning of the Seta.

GOING CONCERN

The Accounting Authority is of the opinion that Fasset will continue as a going concern for the next 12 months. The following reasons form the basis for our conclusion:

- Fasset has met its budgetary requirements for the current year and will continue to do so in the next 12 months;
- Fasset has assessed all its legal opinions and does not consider that this will impact the going concern assumption.

Seta's were established for a five year period until 31 March 2010. Fasset has applied for the renewal of its certificate of establishment. It is expected that the legislated renewal process will be concluded by 31 March 2010.

In the event that Fasset certificate of establishment is not renewed then the Executive Authority will decide on the transfer of all assets and liabilities of the Seta.

NSDS

Fasset's achievements in terms of NSDS targets are reflected in Appendix A on page 62.

REMUNERATION

In terms of Fasset's Policy, the Management Board is not remunerated. The remuneration of the CEO and COO, who are full-time employees is reflected in the table 7 on page 29.



MPUSENG MOLOI
Chairman

**REPORT OF THE ACCOUNTING AUTHORITY
FOR THE YEAR ENDED 31 MARCH 2009**

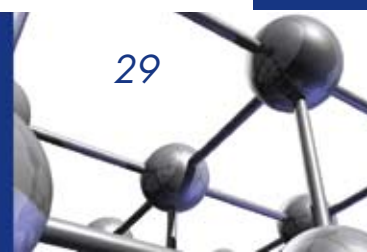
TABLE 7: CEO AND COO'S REMUNERATION

Chief Executive Officer's Remuneration

	2008/2009	2007/2008
Pension	-	-
Medical	-	-
Allowances: Car & subsistence	48,000	48,000
Base Remuneration	1,123,750	1,027,000
Total Guaranteed Cost to Company	1,171,750	1,075,000
Non Guaranteed (at risk) Remuneration	120,508	107,500
Total Guaranteed and Non-Guaranteed Remuneration	1,292,258	1,182,500

Chief Operating Officer's Remuneration

	2008/2009	2007/2008
Pension	-	-
Medical	-	-
Allowances: Car & subsistence	13,836	13,846
Base Remuneration	806,389	738,664
Total Guaranteed Cost to Company	820,225	752,510
Non Guaranteed (at risk) Remuneration	85,356	75,250
Total Guaranteed and Non-Guaranteed Remuneration	905,581	827,760



STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2009

	Note	2008/09 R'000	2007/08 R'000
REVENUE			
Skills Development Levy transfer from non - exchange transactions	2	197 178	166 925
Skills Development Levy penalties and interest from non - exchange transactions		1 842	819
National Skills Fund income	15	9 770	14 519
Investment Income	3	14 601	10 398
Other income	4	38	2
Total Revenue		223 429	192 663
EXPENSES			
Employer grant and project expenses	5	(192 207)	(148 924)
Administration expenses	6	(17 996)	(15 944)
National Skills Fund expenses	15	(9 770)	(14 519)
Total Expenses		(219 973)	(179 387)
NET SURPLUS FOR THE YEAR	1	3 456	13 276

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2009

	Note	2008/09 R'000	2007/08 R'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	635	747
Intangible assets	8	44	29
Current Assets			
Accounts receivable from non - exchange transactions	9	295	4 446
Accounts receivable - Other	10	981	1 045
Loans receivable	11	-	3 000
Cash and cash equivalents	12	129 256	121 077
Consumables		29	-
Total Assets		131 240	130 344
LIABILITIES			
Current Liabilities			
Trade and other payables from non - exchange transactions	13	40 298	41 122
Trade and other payables from exchange transactions	14	17 801	16 256
National Skills Fund received in advance	15	201	3 482
Total Liabilities		58 300	60 860
NET ASSETS		72 940	69 484
Funds and Reserves			
Administration reserve		679	776
Employer grant reserve		507	951
Discretionary reserve		71 754	67 757
TOTAL FUNDS AND RESERVES		72 940	69 484



**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	Administration Reserve R'000	Employer Grant Reserve R'000	Discretionary Reserve R'000	Unappropriated surplus R'000	Total R'000
Balance at 1 April 2007		831	274	55 103	-	56 208
Net surplus per Statement of Financial Performance		-	-	-	13 276	13 276
Allocation of unappropriated surplus	1	5 288	21 470	(13 482)	(13 276)	-
Excess reserves transferred to Discretionary reserve		(5 343)	(20 793)	26 136	-	-
Balance at 31 March 2008		776	951	67 757	-	69 484
Net surplus per Statement of Financial Performance		-	-	-	3 456	3 456
Allocation of unappropriated surplus	1	7 104	19 740	(23 388)	(3 456)	-
Excess reserves transferred to Discretionary reserve		(7 201)	(20 184)	27 385	-	-
Balance at 31 March 2009		679	507	71 754	-	72 940

An amount of R679 000 (2008:R776 000) is retained in the administration reserve equal to the carrying value of Property, plant and equipment and Intangible assets.

An amount of R507 000 (2008:R951 000) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date.

CASH FLOW STATEMENT**FOR THE YEAR ENDED 31 MARCH 2009**

	Note	2008/09 R'000	2007/08 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		203 301	166 511
Levies, interest and penalties received	2	199 020	168 823
Other cash receipts from stakeholders		4 281	(2 312)
Cash paid to stakeholders, suppliers and employees		(215 813)	(181 508)
Grants and project payments		(191 055)	(144 430)
Special projects		(9 770)	(14 519)
Project payments for NSF		3 000	(3 000)
Compensation of employees		(6 667)	(5 755)
Payments to suppliers and other		(11 321)	(13 804)
Cash utilised in operations	16	(12 512)	(14 997)
Interest received	3	14 388	10 211
Special projects	15	6 489	14 468
Net cash inflow from operating activities		8 365	9 682
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, plant and equipment	7	(139)	(210)
Acquisition of Intangible assets	8	(47)	(19)
Net cash outflow from investing activities		(186)	(229)
Net increase in cash and cash equivalents		8 179	9 453
Cash and cash equivalents at beginning of year	12	121 077	111 624
Cash and cash equivalents at end of year	12	129 256	121 077



**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

1. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except where adjusted for present/fair values as required by the respective accounting standards.

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) and the Public Management Act (PFMA) (Act No1 of 1999), as amended including any interpretations of such statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

- GRAP 1: Presentation of financial statements
- GRAP 2: Cash flow statements
- GRAP 3: Accounting policies, changes in accounting estimates and errors

Replaced Statement of GAAP

- AC101: Presentation of financial statements
- AC118: Cash flow statements
- AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

1. Terminology differences:

- Standard of GRAP
- Statement of financial performance
- Statement of financial position
- Statement of changes in net assets
- Net assets
- Surplus/deficit for the period
- Accumulated surplus/deficit

- Contributions from owners
- Distributions to owners
- Reporting date

Replaced Statement of GAAP:

- Income statement
- Balance sheet
- Statement of changes in equity
- Equity
- Profit/loss for the period
- Retained earnings
- Share capital
- Dividends
- Balance sheet date

2. The cash flow statement can only be prepared in accordance with the direct method.
3. Specific information has been presented separately on the statement of financial position such as:
 - (a) receivables from non-exchange transactions, including taxes and transfers;
 - (b) taxes and transfers payable;
 - (c) trade and other payables from non-exchange transactions
4. The amount and nature of any restrictions on cash balances is required to be disclosed.

Paragraph 11 - 15 of GRAP 1 has not been implemented as the budget reporting standards are in the process of being developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect fair presentation.

2. REVENUE RECOGNITION

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

2.1 Levy Income

Skills Development Levy (SDL) transfers are recognised when it is probable that future economic benefits will flow to the Seta and these benefits can be measured reliably. This occurs when the Department of Labour (DoL) either makes an allocation or payment, whichever comes first, to the Seta, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), as amended. The new policy was effective from 1 April 2007.

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended, registered member companies of the Seta 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 Department of Labour (DoL). Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005.

80% of Skills Development Levies are paid over to the Seta (net of the 20% contribution to the National Skills Fund (NSF)). The Seta was not in a position to verify that SARS has collected all potential skills levy income.

Levy income is recognised on the accrual basis.

Revenue is adjusted for inter-seta transfers 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 the Department of Labour (DoL).

When a new employer is transferred to the Seta, the levies transferred by the former Seta are recognised as revenue and allocated to the respective category to maintain its original identity.

2.2 Interest and Penalties

Interest and penalties received on the skills development levy are recognised on the accrual basis.

2.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the Seta as a liability until the related eligible special project expenses are incurred, then the liability is extinguished and revenue recognised.

2.4 Investment Income

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

3. GRANTS AND PROJECT EXPENDITURE

A registered employer may recover a maximum of 50% of its total levy payment as a mandatory grant (excluding interest and penalties) by complying with the criteria in accordance with the Skills Development Act, 1998, as amended. Seta Grant Regulations regarding monies received and related matters (the Seta Grant Regulations).

Mandatory Grants

Grants are equivalent to 50% of the total levies contributed by employers during the corresponding financial period, when the employer meets the criteria in the Seta Grant Regulations.

Discretionary Grant and Project Expenditure

A Seta may out of surplus monies and in accordance with criteria as defined in the Seta Grant Regulations allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the Seta Board. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by the Seta.

A Seta allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period.



Project expenditure comprises:

- costs that relate directly to the specific project;
- costs that are attributable to project activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the Seta under the terms of the contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

Discretionary grant and project costs are recognised as expenses in the period in which they are incurred, in which the conditions are met.

4. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA, as amended
- The Skills Development Act (the Act), 1998 (Act No. 97 of 1998) as amended.

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

All irregular and fruitless and wasteful expenditure is charged against the respective class of expense in the period in which it is incurred.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

The gain or loss on disposal of Property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

In the application of the Seta's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of Property, plant and equipment

The Seta reviews the estimated useful lives of Property, plant and equipment at the end of each annual reporting period, for the carrying values of Property, plant and equipment. The Seta is currently established until 31 March 2010 and in terms of the Act read with Government Notice No. R.1082 of 7 September 1999 a Seta is required to apply to the Minister of Labour for a renewal of its certificate of establishment by 1 April 2009.

In the light of the requirement to apply for a renewal of a Seta's certificate of establishment, management was required to consider how it impacts the period over which assets are expected to be available for use by the Seta. Management determined, consistent with the prior year, that the useful life of assets should not be limited by the Seta's establishment until 31 March 2010. Management's determination of useful life also impacts the determination of the residual value of assets.

The following useful lives are used in the calculation of depreciation:

Computer equipment	3 years
Office furniture and fittings	10 years
Office equipment	5 years

The Seta has reviewed the residual values used for the purposes of depreciation calculations in light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values are reviewed annually.

6. INTANGIBLE ASSETS

Intangible assets are stated at cost less any subsequent accumulated amortisation and adjusted for any impairments. Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

The gain or loss on disposal of intangible assets is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

Useful lives of Intangible Assets

The Seta reviews the estimated useful lives of Intangibles at the end of each annual reporting period, for the carrying values of Intangibles. The Seta is currently established until 31 March 2010 and in terms of the Act read with Government Notice No. R.1082 of 7 September 1999 a Seta is required to apply to the Minister of Labour for a renewal of its certificate of establishment by 1 April 2009.

The following useful lives are used in the calculation of amortisation:

Computer software	2 years
-------------------	---------

The Seta has reviewed the residual values used for the purposes of amortisation calculations in light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values are reviewed annually.

7. LEASING

Payments made under operating leases (leases other than finance leases) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

8. GRANTS

Mandatory Grant Payments

A liability is recognised for mandatory grant payments once the specific criteria set out in the Seta Grant Regulation has been complied with by member companies and it is probable that the Seta 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 Act. 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 Regulations and any additional criteria as approved by the Seta Board has been complied with by member companies and it is probable that the Seta 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 Act. 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 commitments in the notes to the Annual Financial Statements.

9. FINANCIAL INSTRUMENTS

Recognition

Financial assets and financial liabilities are recognised on the Seta's Statement of Financial Position when the Seta becomes a party to the contractual provisions of the instrument.

Financial Assets

Cash and Cash Equivalents

Cash and cash equivalents are stated at amortised cost, which, due to their short term nature closely approximate their fair value.

All financial assets of the Seta were categorised as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables

are measured at amortised cost using the effective interest method less any impairment. 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 indicators of impairment at each year end. 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 trade receivables 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 the surplus or deficit.

Financial Liabilities

All financial liabilities of the Seta were classified as other financial liabilities. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

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.

10. 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:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Unappropriated surplus

Employer levy payments are set aside in terms of the Act and the Seta Grant Regulations for the purpose of:

	2008/09	2007/08
	%	%
Administration costs of the Seta	10	10
Employer grant fund levy	50	50
Discretionary grants and projects	20	20
Received by the Seta	80	80
Contribution to the National Skills Fund	20	20
	100	100

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund the Seta's administration costs.

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 net 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.

11. COMPARATIVE FIGURES

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

12. TAXATION

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

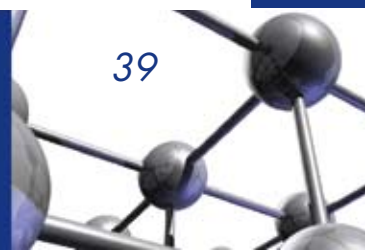
13. CONSUMABLE INVENTORY

Consumable inventory on hand at the reporting date is measured at cost. An individual consumer purchase of which the cost does not exceed R1 000 is recognised, on acquisition, in surplus or deficit.

14. EMPLOYEE BENEFITS

Termination benefits are recognised and expensed only when the payment is made.

No provision has been made for retirement benefits as the Seta does not provide for retirement benefits for its employees.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

1. ALLOCATION OF NET SURPLUS FOR THE CURRENT YEAR TO RESERVES

	Total per Statement of Financial Performance 2008/09 R'000	Administration Reserve R'000	Employer Grants Reserve	Discretionary Reserve			
			Mandatory Skills Grant R'000	Discretionary Grants R'000	Special projects R'000	Projects R'000	Total Discretionary R'000
Total Revenue	223 429	25 100	122 819	49 297	9 770	16 443	75 510
Skills Development Levy transfer from non - exchange transactions			-	-	-	-	-
Levy transfer Administration (10%)	25 062	25 062	-	-	-	-	-
Levy transfer Employer Grants (70%)	172 116	-	122 819	49 297	-	-	49 297
Skills Development Levy penalties and interest from non - exchange transactions	1 842	-	-	-	-	1 842	1 842
National Skills Fund income	9 770	-	-	-	9 770	-	9 770
Investment Income	14 601	-	-	-	-	14 601	14 601
Other income	38	38	-	-	-	-	-
Total Expenses	219 973	17 996	103 079	11 550	9 770	77 578	98 898
Administration expenses	17 996	17 996	-	-	-	-	-
National Skills Fund expenses	9 770	-	-	-	9 770	-	9 770
Employer grants and project expenses	192 207	-	103 079	11 550	-	77 578	89 128
Net surplus per Statement of Financial Performance allocated	3 456	7 104	19 740	37 747	-	(61 135)	(23 388)

ALLOCATION OF NET SURPLUS FOR THE PRIOR YEAR TO RESERVES

	Total per Statement of Financial Performance 2007/08 R'000	Administration Reserve R'000	Employer Grants Reserve	Discretionary Reserve			
			Mandatory Skills Grant R'000	Discretionary Grants R'000	Special projects R'000	Projects R'000	Total Discretionary R'000
Total Revenue	192 663	21 232	103 601	42 094	14 519	11 217	67 830
Skills Development Levy transfer from non - exchange transactions	21 230	21 230	-	-	-	-	-
Levy transfer Administration (10%)	145 695	-	103 601	42 094	-	-	42 094
Levy transfer Employer Grants (70%)	819	-	-	-	-	819	819
Skills Development Levy penalties and interest from non - exchange transactions	14 519	-	-	-	14 519	-	14 519
National Skills Fund income	10 398	-	-	-	-	10 398	10 398
Investment Income	2	2	-	-	-	-	-
Other income							
Total Expenses	179 387	15 944	82 131	9 141	14 519	57 652	81 312
Administration expenses	15 944	15 944	-	-	-	-	-
National Skills Fund expenses	14 519	-	-	-	14 519	-	14 519
Employer grants and project expenses	148 924	-	82 131	9 141	-	57 652	66 793
Net surplus per Statement of Financial Performance allocated	13 276	5 288	21 470	32 953	-	(46 435)	(13 482)



2. SKILLS DEVELOPMENT LEVY TRANSFER FROM NON-EXCHANGE TRANSACTIONS

The total levy transfer per the Statement of Financial Performance is as follows:

	2008/09 R'000	2007/08 R'000
Levy transfer: Administration	25 062	21 230
Levies received	25 062	21 365
Levies received from DoL	24 707	21 555
Government levies received	480	431
Inter-seta transfers in	169	455
Inter-seta transfers out	(294)	(1 076)
Levies accrued	-	(135)
Levy transfer: Employer grants	122 819	103 601
Levies received	122 819	104 275
Levies received from DoL	123 445	107 378
Inter-seta transfers in	842	2 274
Inter-seta transfers out	(1 468)	(5 377)
Levies accrued	-	(674)
Levy transfer: Discretionary grants	49 297	42 094
Levies received	49 297	42 364
Levies received from DoL	49 542	43 597
Inter-seta transfers in	342	917
Inter-seta transfers out	(587)	(2 150)
Levies accrued	-	(270)
	197 178	166 925

3. INVESTMENT INCOME

	2008/09 R'000	2007/08 R'000
Interest income		
Accruals on bank deposits	213	187
Bank deposits	14 388	10 211
	14 601	10 398

4. OTHER INCOME

	2008/09 R'000	2007/08 R'000
Other income comprises:		
Bad debt recovered	-	2
Skills development levy refund	24	-
Income from attending committee meetings	14	-
	38	2
	38	2

5. EMPLOYER GRANT AND PROJECT EXPENSES

	2008/09 R'000	2007/08 R'000
Mandatory grants	103 079	82 131
Disbursed	106 262	77 040
Movement in provisions and accruals	(3 183)	5 091
Discretionary grants	11 550	9 141
Disbursed	9 242	8 047
Movement in provisions and accruals	2 308	1 094
Project expenditure	77 578	57 652
Disbursed	75 551	59 343
Movement in provisions and accruals	2 027	(1 691)
	192 207	148 924

6. ADMINISTRATION EXPENSES

	2008/09 R'000	2007/08 R'000
Advertising, marketing and promotions, communication	949	723
Bad debts written off	69	107
Consultancy and service provider fees	5 812	5 581
Cost of employment	6 773	5 845
Depreciation / Amortisation	280	268
Entertainment expenses	19	14
External auditor's remuneration	355	435
Impairments	116	(287)
Legal fees	60	42
Loss on disposal of Property, plant and equipment	3	16
Maintenance, repairs and running costs	76	136
Operating lease rentals	787	885
Remuneration to members of the audit committee	129	125
Staff training and development	172	185
Travel and subsistence	251	318
Other	2 145	1 551
Education and Training Quality Assurance (ETQA)	490	90
Insurance	332	332
Internal audit fees	425	342
Other administration expenses	733	621
Telephone	165	166
	17 996	15 944



6.1 Consultancy and service provider fees

Consultancy and service provider fee relates to the expenses incurred in respect of the outsourced finance, information technology maintenance and support and supply chain management function of Fasset.

6.2 Cost of employment

	2008/09 R'000	2007/08 R'000
Salaries and wages	6 686	5 818
Basic salaries	5 716	5 077
Performance awards	594	480
Temporary staff	258	117
Leave provision	106	90
Leave paid	12	54
Social contributions		
UIF	25	23
SDL	62	4
	<u>6 773</u>	<u>5 845</u>
Average number of employees	21	20

Refer to the report by the Accounting Authority on pages 28 and 29 for disclosure concerning the emoluments of the Chief Executive Officer and Chief Operating Officer.

7. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2009

	Cost R'000	2008/09 Accumulated depreciation R'000	Closing carrying amount R'000
Computer equipment	494	(354)	140
Office furniture and fittings	538	(253)	285
Office equipment	793	(583)	210
Balance at end of year	<u>1 825</u>	<u>(1 190)</u>	<u>635</u>

Year ended 31 March 2008

	Cost R'000	2007/08 Accumulated depreciation R'000	Closing carrying amount R'000
Computer equipment	462	(330)	132
Office furniture and fittings	509	(201)	308
Office equipment	772	(465)	307
Balance at end of year	<u>1 743</u>	<u>(996)</u>	<u>747</u>

Movement Summary

	2008/09				
Carrying amount 2008 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Carrying amount 2009 R'000	
Computer equipment	132	73	-	(65)	140
Office furniture and fittings	308	29	-	(52)	285
Office equipment	307	37	(3)	(131)	210
Balance at end of year	<u>747</u>	<u>139</u>	<u>(3)</u>	<u>(248)</u>	<u>635</u>

Movement Summary

	2007/08				
Carrying amount 2007 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Carrying amount 2008 R'000	
Computer equipment	121	89	-	(78)	132
Office furniture and fittings	313	43	-	(48)	308
Office equipment	377	78	(16)	(132)	307
Balance at end of year	<u>811</u>	<u>210</u>	<u>(16)</u>	<u>(258)</u>	<u>747</u>

8. INTANGIBLE ASSETS

	2008/09		
Cost R'000	Accumulated amortisation/impairment R'000	Closing carrying amount R'000	
Computer software	137	(93)	44
Balance at end of year	<u>137</u>	<u>(93)</u>	<u>44</u>

	2007/08		
Cost R'000	Accumulated amortisation/impairment R'000	Closing carrying amount R'000	
Computer software	90	(61)	29
Balance at end of year	<u>90</u>	<u>(61)</u>	<u>29</u>



Movement summary

	2008/09				Carrying amount 2009 R'000
	Carrying amount 2008 R'000	Additions R'000	Disposals R'000	Amortisation R'000	
Computer software	29	47	-	(32)	44
Balance at end of year	<u>29</u>	<u>47</u>	<u>-</u>	<u>(32)</u>	<u>44</u>

Movement summary

	2007/08				Carrying amount 2008 R'000
	Carrying amount 2007 R'000	Additions R'000	Disposals R'000	Amortisation R'000	
Computer software	20	19	-	(10)	29
Balance at end of year	<u>20</u>	<u>19</u>	<u>-</u>	<u>(10)</u>	<u>29</u>

9. ACCOUNTS RECEIVABLE FROM NON - EXCHANGE TRANSACTIONS

		2008/09 R'000	2007/08 R'000
Inter-seta debtors	23	125	3 838
SARS receivable		-	-
Employer receivables	9.1	441	764
Impairments	9.1	(271)	(156)
		<u>295</u>	<u>4 446</u>

9.1 Employer Receivables

	2008/09 R'000	2007/08 R'000
Overpayment to employers	441	764
Impairments	(271)	(156)
Effect of retrospective adjustments on affected employers	<u>170</u>	<u>608</u>

R441 000 (2008: R764 000) was recognised as a receivable relating to the overpayment to the employers in earlier periods, as a result of inaccurate information received, and is based on the amount of such grant over payments. An amount of R271 000 (2008: R156 000) was provided for as doubtful debts.

The Seta refunds amounts to employers in the form of grants, based on information from DoL. Where information is retrospectively amended, it may result in grants that have been paid to certain employers that are in excess of the amount the Seta 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.

10. ACCOUNTS RECEIVABLE -OTHER

	2008/09 R'000	2007/08 R'000
Deposits	123	121
Interest receivable	204	181
Prepaid expenses	654	743
	<u>981</u>	<u>1 045</u>

11. LOANS RECEIVABLE

	2008/09 R'000	2007/08 R'000
NSF receivable	<u>-</u>	<u>3 000</u>

Rnil (2008:R3 000 000) was paid to service providers who met the contractual obligations for the NSF project. Fasset paid these service providers due to delays in the receipt of the drawdown funds from DoL. The loan was repaid to Fasset during 2008/09

12. CASH AND CASH EQUIVALENTS

	2008/09 R'000	2007/08 R'000
Cash at bank and in hand	791	3 920
Cash at bank	789	3 918
Cash in hand	2	2
Short term fixed deposits	128 465	117 157
Cash and cash equivalents at end of year	<u>129 256</u>	<u>121 077</u>

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 11.4% (2008: 9.7%).

The Skills Development Act Regulations state that a Seta may, if not otherwise specified by the Public Finance Management Act, invest the monies in accordance with the investment policy approved by the relevant Seta.

As the Seta was exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits, surplus funds were invested in line with an investment policy as required by Treasury Regulation 31.3.5.



13. TRADE AND OTHER PAYABLES FROM NON - EXCHANGE TRANSACTIONS

		2008/09 R'000	2007/08 R'000
Skills development grants payable - mandatory		20 319	23 082
Skills development grants payable - discretionary		13 729	11 361
Inter-seta payables	23	81	636
Employer payables		581	1 376
SARS payables	13.1	4 784	3 584
Levy Creditors		804	1 083
		<u>40 298</u>	<u>41 122</u>

13.1 SARS Payable

	2008/09			
	Opening balance R'000	Change in estimate R'000	Addition R'000	Closing balance R'000
Provision for levies incorrectly received	(3 584)	(368)	(832)	(4 784)
Levies identified from variance reports	-	-	-	-
	<u>(3 584)</u>	<u>(368)</u>	<u>(832)</u>	<u>(4 784)</u>

	2007/08			
	Opening balance R'000	Change in estimate R'000	Addition R'000	Closing balance R'000
Provision for levies incorrectly received	(2 810)	11	(785)	(3 584)
Levies identified from variance reports	(6 274)	6 274	-	-
	<u>(9 084)</u>	<u>6 285</u>	<u>(785)</u>	<u>(3 584)</u>

An amount of R4 784 000 (2008:R3 584 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DoL, after being exempted from contributing skills development levies due to new legislation which came into effect from 1 August 2005. As SARS collects the levies on behalf of DoL, the responsibility to refund the levies to the employers remains with SARS. Fasset has communicated to these employers of their incorrect contributions.

14. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2008/09 R'000	2007/08 R'000
Project creditors	16 170	14 143
Service provider fees outstanding	175	973
Sundry payables	1 456	1 140
Trade payables	424	89
Other accruals and NSF accruals	643	768
Employee leave accrual*	389	283
	<u>17 801</u>	<u>16 256</u>

* The prior year amount relating to employee's entitlement to annual leave, which was previously disclosed as a provision has been reclassified to accruals. The amount previously disclosed as a provision at 31 March 2008 was R283 000. Leave is calculated based on leave days outstanding at year end and the total cost of employment.

15. NATIONAL SKILLS FUND

	2008/09 R'000	2007/08 R'000
Opening balance	3 482	3 533
Received during the year	9 885	14 324
Bonani/Thuthuka projects	9 885	14 324
Interest received	158	144
Utilised and recognised as revenue-conditions met:	(9 770)	(14 519)
Eupec	-	(244)
KZN/Limpopo	-	(5)
Bonani/Thuthuka projects	(9 770)	(14 270)
Repaid to NSF (closure of projects)	(3 554)	-
Closing balance	201	3 482

The accounting policy to account for Special Projects is set out in the Accounting Policy note 2.3. During the current year conditional funds of R9 885 000 (2008: R14 324 000) were received from the National Skills Fund. This amount was recognised as a liability until the conditions attached were met. During the year, R9 770 000 (2008: R14 519 000) eligible project special expenses were incurred and a corresponding amount was recognised as revenue.

An amount of R3 554 000 relating to the Eupec and KZN/Limpopo projects were repaid to the NSF. The remaining amount of R201 000 continues to be accounted for as a liability until the agreed contractual conditions have been met. As at the prior year end an amount of R3 411 000 represented the excess NSF project funds which was transferred to DoL in 2008/09. The remaining balance of R71 000 was accounted for as income received in advance.



16. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS

	2008/09 R'000	2007/08 R'000
Net surplus as per Statement of Financial Performance	3 456	13 276
Adjusted for non-cash items:		
Depreciation/Amortisation	280	268
Loss on disposal of Property, plant and equipment	3	16
Bad debts written off	69	107
Impairments	116	(287)
Special project income recognised	(9 770)	(14 519)
Adjusted for items separately disclosed:		
Investment Income	(14 601)	(10 398)
Adjusted for working capital changes:		
Decrease/(Increase) in receivables from non exchange transaction	3 966	(1 324)
Decrease in receivables - other	277	89
Decrease/(Increase) in loans receivable	3 000	(3 000)
Increase in consumables	(29)	-
(Decrease)/Increase in payables from non- exchange transactions	(824)	1 912
Increase/(Decrease) in payables from exchange transactions	1 545	(1 137)
Cash utilised in operations	<u>(12 512)</u>	<u>(14 997)</u>

17. CONTINGENCIES

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury should an application for retention of surplus funds be denied. Fasset submitted an application to the Department of Labour for the retention of surplus funds. As in the previous year Fasset expects that National Treasury will approve the retention of surplus funds.

18. COMMITMENTS

18.1 Discretionary reserve

Of the balance of R71 754 000 (2008: R67 757 000) available in the Discretionary reserve at the end of March 2009, R71 754 000 (2008: R67 757 000) has been approved and allocated for future projects and skills priorities as set out below. Amounts for expenses that have already been incurred, and therefore included in grant expenses in the Statement of Financial Performance, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury.

NSDS Indicator	Project Name	Opening balance 2007/08 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2008/09 R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000
NSDS 1								
1.1	Research*	86	-	(86)	-	-	-	-
2.4	IIP*	234	(204)	(10)	20	-	(20)	-
2.8	Transformation Strategy*	101	-	(101)	-	-	-	-
	Sub-total year 3 Project Fund	421	(204)	(197)	20	-	(20)	-
NSDS 2								
2.7	ABET Training*	368	-	(368)	-	-	-	-
2.8	Learnership Implementation Tools*	377	-	(209)	168	-	(168)	-
2.8	Debt Collection Learnership	2 006	-	(785)	1 221	-	(186)	1 035
	Sub-total year 4 Project Fund	2 751	-	(1 362)	1 389	-	(354)	1 035
NSDS 4								
4.2	Thuthuka CTA/QE WRP*	129	(106)	(23)	-	-	-	-
4.2	Centralised Marketing - Y5*	187	(57)	(130)	-	-	-	-
	Sub-total year 5 Project Fund	316	(163)	(153)	-	-	-	-

NSDS Indicator	Project Name	Opening balance 2007/08 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2008/09 R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000
NSDS 2								
4.2	Centralised Marketing: Social Development Projects*	103	-	16	119	-	(119)	-
4.2	Thuthuka UFH Post Graduate*	1 292	(296)	(996)	-	-	-	-
4.2	Thuthuka Small Practices CTA WRP	2 967	-	(1 202)	1 765	632	(423)	1 974
	Sub-total year 6 Project Fund	4 362	(296)	(2 182)	1 884	632	(542)	1 974
4.2	Strategic Marketing *	967	-	(967)	-	-	-	-
2.2	SMME Intervention - FSAs Advisors*	298	-	(298)	-	-	-	-
2.8	Life Long Learning *	3 208	93	(2 612)	689	-	(689)	-
5.3	Strategic Quality Assurance Interventions*	468	-	-	468	-	(468)	-
2.8	Leamership Cash Grant *	16 098	(17 698)	1 600	-	-	-	-
1.2	SDF Upskilling*	37	-	(37)	-	-	-	-
4.2	Bonani 2 WRP*	10 751	(4)	(10 747)	-	-	-	-
4.2	Centralised marketing	60	40	-	100	-	(28)	72
4.2	Thusanani 2 WRP*	14 207	-	(9 353)	4 854	(7)	(4 847)	-
4.2	Itukisa WRP*	1 159	(5)	(1 154)	-	-	-	-
	Sub-total year 7 Project Fund	47 253	(17 574)	(23 568)	6 111	(7)	(6 032)	72
2.2	SMME Intervention - FSAs*	-	2 500	(1 868)	632	-	(632)	-
2.7	Abet*	-	200	(47)	153	-	(153)	-
2.8	Leamership Cash Grant*	-	15 667	(14 903)	764	(4 201)	3 437	-
2.8	Life Long Learning*	-	6 200	(2 885)	3 315	-	(2 891)	424
4.2	Bonani 3 WRP	-	23 203	(4 840)	18 363	983	(19 224)	122
4.2	Thuthuka Full-Time CTA	-	28 105	(7 477)	27 358	-	(3 006)	24 352
4.2	Thuthuka Repeat QE Part 1	-	7 869	(3 068)	4 801	-	(3 446)	1 355
4.2	ORT CAT WRP*	-	2 519	(230)	2 289	(22)	(2 267)	-
4.2	Strategic marketing*	-	830	(426)	404	-	(404)	-
1.1	Research	-	1 450	(1 176)	274	100	(284)	90
4.2	Thuthuka Repeat QE Part 2*	-	-	-	-	373	(373)	-
	Sub-total year 8 Project Fund	-	88 543	(30 190)	58 353	(2 767)	(29 243)	26 343

18.2 Operating Leases

Total of future minimum lease payments under non-cancelable leases:

	2008/09 R'000	2007/08 R'000
Not later than one year	787	716
Later than one year and not later than five years	-	787
	<u>787</u>	<u>1 503</u>

The operating lease relates to building premises used for office accommodation. The lease agreement was renewed on 1 September 2005 and will be operational for a period of four years and seven months, expiring on 31 March 2010. No provision was made for an option to renew the lease on expiry. A deposit of R113 032 was paid on inception of the lease which is refunded upon termination of the lease. The deposit amount will be reduced by any outstanding costs and will accrue interest at 2% per annum. The rental escalates annually on 1 September by 10%.

19. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

To the best of our knowledge, no material losses through criminal conduct or irregular, fruitless and wasteful expenditure were incurred during the year ended 31 March 2009.

20. EVENTS AFTER REPORTING DATE

None

21. FINANCIAL INSTRUMENTS

In the course of the Seta operations it is exposed to interest rate, credit, liquidity and market risk. The Seta has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

Interest rate risk

The Seta manages its interest rate risk by effectively investing Seta surplus cash in term deposits with different financial institutions according to the Seta's investment policy.

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

	2008/09			
	Floating Rate		Non-Interest Bearing	
	Amount R'000	Effective interest rate	Amount R'000	Total R'000
Assets				
Cash	129 256	11.4%	-	129 256
Accounts receivable - other	-		981	981
Total financial assets	129 256		981	130 237
Liabilities				
Trade and other payables from exchange transactions	-	-	(17 801)	(17 801)
Total financial liabilities	-	-	(17 801)	(17 801)

	2007/08			
	Floating Rate		Non-Interest Bearing	
	Amount R'000	Effective interest rate	Amount R'000	Total R'000
Assets				
Cash	121 077	9.7%	-	121 077
Accounts receivable - other	-		1 045	1 045
Total financial assets	121 077		1 045	122 122
Liabilities				
Trade and other payables from exchange transactions	-	-	(16 256)	(16 256)
Total financial liabilities	-	-	(16 256)	(16 256)

Credit Risk

Financial assets, which potentially subject the Seta 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, investments and accounts receivable.

The Seta limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The Seta'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. The Seta does not have any material exposure to any individual or counter-party. The Seta's concentration of credit risk is limited to the industry (Financial and Accounting Services) in which the Seta operates. No events occurred in the industry (Financial and Accounting Services) 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. The Seta is exposed to a concentration of credit risk, as significant amounts are owed by SARS and DoL. This concentration of risk is limited as SARS and DoL are government entities with sound reputation.



The ageing of other receivables from exchange transactions:

	2008/9		2007/8	
	Gross	Impairment	Gross	Impairment
Not past due	981	-	1 045	-
Past due 1 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-

The ageing of cash and cash equivalents:

	2008/9		2007/8	
	Gross	Impairment	Gross	Impairment
Not past due	129 256	-	121 075	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-

Liquidity risk

The Seta 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.

	2008/09					
	Carrying Amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
Trade and other Payables from exchange transactions	(17 801)	(17 801)	(17 801)	-	-	-

	2007/08					
	Carrying Amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
Trade and other Payables from exchange transactions	(16 256)	(16 256)	(16 256)	-	-	-

Market risk

The Seta 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 that the Seta is aware of.

FAIR VALUES

The Seta's financial instruments consist mainly of cash and cash equivalents, account and other receivables and account and other payables. No financial instruments were carried at an amount in excess of their fair value.

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

- **Cash and cash equivalents**
Cash and cash equivalents comprise cash held by the Seta and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair values.
- **Accounts receivable**
The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximates their fair value.
- **Accounts payable**
The carrying amount of account and other payables approximate their fair value due to the relatively short-term maturity of these financial liabilities.

22. NEW ACCOUNTING PRONOUNCEMENTS

Various revisions have been made to the statements of GAAP which become effective in future years. None of these revisions will have an impact on the financial statements of the Seta.

At the date of authorisation of these financial statements, there are Standards and Interpretations in issue but not yet effective. These include the following Standards and Interpretations that are applicable to the Seta and may have an impact on future financial statements:

		Effective date, commencing on or after:
GRAP 9	Revenue from Exchange Transactions	1-Apr-09
GRAP 12	Inventories	1-Apr-09
GRAP 13	Leases	1-Apr-09
GRAP 17	Property, plant and equipment	1-Apr-09
GRAP 100	Non-current Assets held for Sale and Discontinued Operations	1-Apr-09
GRAP 102	Intangible Assets	1-Apr-09

An entity shall apply Standards of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1)(b) of the PFMA.

GRAP 9 - Revenue from Exchange Transactions.

The Standard provides additional South African public sector specific examples of revenue transactions however it does not significantly differ from IAS 29 (AC 111) - Revenue. It is not expected that this Standard will significantly impact future disclosure due to the limited nature and volume of exchange transactions for which a Seta is expected to account.

GRAP 12 - Inventories.

The Standard provides additional guidance on the recognition and the initial measurement of inventories including recognising inventories acquired at no cost, or for nominal consideration, at fair value as at the date of acquisition. It is not expected that this Standard will significantly impact future disclosure due to the limited nature and volume of inventory for which a Seta is expected to account.



GRAP 13 - Leases.

The Standard clarifies that the leases standard should still be applied even where legislation may prohibit an entity from entering into certain types of lease agreements. It further adds an additional requirement to disclose the depreciation and finance charge relating to the leased asset under accounted for as a finance lease by the lessee. It is not expected that this Standard will significantly impact future disclosure.

GRAP 17 - Property, plant and equipment.

On initial application the Standard requires that assets which were acquired at no cost, or for a nominal cost, are accounted for at their fair value as at the date of acquisition. This treatment is different to the current treatment which accounts for such assets at cost. We do not expect this to significantly impact the carrying value of assets.

GRAP 100 - Non-current Assets held for Sale and Discontinued Operations.

The Standard provides public sector specific examples and refer to non-cash-generating assets that are relevant to the public sector however it does not significantly differ from IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations. It is not expected that this Standard will significantly impact future disclosure due to the limited nature and volume of such transactions for which a Seta is expected to account.

GRAP 102 - Intangible Assets.

This standard is drawn primarily from the International Accounting Standard on Intangible Assets (IAS 38). The Standard does provide additional public sector specific examples. It also expands the identifiability criterion in the definition of an intangible asset to include contractual rights arising from binding arrangements, and to exclude rights granted by statute. The Standard will also require where an intangible asset is acquired at no cost or for a nominal consideration, that its cost is recorded as its fair value as at the date it is acquired. It is not expected that this Standard will significantly impact future disclosure.

Guidance on web site costs, together with an appendix to illustrate the relevant accounting principles, has been included in this Standard from SIC Interpretation 32 Intangible Assets – Web Site Costs.

23. RELATED PARTY TRANSACTIONS

23.1 Transactions with other Setas

Inter-seta transactions and balances arise due to the movement of employers from one Seta to another. No other transactions occurred during the year with other Seta's. The balances at year-end included in receivables and payables are:

	Note	2008/09 R'000		2007/08 R'000	
		Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ (payable)
Receivables	9	1 354	125	3 646	3 838
AGRISETA		-	-	28	28
BANKSETA		30	1	248	65
CHIETA		90	-		
ETDP SETA		4	4		
HWSETA		-	-	23	23
INSETA		(50)	-	51	51
ISETT		75	-	-	-
MERSETA		47	-	-	-
PSETA		-	3	-	3
SASSETA		(33)	-	14	33
SERVICES		1 118	117	3 210	3 563
W&R SETA		73	-	72	72
Payables	13	(2 349)	(81)	(8 603)	(636)
AGRISETA		32	-	41	41
BANKSETA		78	36	46	46
CETA		6	3	7	7
CHIETA		6	-	-	-
ETDP SETA		6	-	44	-
FOODBEV		3	-	-	-
HWSETA		(25)	2	28	27
INSETA		1 564	29	38	51
ISETT		84	-	70	70
MAPP		74	-	-	-
MQA		(167)	-	226	216
MERSETA		69	-	110	110
SASSETA		15	11	215	13
SERVICES		611	-	7 728	7
TETA		(11)	-	11	11
THETA		-	-	9	9
W&R SETA		32	-	2	-
Other		(28)	-	28	28
Total		(995)	44	(4 957)	3 202

23.2 Transactions with other related parties

The Seta has, in the normal course of its operations, entered into certain transactions with entities either related to the Department of Labour (DoL) or which had a nominated representative serving on the Seta's Management Board.

Related party	Nature of relationship	Transaction type	2008/09 R'000		2007/08 R'000	
			Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ (payable)
Receivables						
Bonani and Thuthuka Projects	Related to DoL	NSF Income	9 770	-	14 270	3 000
NSF Eupac, KZN and Limpopo Projects	Related to DoL	NSF Income	-	-	250	-
Payables						
Bonani and Thuthuka Projects	Related to DoL	NSF Expense	9 770	(201)	14 270	(3 482)
NSF Eupac, KZN and Limpopo Projects	Related to DoL	NSF Expense	-	-	250	-
Anglo Operations Ltd	Maryanne Tollope (Board Member)	Discretionary grants	2 493	(1 771)	1 996	(1 700)
Deloitte	Dorothy Ndleiyana (Board member)	Discretionary grants	2 257	(2 169)	2 710	(1 602)
		Consultancy and other service provider fees	5 812	(175)	5 581	(973)
Industrial Development Corporation	Holger Fischer (Board member)	Discretionary grants	801	(757)	627	(600)
Independent Regulatory Board for Auditors (IRBA)	Kariem Hoosain (Board member)	Audit committee fees	-	-	11	-
KPMG	Paolo Giuricich / Heidi Volschenk (Board member)	Discretionary grants	681	(1 477)	1 553	(2 628)
MBS Accounting Services CC	Shirley Olsen (Board member)	Discretionary grants	74	-	25	-
National Treasury	Stadi Mngomezulu (Board member)	Audit committee fees	12	-	-	-
Pricewaterhouse Coopers	Robert Capper (Board member)	Discretionary grants	2 070	(1 997)	900	(900)
South African Institute of Chartered Accountants (SAICA)	Mandi Olivier (Board member)	Training costs	-	-	(32)	(32)
		Audit committee fees	22	-	-	-

The above transactions occurred under terms that were no more favourable than those available in similar arm's length dealings. Discretionary grants comprise of the Strategic Cash Grant, Learnership Cash Grant and project funding disbursed in accordance with the priorities as defined in the Sector Skills Plan. The amounts outstanding are unsecured and will be settled in relation to NSF by incurring qualifying expenditure or in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debt in respect of the amounts owed by related parties.



1. Matjatji Maboya - Thusanani WRP (2009)
2. Vuyelwa Fuzani - Bonani WRP (2009)
3. Makgotso Margaret Malelg - Bonani WRP (2009)
4. Zwelakhe Gxoyiya - Thusanani WRP (2009)
5. Lufuno Marlonyetsane - Thusanani WRP (2009)



APPENDIX A

NSDS II Targets and Achievements

NOTES

1. Only the indicators that are applicable to the Seta (as per the by DoL Service level Agreement) have been included.

NSDS Objective 1: Prioritising critical skills for growth and development and equity

	NSDS Indicator	Fasset 2008–2009 Target	Achievement	Reason for Deviation From Target
1.1	Skills development supports national and sectoral growth, development and equity priorities.	The sector skills plan or annual update is signed off by the: <ul style="list-style-type: none"> • Seta Board Chairperson • Seta/DoL agreed growth, development and equity strategy driver/s. • DoL executive manager responsible for quality assurance of sector skills plan 	Sector skills plan signed off by all relevant parties	No deviation
1.2	Information on critical skills widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.	8500 skills development facilitators or sector specialists trained in the use of the guide	9822 skills development facilitators or sector specialists trained in the use of the guide	Increased participation in interventions that discussed scarce and critical skills within the sector resulted in an overachievement of this target.

NSDS Objective 2: Stimulating quality training for all in the workplace

	NSDS Indicator	Fasset 2008–2009 Target	Achievement	Reason for Deviation From Target
2.1	80% of large firms' and 60% of medium firms' Employment Equity targets supported by skills development. Impact on overall equity profile assessed.	44 large firms 78 medium firms	56 large firms 127 medium firms	At the time the targets were set, the baseline for large firms was 55 and the baseline for medium firms was 130. During the period, there was an increase in the number of large and medium firms in the sector and an increase in the participation rates of firms. Both the 80% and 60% indicators were exceeded.
2.2	Skills development in at least 40% of small levy-paying firms supported and the impact of the support measured.	2000 small levy paying firms supported	2749 small levy paying firms supported	At the time the targets were set, the baseline for small firms was 2000. Due to the growth in the number of employers joining Fasset and due to employers now exceeding the SDL threshold, the baseline figure increased substantially. The 40 % target was exceeded.
2.5	Number of small BEE firms and BEE co-operatives supported by skills development. Impact of support measured.	120 BEE firms supported	238 BEE firms supported	The baseline figure was underestimated due to the increasing number of firms qualifying as BEE contributors in the sector.
2.7	Number of workers have achieved ABET Level 4.	ABET learners registered: 237 ABET learners achieved: 167	ABET learners registered: 246 ABET learners achieved: 254	Increased participation and buy-in from employers lead to the overachievement against this target. Some ABET learners that achieved in this period were registered in previous periods. ABET learners registered in this period will complete in subsequent periods.
2.8	Number of workers assisted to enter and at least 50% successfully complete learning programmes. Impact of assistance measured.	Learners registered: 7200 Learners completed: 7100	Learners registered: 11286 Learners completed: 12254	Increased participation and buy-in from employers to our interventions has led to an overachievement of this target. The 50% completion target was achieved.



NSDS Objective 3: Promoting employability and sustainable livelihoods through skills development

	NSDS Indicator	Fasset 2008–2009 Target	Achievement	Reason for Deviation From Target
3.2	2000 non-levy paying enterprises, NGOs, CBOs, and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.	1100 non-levy paying enterprises supported	1596 non-levy paying enterprises supported	Increased participation by non-levy paying members who are voluntarily registering with Fasset and participating in skills development interventions. The 75% success rate was achieved.

NSDS Objective 4: Assisting new entrants into the labour market and self-employment

	NSDS Indicator	Fasset 2008–2009 Target	Achievement	Reason for Deviation From Target
4.1	Number of unemployed people assisted to enter learning programmes and at least 50 % successfully completed. Impact of assistance measured.	Learners registered: 2 500 Learners completed: 2 500	Learners registered: 2 333 Learners completed: 1 485	Administrative timing differences between professional bodies and Fasset's reporting timeframes has resulted in the underachievement of this target. These timing differences will be resolved in the next year.
4.2	Number of learners in critical skills programmes covered by sector agreements from FET and HET institutions assisted to gain work experience, of whom at least 70% successfully find placement in employment or self employment.	800 learners assisted to gain work experience and 560 placed	1223 learners assisted to gain work experience and 871 placed	Increased discretionary funding and NSF funding enabled additional learners to be supported and the 70% placement rate was achieved.
4.3	Number of young people trained and mentored to form new ventures and at least 70% of new ventures in operation 12 months after completion of programme.	550 learners trained and mentored to form new ventures, 385 in operation 12 months after completion	654 learners trained and mentored to form new ventures, 409 in operation 12 months after completion	The number of professionally qualified people that applied for practicing licenses was higher than anticipated. The target of 70% of new ventures still in operation after 12 months was exceeded.

NSDS Objective 5: Improving the quality and relevance of provision

	NSDS Indicator	Fasset 2008–2009 Target	Achievement	Reason for Deviation From Target
5.1	The Seta recognises and supports Institutes of Sectoral or Occupational Excellence (ISOEs), within public and private institutions, spread as widely as possible geographically, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.	450 institutes supported	395 institutes supported	Fewer monitoring visits were conducted due to the changing quality assurance models. A SAQA audit of Fasset's quality assurance model indicated that the necessary workplace accreditation standards were being exceeded.
5.2	Each province has at least two provider institutions accredited to manage the delivery of the New Venture Creation qualifications and 70% of new ventures still operating after 12 months.	20 provider institutes	76 provider institutes	The definition was amended to include branch provider sites as well as the Head Offices to ensure that the quality was maintained across provinces. This resulted in an over achievement against this target.
5.3	There are measurable improvements in the quality of services delivered by skills development institutions and those institutions responsible for the implementation of the NQF in support of the NSDS.	The seta is to meet SAQA audit and NLRD upload requirements.	The SAQA audit and NLRD upload requirements were met.	No deviation



APPENDIX B: Management Board

Name	Representing	Constituency	Organisation	Race	Gender	22 May 2008	17 Sep 2008	27 Nov 2008	12 March 2009	Total Meetings attended	Participation in Working Committees
Robert Capper	Employers	Large Accounting & Auditing Firms	Pricewaterhouse Coopers	White	Male	-	-	✓	✓	2 of 4	Deputy Chairman; Exco; Finco; Remco
Shirley Olsen	Employers	Small Accounting & Auditing Firms	Master Business Services (MBS)	White	Female	✓	-	✓	✓	3 of 4	ETQA/ L-ships; Finco
Paolo Giuricich ¹	Employers	Business Management & Consulting	KPMG	White	Male	-	✓	-	N/A	1 of 3	
Heidi Volschenk ²				White	Female	N/A	N/A	N/A	-	0 of 1	
Mpuseng Moloi	Employers	Securities & Stock Brokers	JSE Limited	Black	Female	✓	✓	✓	✓	4 of 4	Chairman; Exco;
Maryanne Trollope	Employers	Investment Entities & Trusts	Anglo Operations Ltd	White	Female	-	-	✓	✓	2 of 4	Exco; ComCo; Remco
Holger Fischer	Employers	Development Corporations	IDC	White	Male	✓	-	-	✓	2 of 4	Exco
Stadi Mngomezulu	Employers	The State	National Treasury	Black	Male	✓	-	✓	-	2 of 4	Audit
Dorothy Ndletyana	Employers	Taxation Services	Deloitte	Black	Female	-	-	✓	✓	2 of 4	
Hannetjie Botma	Employees	Trade Unions	PSA	White	Female	✓	✓	✓	✓	4 of 4	
Christa du Plooy	Employees	Trade Unions	PSA	White	Female	✓	✓	-	✓	3 of 4	
Andrew Carlsson	Employees	Professional Bodies	ICB	White	Male	✓	✓	✓	✓	4 of 4	ETQA/ L-ships;
Samantha Louis	Employees	Professional Bodies	CIMA	White	Female	✓	✓	✓	-	3 of 4	Exco; ETQA/ L-ships
Zahra Cassim	Employees	Professional Bodies	IPFA	Coloured	Female	✓	✓	✓	✓	4 of 4	Skills Planning
Kariem Hoosain ³	Employees	Professional Bodies	IRBA	Indian	Male	-	N/A	N/A	N/A	0 of 1	Audit
Mandi Olivier ^o			SAICA	White	Female	N/A	-	✓	✓	2 of 3	Audit
Witness Magoswana	Employees	Trade Unions	NEHAWU	Black	Male	✓	-	-	-	1 of 4	Exco; Remco
Zola Williams	Employees	Trade Unions	NEHAWU	Black	Female	-	-	✓	-	1 of 4	
Cheryl James	Fasset	Fasset CEO	Fasset	White	Female	✓	✓	✓	✓	4 of 4	

¹ Resigned March 2009

² Joined March 2009

³ Resigned August 2008

^o Joined August 2008



APPENDIX C: Working Committee Chairs

Committee	Chairperson	No of Meetings Attended
Audit Committee	Sakhi Simelane (Independent Chair)	4 of 5
Exco	Mpuseng Moloji	5 of 6
Quality Assurance & Learnerships	Shirley Olsen	4 of 4
Skills Planning	Zahra Cassim	4 of 4
Communications	Maryanne Trollope	4 of 4
Finance	Robert Capper	9 of 11
Remuneration	Maryanne Trollope	2 of 2

COMMITTEE MEMBERS AND MEETINGS ATTENDED

EXECUTIVE

Member	Organisation	Meetings Attended
Robert Capper (Deputy Chair)	PricewaterhouseCoopers	4 of 4
Cheryl James	Fasset CEO	4 of 4
Witness Magoswana	NEHAWU	4 of 4
Nirri Nair ¹	ACCA	1 of 1
Samantha Louis ²	CIMA	2 of 3
Mpuseng Moloji (Chair)	JSE Limited	3 of 4
Maryanne Trollope	Anglo Operations Ltd	3 of 4
Paolo Giuricich ¹	KPMG	1 of 1
Holger Fisher ²	IDC	2 of 3

¹ Resigned May 2008

² Joined July 2008

COMMUNICATION

Member	Organisation	Meetings Attended
Rue Bateman	KPMG	2 of 4
Eva Cruz ¹	Silica Financial Administration Solutions	1 of 2
Tsholofelo Dihutso	CIMA	3 of 4
Marna Enslin	SAIPA	4 of 4
Linda Filtane ²	Sizwe Ntsaluba	1 of 1
Keith Peterson ¹	SAIT	1 of 2
Maryanne Trollope (chair)	Anglo Operations Ltd	3 of 4

¹ Joined November 2008

² Joined November 2008 and resigned February 2009

FINANCE

Member	Organisation	Meetings Attended
Robert Capper (Chair)	PricewaterhouseCoopers	9 of 11
Bill Shellard	Shellprof Services	10 of 11
Susan Vasconcelos	Nexus Management Consultants	8 of 11
Shirley Olsen	Master Business Services cc	7 of 11
Cheryl James	Fasset CEO	10 of 11
Nadine Kater	Fasset COO	8 of 11

REMUNERATION

Member	Organisation	Meetings Attended
Robert Capper	PricewaterhouseCoopers	2 of 2
Witness Magoswana	NEHAWU	1 of 2
Maryanne Trollope (Chair)	Anglo Operations Ltd	2 of 2

SKILLS PLANNING

Member	Organisation	Meetings Attended
Aboo Amod	IDC	4 of 4
Andrew Carlsson	ICB	4 of 4
Zahra Cassim (Chair)	IPFA	3 of 4
Veld Cooper ¹	Veld Cooper & Associates	1 of 2
Eva Cruz	Silica Financial Administration Solutions	3 of 4
Stiaan Klue ²	SAIT	1 of 2
Noreen Kolbe ²	RCS Cards	1 of 2

Audrey Longwe	Deloitte	2 of 4
Neo Mndebele	JSE Limited	3 of 4
Stuart Noble	Financial Training Corporation	2 of 4
Charlene O'Connor	TransUnion	2 of 4
Charisse Zerf	MBD Attorneys	2 of 4

¹ Resigned October 2008

² Joined October 2008

QUALITY ASSURANCE & LEARNERSHIPS

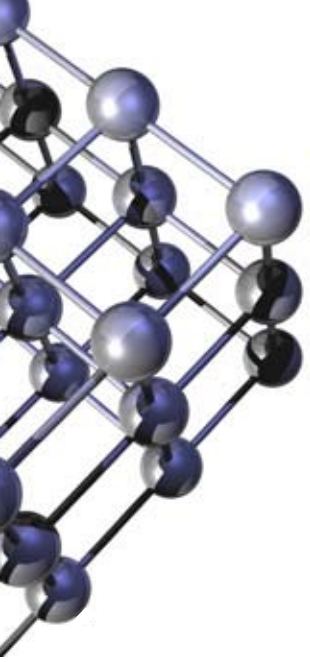
Member	Organisation	Meetings Attended
Andrew Carlsson	ICB	4 of 4
Bill Shellard	IIA SA	2 of 4
Geoffrey Ngonyama	SAICA	4 of 4
John Blignaut	Definitive Solutions Training cc	3 of 4
Lawrence Chetty	IIA SA	3 of 4
Princess Mbotho	SAIPA	1 of 4
Robin T Dixie	Robin T Dixie & Associates	2 of 4
Samantha Louis	CIMA	3 of 4
Shirley Olsen (Chair)	Master Business Services cc	3 of 4
Tonia Valis	ACCA	0 of 4
Vashna Rawjee	ATCOR	3 of 4
Ehsaan Nagia	IAC	2 of 4
Aboo Amod	IDC	1 of 4
Stiaan Klue	SAIT	4 of 4
Janse Maritz	ICB	2 of 4
Jackie Baumgardt ¹	ICSA	3 of 3
Christa Boshoff ²	SAIT	2 of 2
Caroline Hall	AAT	2 of 4
Angela Forrest ²	SAIPA	2 of 2
Cindy Parvess ²	ACCA	2 of 2
Krishan Nowrungsah ²	ACCA	2 of 2
Karen Prinsloo ³	IPFA	1 of 2

¹ Joined 7/2008

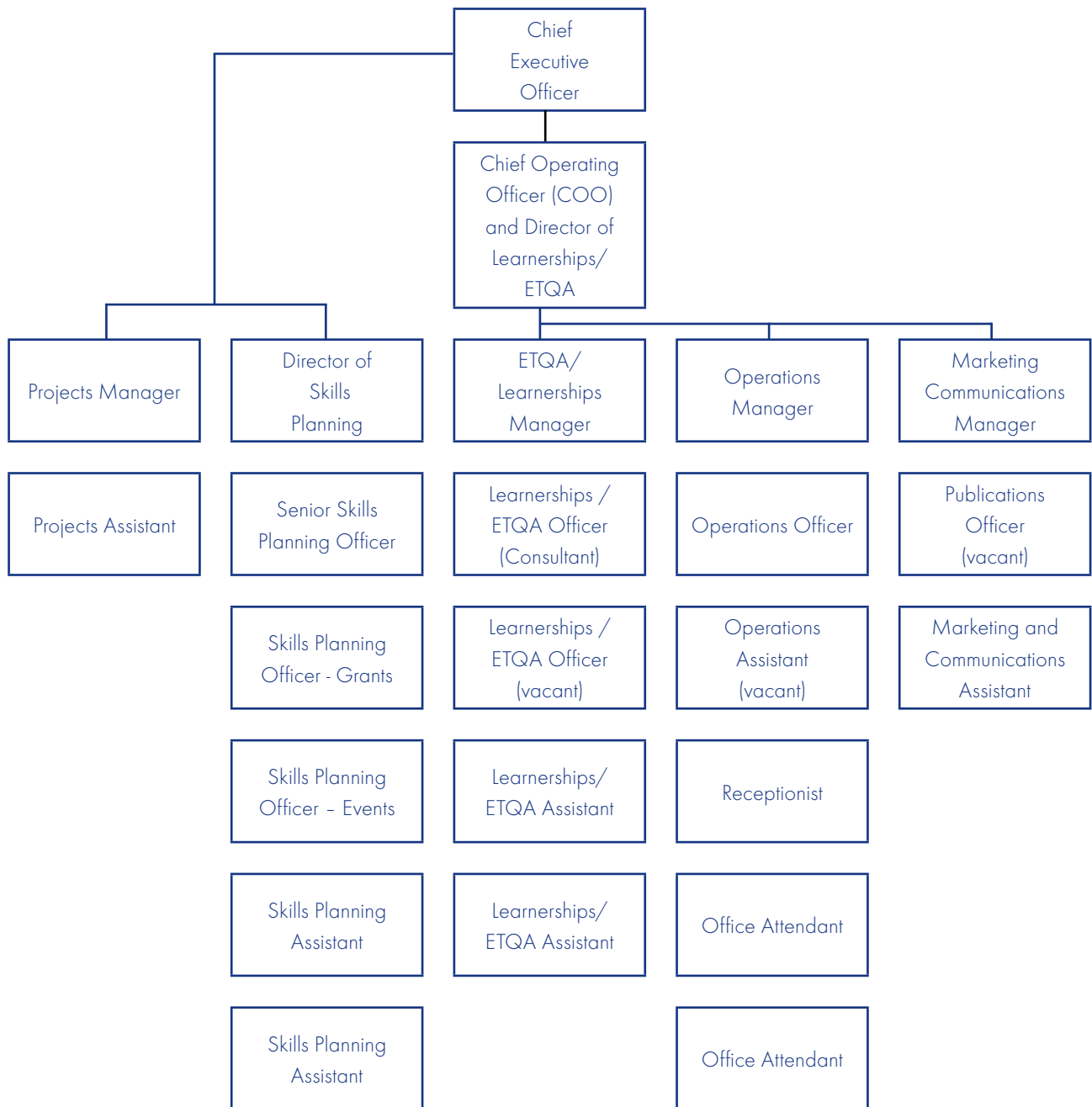
² Joined 10/2008

³ Resigned 7/2008



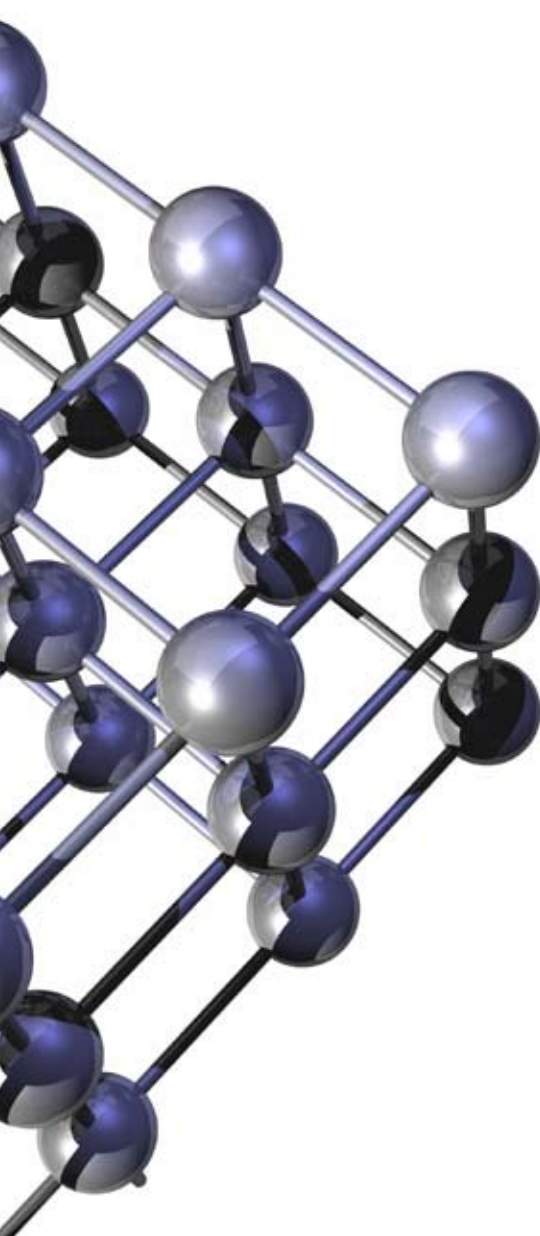


APPENDIX D: Organisational Structure



ACRONYMS AND ABBREVIATIONS

AAT	Association of Accounting Technicians	JSE	Johannesburg Securities Exchange
ABET	Adult Basic Education and Training	LCG	Learnership Cash Grant
ACCA	Association of Chartered Certified Accountants	LGSETA	Local Government Seta
ASB	Accounting Standards Board	MoU	Memoranda of Understanding
Asgi-SA	Accelerated and Shared Growth Initiative for South Africa	NEHAWU	National Education, Health and Allied Worker's Union
ATR	Annual Training Report	NGO	Non-Governmental Organisation
BANKSETA	Banking Seta	NLRD	National Learners' Records Database
BBBEE	Broad Based Black Economic Empowerment	NQF	National Qualifications Framework
CA	Chartered Accountant	NSA	National Skills Authority
CAT	Certified Accounting Technician	NSDS II	National Skills Development Strategy II (1 April 2005 to 31 March 2010)
CBO	Community Based Organisation	NSF	National Skills Fund
CEO	Chief Executive Officer	PAA	Public Audit Act, 2004 (Act No 25 of 2004)
CIMA	Chartered Institute of Management Accountants	PFIQ	Public Finance iQ
COO	Chief Operating Officer	PFMA	Public Finance Management Act (Act No 1 of 1999), as amended
CTA	Certificate in the Theory of Accounting	PSA	Public Servant's Association
DoL	Department of Labour	QA	Quality Assurance
dti	Department of Trade and Industry	QAP	Quality Assurance Partner
EE	Employment Equity	QCTO	Quality Council for Trades and Occupations
EEA	Employment Equity Act (1998)	QE	Qualifying Exam
ESA	Electronic Simulated Assessment	ROI	Return on Investment
ESSA	Employment Services South Africa	SAICA	South African Institute of Chartered Accountants
ETQA	Education and Training Quality Assurance	SAIPA	South African Institute of Professional Accountants
EXCO	Executive Committee	SAIT	South Africa Institute of Tax
FET	Further Education and Training	SAQA	South African Qualifications Authority
FSA	Fasset Skills Advisor	SARS	South African Revenue Service
GAAP	Generally Accepted Accounting Practice	SCG	Strategic Cash Grant
GRAP	Generally Recognised Accounting Practice	SCM	Supply Chain Management
HET	Higher Education and Training	SDA	Skills Development Act, 1998 (Act No 97 of 1998), as amended
HR	Human Resource	SDF	Skills Development Facilitator
IAC	Institute of Administration and Commerce	SDL	Skills Development Levy
ICB	Institute of Certified Bookkeepers	SDLA	Skills Development Levies Act, 1999 (Act No 9 of 1999), as amended
ICM	Institute of Credit Management	SLA	Service Level Agreement
ICSA	Institute of Chartered Secretaries and Administrators	SSP	Sector Skills Plan
IDC	Independent Development Corporation	WRP	Work Readiness Programme
IIA	Institute of Internal Auditors	WSP	Workplace Skills Plan
IIP	Investors In People		
IRBA	Independent Regulatory Board for Auditors		
ISOE	Institutes of Sectoral and Occupational Excellence		
JIPSA	Joint Initiative for Priority Skills Acquisition		



PO Box 6801, Cresta, 2118
Block A, Eva Office Park,
Cnr Beyers Naudé Drive & Judges Avenue,
Blackheath, Randburg.
Call Centre: 086 101 0001
E-mail: fassetcallcentre@fasset.org.za
Web: www.fasset.org.za



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

