



F A S S E T

Make the future count

Annual Integrated Report 2012/2013

PIVOTAL SKILLS AT WORK



General Information

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01/Fasset/1/04/11

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Editing & distribution

Communications Department, Fasset
Design, layout, photography and printing
Blackmoon Design and Advertising: www.blackmoon.co.za



*Dr Bonginkosi "Blade"
Nzimande
Minister of Higher
Education and
Training*

Our 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.

Our 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 the investment
- To encourage employers and employees to adopt a culture of lifelong 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



*Cheryl James
Chief Executive
Officer*

Our Values

- Professionalism and accountability
- Ethics
- Making a difference
- Valuing people



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Part 1: Annual Report

Sipho Sono
Chairman



Honourable Minister, it is with pleasure that we present to you the Annual Integrated Report of the Finance and Accounting Services Seta (Fasset) for the period 1 April 2012 to 31 March 2013.

Chairman's Statement

It is my pleasure, as independent chairman, to present this annual integrated report as required by the Skills Development Act (SDA) 97 of 1998 (as amended) and Section 65 of the Public Finance Management Act (PFMA), 1 of 1999.

We are a performance-driven organisation. Our report provides an independent audited account of Fasset's financial statements and performance information. The CEO's Review and reports from departmental managers provide an overview of our operations in terms of key performance areas.

In preparing this report, we have taken into account the various reporting standards such as Global Reporting Initiative (GRI) and the Integrated Reporting Committee of South Africa (IRCSA) guidelines, as part of aligning ourselves with best practice as we evolve on our integrated reporting journey. We have also followed the National Treasury Public Entities Preparation of the Annual Report for Public Entities Guidelines.

Governance

The Fasset Board is very conscious of its responsibilities in fulfilling its mandate. We have a fiduciary responsibility to ensure that funds are utilised in interventions that are consistent with our mandate, invested and managed with extreme care and diligence, enabling Fasset to achieve its strategic goals. I am pleased to report that Fasset has achieved a clean audit for the thirteenth year in succession; a feat we have become accustomed to and would have expected nothing less.

We remain cognisant of the importance of adhering to good governance practices and have proper governance structures in place, as envisaged in the Fasset Constitution and other relevant pieces of legislation, such as the SDA and the PFMA. In the last year our Audit and Risk Committee undertook a benchmarking exercise aimed at assessing and therefore ensuring our

alignment with the King III Code of Corporate Governance. We also paid particular attention to the emerging role of IT Governance and will appoint IT governance expertise as part of our Audit and Risk Committee. This will enable oversight, ensure strategic alignment between the goals and objectives of the organisation and the utilisation of our IT resources, to effectively achieve the desired results. This will stand us in good stead as we prepare for a major overhaul of our IT system, which will go live early in the new financial year.

We have also strengthened our focus on broad corporate governance matters and have appointed a full time Board Secretary with effect from 1 April 2013. The necessary policies, procedures and quality management system also continue to function effectively.

Operating environment

The release of the Green Paper on a Post School Education and Training System and the new Seta Funding regulations meant that the year was best characterised as 'business unusual' and a year of change. Change brings with it an opportunity for growth.

During the period, the Green Paper and the new funding regulations have been a huge area of focus: both provide Fasset with an opportunity to work a lot more closely with universities and professional bodies; provide an opportunity to ensure that more people qualify as full professionals, and to ensure that the academic component of qualifications meet real workplace needs. The new regulations also provide a wonderful opportunity to focus a lot more on NEETS (youth not in education, employment or training). Many learners complete qualifications at universities or FET (Further Education and Training) Colleges, but are unable to find employment. Going forward, Fasset will implement strategies and programmes to assist some of these learners to obtain entry into higher education, complete academic programmes and gain workplace experience to enhance their prospects of obtaining sustainable employment, as envisioned by NSDS III.

Operational highlights

Fasset continues to deliver at a very high level. The year under review was our second year of operation in terms of the implementation of NSDS III. All of our programmes are aligned to the NSDS III. When the new Seta Grant Funding Regulations were released in December 2012, it was very easy to align existing programmes to the new funding regulations. Because

our sector's needs are aligned to formal qualifications, there was no need for Fasset to change its approach. The changes in the funding regulations were in line with what Fasset was doing. Our Sector Survey confirms that PIVOTAL (professional, vocational, technical and academic learning) Programmes are well-entrenched within the sector: more than a third of employers in the sector are on learnerships and internships.

As custodians of public funding it is imperative that we measure the return on our investments, so that we can allocate funding responsibly. We have received the results of our much awaited longitudinal Tracer Study. These findings are very important as they enable the Board to focus discretionary funding in areas and on initiatives that have the greatest impact. Our Tracer Study assessed the impact that some of our Work Readiness Programmes have had over a ten year period. These programmes have achieved a very good success rate. The results confirm that we have managed to place many learners in employment who continue to be employed long after they have completed Fasset-funded programmes; most project beneficiaries have retained their positions and are progressing well in their careers. Most importantly 93.2% of employers believe these programmes provide beneficiaries with most of the soft and technical skills needed in the workplace; 89.2% expressed the same view for technical skills.

We also received the results of our Customer Satisfaction Survey; the results confirm that Fasset continues to deliver in line with the expectations and standards that our sector expects.

Financial highlights

Scrutiny of our financial statements confirms that Fasset is a well-run organisation. Fasset received R349 million in Skills Development Levies; R164 million was disbursed by way of mandatory grants; and R116 million was disbursed by way of discretionary grants and projects. Fasset's Board has never allowed unspent money to remain in Seta coffers: all unclaimed funds, amounting to R179 million for the period under review, have been allocated to strategic projects identified by the Board. The surplus indicated in our financial statements reflects the amounts that are transferred to the discretionary grants pool to be used for strategic projects. GRAP does not permit committed funds to be reported as a liability. This creates the misconception that there are unspent funds. I must emphasise that 100% of budgeted funds are either spent or allocated to approved projects currently in progress and for which payment is due on full completion of all deliverables. Such funds are held in trust and reflected in our bank accounts, as finalisation of all deliverables can take up to four years in some instances.

Challenges

NSDS III provides a unique opportunity for South Africa to achieve some of its goals towards an integrated education and training system, and a skilled and capable workforce, which shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path. Like all Setas Fasset continues to grapple with how the Seta can have a positive impact on high rates of youth unemployment in the country. While our resources are limited, we continue to make tangible inroads in this regard: the results of our Tracer Study attest to this fact.

Prospects

The prospects for the year ahead are excellent. The results from our Tracer Study have provided the necessary impetus to build on these successes. Going forward, we would like to see more providers offering these Work Readiness Programmes (Access into Employment Programmes); it is clear that these programmes are working. We need to see more providers getting involved in these offerings, and offering us alternatives. We firmly believe that if rolled out nationally, across all sectors, these initiatives could have a very positive impact on youth unemployment in the country.

Fasset continues to make inroads in terms of extending our rural reach. We have been appointed lead Seta for the Limpopo province and have established partnerships with two FET Colleges in that region who have been allocated to us. We look forward to working very closely with FET Colleges in Limpopo to assist them to become more relevant to the workplace. We are also looking forward to becoming more visible in FET Colleges. Fortunately, some of the ground work has been done. Our Brand Ambassadors proved very successful in extending Fasset's footprint; in the year ahead more Brand Ambassadors will be appointed, to increase Fasset's reach and visibility, particularly in rural areas and in townships where young people who are most in need of access to information, are located.

The new Seta funding regulations have provided greater certainty, specifically around PIVOTAL Programmes. We will continue to partner with Professional Bodies, employers and Universities to increase the roll-out of these programmes. We are very cognisant of the fact that these skills play a very important role in the sound function of the country's economy. Most importantly, we will continue to work very hard to make a difference in learners' lives.

Gratitude

I wish to extend my thanks to all Board members for their input and support over the past year. I am very fortunate to have a Board, that is cohesive and passionate about skills development. We are very cognisant of the fact that finance and accounting skills play a pivotal role in the sound functioning of the entire economy.

On behalf of the Board I would like to thank the Fasset management team for their hard work and dedication over the past year. Fasset's achievements would not have been possible without your passion for skills development and your commitment to making a difference in learners' lives.

Stakeholder engagement is very important to our Board. We invite our stakeholders to attend Fasset's Annual General Meeting (AGM) on the 12th September 2013. Our AGM provides a wonderful opportunity to ask questions of our Board, Chairman and CEO. It also affords us an opportunity to engage with you, our valued stakeholders.



Siphiso Sono
Chairman



skills

Finance and accounting skills play a pivotal role in the sound functioning of the entire economy

Cheryl James
CEO



Report by the CEO to the Executive Authority and Parliament of the Republic of South Africa.

CEO's Review

The integrated post-schooling system plays a very important role in the strategy and implementation vehicles, which Fasset is deploying in terms of the implementation of NSDS III. This integrated approach speaks to the importance that Fasset has always placed on the need for very strong research within the sector. Research has always been the starting point for everything that Fasset does. Research has equipped Fasset with a very good understanding and knowledge of scarce and critical skills within its sector, enabling the Seta to roll out interventions which meet our sector's needs.

Given the focus on post-schooling integration, it is very important for Fasset to be involved in identifying skills and funding interventions across the entire pipeline of a person's development. During the year under review there has been a far greater focus on the entire pipeline, with a greater focus than previously on interventions early in a person's development. This is very evident in the strong focus placed on career guidance, and the launch of our Brand Ambassadors Campaign.

Fasset is very cognisant of the importance of disseminating information to young people, enabling them to make informed career decisions. Once in our sector, our skills development interventions look at bridging all the way from obtaining academic qualifications to obtaining professional qualifications.

There is also a much stronger focus in the higher education and further education space. This bodes well, particularly if we look at young people who do not have funding to study. Once in employment, Fasset continues to support people, through its lifelong learning interventions.

We are starting to see the integration that Minister Blade Nzimande is trying to achieve at a departmental level come through, even more strongly in everything that Fasset does. Coupled with the need for integration and an inclusive approach, Fasset is placing a far greater emphasis on sharing information with everyone in the pipeline. We have had a very strong focus on disseminating as much information to learners as possible through career guidance, but we are also engaging a lot more

with employers, universities, and FET colleges, to see how we can partner with all of these role players, with whom we share a common goal.

Indicative of this shift in focus, is the fact that we have changed our Marketing and Communications Department to a Communication Department. We recognise the importance of communicating as part of a broader community, rather than 'selling' what Fasset does.

We are very conscious of the fact that Fasset has been in existence for 12 years. We recognise that we need to look very carefully at the kind of interventions which we have supported and the impact that they have had and continue to have. While our learner testimonials attest to the fact that our skills upliftment interventions are making a positive difference in the lives of individual learners, we wanted to be able to quantify the impact that these initiatives are having. During the year under review, we commissioned a Tracer Study to assess the value of the Fasset-funded Bonani and Thusanani Work Readiness Programmes. The results reveal that 89.7% of learners that we funded, are still employed. We always believed that what we were doing was correct; our impact study has confirmed this. The challenge is to hone what we do and make this even better.

The results achieved in our Value and Culture Survey amongst staff and our Customer Satisfaction Survey confirm that the people who work at Fasset do not have a job, they have a calling. This commitment is evident from the lowest level employee to Board level. The commitment of people working for a common cause at Fasset shows that the products we make available to our partners are valid and justifiable. It also shows that the people whose lives we are impacting are managing to keep sustainable jobs over a long period of time. It is this circle that we need to keep improving, and by increasing partnerships, hopefully widen that circle of impact over time.

Challenges

The year ahead is going to see a huge focus on PIVOTAL Programmes, which we support. This shift in focus, will however, require employers to rethink the type of training that they make available to their employees. Employers are also going to have to form much closer relationships with universities and FET colleges, so these the partners can jointly meet the needs of PIVOTAL interventions.

Many universities have historically worked in isolation. PIVOTAL Programmes are however, compelling universities and workplaces to work together. There will inevitably be challenges in terms of how we bring the parties together. However, these challenges are not

insurmountable. The submission of the Tax and Financial Markets Learnerships confirms the synergy that develops when we have universities and employers partnering to develop skills interventions.

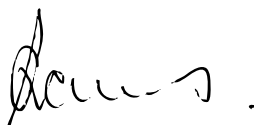
The fact that the majority of learners take maths literacy, rather than pure mathematics means there is a very small pool of learners who are able to enter our sector. Pure maths is a pre-requisite for entry into a number of careers within our sector. The situation is exacerbated by poor results in English at Grade 12. Another challenge emanates from the fact that funding available for education and training is being stretched in the current tough economic environment. Setas are required to work a lot smarter with the money that they have. Setas need to ensure that Seta money is spent on upskilling people and is not swept into inappropriate interventions.

Prospects

The prospects of working together to tackle the challenges of the post-school education and training system are huge. The structures and processes that the DHET (Department of Higher Education and Training) and our Minister are putting in place are facilitating this move towards working together a lot more closely. Many role players still need to move out of the silo mentality of the past. They need to be open to working more closely with other stakeholders throughout the pipeline. This is starting to happen and will be a major focus for Fasset in the year ahead.

Gratitude

I am very cognisant of the critical role that the Chairman and Board play in terms of Fasset's ongoing success. I would like to take this opportunity to thank the Chairman and the Board for their support during this period. I am indebted too, to my management team and staff. Without their commitment and support and without the commitment and support of our stakeholders, none of our achievements in our thirteenth year of operation would have been possible.



Cheryl James
CEO

Report of the Audit and Risk Committee

Report of the Audit and Risk 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 2013.

Audit and Risk Committee Responsibility

The Audit and Risk Committee has adopted appropriate terms of reference as its Audit and Risk Committee Charter. The Charter is regularly updated and complies with principles of good governance and with the requirements of the PFMA. The Audit and Risk Committee is accountable to the Board and has an oversight function with regard to:

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

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

Report on the Operations of the Audit and Risk Committee

During the period under review, the following activities were undertaken and demonstrate the commitment of the Audit

and Risk Committee to achieving its mandate:

- Reviewed quarterly management accounts
- Updated the Audit and Risk 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 of the internal audit coverage plans as well as Management's follow-up of matters requiring attention throughout
- Monitored compliance of Fasset policies and applicable legislation
- Conducted separate informal meetings with both internal and external audit
- Made provisions in the Audit and Risk Committee Charter to address succession planning
- Conducted its self-assessment during the year, with results concluding that, barring minor areas of improvement, the Audit and Risk Committee is effective in the execution of their duties
- Considered and recommended the appointment of a new Audit and Risk Committee member with IT governance expertise.

The Effectiveness of Internal Control

The Audit and Risk Committee is satisfied that:

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

Evaluation of Financial Statements

The Audit and Risk Committee has:

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

The Audit and Risk 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 Auditors.

Audit and Risk Committee Members and Attendance

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



Mandi Olivier
Audit and Risk Committee Chairman

Table 1: Audit and Risk Committee Attendance and Remuneration 2012/2013

Member	Mandi Olivier	Shahied Daniels	Stadi Mngomezulu	Erna Swart	Edson Ragimana	Veronica du Preez
Position	Independent Member	Board Member	Board Member	Independent Member	Independent Member	Independent Member
Meetings						
23 May 2012	✓	✓	✓	✓	✗	✓
19 July 2012	✓	✗	✓	✓	✗	✓
13 December 2012	✓	✓	✓	✓	✓	✓
14 February 2013	✓	✓	✗	✓	✗	✓
Meetings Attended	4	3	3	4	1	4
Remuneration during year for financial year ending 31 March 2013	R20 000*	R4 810	R4 810*	R20 000*	R5 000	R20 000
Travel reimbursement	R649	R209	R1 406	-	-	R895

* Committee fees paid to: SAICA iro M Olivier
National Treasury iro S Mngomezulu
Accounting Standards Board (ASB) iro E Swart

Remuneration Rate

R5 000.00 per meeting for Independent members

R1 603.50 per meeting for Board members



Photo: [unclear]

Part 2: Annual Financial Statements

Report of the Auditor-General

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

Report on the Financial Statements

Introduction

1. I have audited the financial statements of the Finance and Accounting Services Sector Education and Training Authority (Fasset) set out on pages 17 to 57, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), the Skills Development Act, 1998 (Act No. 97 of 1998) (SDA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. 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.
4. 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 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of Fasset

as at 31 March 2013, and its financial performance, cash flows and comparison of budget and actual amounts for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA and the SDA.

Report on other Legal and Regulatory Requirements

7. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against pre-determined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Pre-determined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 89 to 91 of the annual report.
9. The reported performance against pre-determined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

10. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

11. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters.

12. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA.

Internal control

13. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor - general



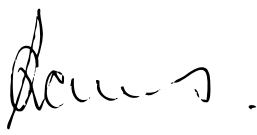
AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Pretoria

31 July 2013

The Annual Financial Statements for the year ended 31 March 2013, set out on pages 17 to 57, have been approved by the Accounting Authority on 28 May 2013 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:



CA James (CEO)



S Sono (Chairman)

Report of the Accounting Authority

Honourable Minister, it is with pleasure that the Accounting Authority presents to you the Annual Financial Statements of the Finance and Accounting Services Sector Education and Training Authority (Seta) for the period 1 April 2012 to 31 March 2013.

Governance

As Fasset's Accounting Authority, it is the Board's responsibility to prepare Financial Statements that fairly present Fasset's financial position at 31 March 2013 and also the Financial Performance and Summary Cash Flow Activities for the year ending 31 March 2013. Fasset's Board 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 Annual Financial Statements comply with GRAP and the PFMA (1999) as amended.

Systems and controls 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 King III Code on Corporate Governance. In addition, all necessary structures, policies and procedures are in place to ensure compliance with the requirements of the PFMA. These include an independent Audit and Risk Committee, a Fraud Prevention Plan and Internal Auditors. Focus has also been

placed on the increasingly important role of IT governance. In terms of this, an IT Steering Committee was established and an additional Audit and Risk Committee member with IT Governance expertise was considered for appointment with effect from the new financial year.

Fasset therefore complies with best practice, and with all legislation with regard to governance. Fasset's Constitution places additional responsibilities on the Board.

These include:

- Providing strategic direction to Fasset
- Determining strategies and policies, and
- Managing performance against agreed strategies and annual performance plans.

Fasset runs a comprehensive induction programme for new Board members: this ensures that the Fasset Board is able to fulfil its mandate. The Board has implemented a self-assessment of performance, which serves as an additional tool for ensuring the Board's effective functioning. The self-assessment process has also been implemented by Board sub-committees.

The Accounting Authority is of the opinion that Fasset will continue as a going concern for the current year. This assertion is made after considering that the Fasset has met its budgetary requirements for the current year and will continue to do so in the future. Fasset does not have any pending legal matters for the current financial year.

NSDS

Fasset's achievements in terms of the NSDS III targets are reflected in Appendix A on page 89.

Remuneration

The CEO and COO's remuneration is reflected in Table 2 on page 19. Both are full-time employees. The Board members are remunerated for attending Board and sub-committee

meetings, based on National Treasury Guidelines and the level of remuneration approved by the Minister of Higher Education and Training, Dr Blade Nzimande. The amounts paid to each member of the Board are provided on page 19.

Table 2: CEO and COO's Remuneration

CEO's remuneration

	2012/13	2011/12
Allowances: Car & subsistence	42 000	42 000
Base Remuneration	1 743 554	1 603 672
Total Guaranteed Cost to Company	1 785 554	1 645 672
Non Guaranteed (at risk) Remuneration	178 555	193 181
Total Guaranteed and Non-Guaranteed Remuneration	1 964 109	1 838 853

COO's remuneration

	2012/13	2011/12
Allowances: Car & subsistence	-	-
Base Remuneration	984 000	528 787
Total Guaranteed Cost to Company	984 000	528 787
Non Guaranteed (at risk) Remuneration	98 400	27 306
Total Guaranteed and Non-Guaranteed Remuneration	1 082 400	556 093

Table 3: Board and Committee Payments - 2012/2013

Name	Board	Board Procurement Committee (BPC)	Exco	Remco	Finco	Total
Prabir Badal	R9 621			R3 666		R13 287
Shahied Daniels	R19 242					R19 242
Amanda Dempsey	R17 871		R2 062	R1 603	R20 625	R42 161
Kate Hlongwane	R22 449	R4 810	R6 414			R33 673
Corné Karsten	R22 449	R4 810			R9 621	R36 880
Daisy Kopolo	R3 055					R3 055
Holger Fischer	R16 953	R3 207	R6 414	R1 603		R28 177
Sathie Gounden	R19 394					R19 394
Samantha Louis	R19 242		R6 414			R25 655
Tsakani Maluleke	R3 929		R1 964			R5 893
Bongani Mathibela	R22 449		R1 603		R14 431	R38 484
Stadi Mngomezulu	R13 746	R3 207				R16 953
Mpuseng Moloi	R16 305		R3 131	R2 062		R21 498
Mopo Mushwana	R16 035	R6 187			R12 828	R35 050
Sipho Sono	R12 375		R4 125			R16 500
Seshni Samuel	R0					R0
Shirley Machaba	R3 207					R3 207
Total	R238 322	R22 222	R32 127	R8 935	R57 505	R359 112

Financial Statements

Finance and Accounting Services Sector Education and Training Authority Statement of Financial Performance For the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
Revenue			
Non-exchange revenue		353 062	310 285
Skills Development Levy transfer	2	349 007	308 359
Skills Development Levy penalties and interest		4 055	1 926
Exchange revenue		10 858	9 203
Investment income	3	10 778	9 095
Other income	4	80	108
Total Revenue		363 920	319 488
Expenses			
Employer grant and project expenses	5	(280 611)	(225 274)
Administration expenses	6	(29 098)	(25 519)
Total Expenses		(309 709)	(250 793)
Surplus for the year	1	54 211	68 695

Finance and Accounting Services Sector Education and Training Authority

Statement of Financial Position For the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
Assets			
Non-Current Assets			
Property, plant and equipment	7	895	1 027
Intangible assets	8	42	47
Current Assets			
Accounts receivable from non-exchange transactions	9	1 693	2 619
Accounts receivable from exchange transactions	10	415	617
Cash and cash equivalents	11	252 503	182 985
Consumables		37	30
Total Assets		255 585	187 325
Liabilities			
Current Liabilities			
Trade and other payables from non-exchange transactions	12	39 714	48 908
Provision	13	9 806	8 359
Trade and other payables from exchange transactions	14	27 458	5 662
Total Liabilities		76 978	62 929
Net Assets		178 607	124 396
Funds and Reserves			
Administration reserve		937	1 074
Employer grant reserve		423	148
Discretionary reserve		177 247	123 174
Total Funds and Reserves		178 607	124 396

Finance and Accounting Services Sector Education and Training Authority

Statement Of Changes In Net Assets For the year ended 31 March 2013

	Note	Administration Reserve R'000	Employer Grant Reserve R'000	Discretionary Reserve R'000	Unappropriated surplus R'000	Total R'000
Balance at 1 April 2011		562	105	55 034	-	55 701
Surplus per Statement of Financial Performance		-	-	-	68 695	68 695
Allocation of unappropriated surplus	1	14 275	43 768	10 652	(68 695)	-
Excess reserves transferred to Discretionary reserve		(13 763)	(43 725)	57 488	-	-
Balance at 31 March 2012		1 074	148	123 174	-	124 396
Surplus per Statement of Financial Performance		-	-	-	54 211	54 211
Allocation of unappropriated surplus	1	18 451	50 227	(14 467)	(54 211)	-
Excess reserves transferred to Discretionary reserve		(18 588)	(49 952)	68 540	-	-
Balance at 31 March 2013		937	423	177 247	-	178 607

An amount of **R937 000** (2012: R1 074 000) is retained in the administration reserve equal to the carrying value of Property, plant and equipment and Intangible assets.
An amount of **R423 000** (2012: R148 000) is disclosed in the employer grant reserve refer to note 17.2 and 17.3 for details.

Finance and Accounting Services Sector Education and Training Authority

Cash Flow Statement

For the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
Cash Flows from Operating Activities			
Operating activities			
Cash receipts from stakeholders		371 619	310 442
Levies, interest and penalties received		371 568	310 284
Other cash receipts from stakeholders		51	158
Cash paid to stakeholders, suppliers and employees		(312 581)	(268 105)
Grants and project payments		(280 498)	(245 797)
Compensation of employees		(10 495)	(9 041)
Payments to suppliers		(21 588)	(13 267)
Cash generated from operations	16	59 038	42 337
Interest received	3	10 684	8 950
Special projects	15	-	(226)
Net cash inflow from operating activities		69 722	51 061
Cash Flow from Investing Activities			
Acquisition of Property, plant and equipment	7	(194)	(761)
Proceeds from disposal of Property, plant and equipment	7&8	17	-
Acquisition of Intangible assets	8	(27)	(53)
Net cash outflow from investing activities		(204)	(814)
Net increase in cash and cash equivalents		69 518	50 247
Cash and cash equivalents at beginning of year	11	182 985	132 738
Cash and cash equivalents at end of year	11	<u>252 503</u>	<u>182 985</u>

Finance and Accounting Services Sector Education and Training Authority

Statement of Comparison of Budget and Actual Amounts For the year ended 31 March 2013

	Note	Approved Original Budget 2012/13 R'000	Revisions 2012/13 R'000	Approved Final Budget 2012/13 R'000	Actual 2012/13 R'000	Favourable/ (Unfavourable) variance 2012/13 R'000
Revenue						
Skills Development levy: income from non-exchange transactions	24.1	282 989	34 163	317 152	349 007	31 855
Skills Development levy: penalties and interest from non-exchange transactions	24.2	-	-	-	4 055	4 055
Investment income	24.3	7 980	3 168	11 148	10 778	(370)
Other income		-	-	-	80	80
Total revenue		290 969	37 331	328 300	363 920	35 620
Expenses						
Employer grant and project expenses	24.4	(262 693)	(36 198)	(298 891)	(280 611)	18 280
Administration expenses	24.5	(27 817)	(1 133)	(28 950)	(29 098)	(148)
Total expenses		(290 510)	(37 331)	(327 841)	(309 709)	18 132
Surplus for the year		459	-	459	54 211	53 752

Fasset's annual budget has been included in the strategic plan and annual performance plan and is available on the Fasset website.

Fasset does not budget for a surplus. The R459 000 shown as a surplus in the original and final approved budget was budgeted as capital expenditure of which R222 000 was spent.

For details regarding the difference between budget and actual refer to note 24.

Finance and Accounting Services Sector Education and Training Authority

Accounting Policies to the Annual Financial Statements For the year ended 31 March 2013

1. Basis of Preparation

The annual 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 annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended, including any interpretations of such Standards issued by the ASB.

2. Currency

These financial statements are presented in South African Rands since that is the currency in which the majority of the entities transactions are denominated.

3. Revenue Recognition

3.1 Revenue from non-exchange transactions

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

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

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

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

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education and Training (DHET), income from the National Skills Fund (NSF), and grants from the national government.

3.1.1 Levy income

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

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

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

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

Finance and Accounting Services Sector Education and Training Authority

Accounting Policies to the Annual Financial Statements For the year ended 31 March 2013

3.1.2 Interest and penalties

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

3.1.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the NSF are accounted for in the financial statements of Fasset as a liability until the related conditions are met. The liability is reduced by any project expenditure incurred and recognised as revenue.

Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial statements of Fasset, as Fasset controls such assets for the duration of the project. Such assets may however only be disposed of in terms of agreement and specific written instructions by the NSF.

3.2 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to Fasset and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The only exchange revenue received by Fasset is the interest earned on the investment.

Unconditional grants received are recognised when the amounts have been received.

3.2.1 Investment Income

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

4. 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 SDA, 1998, as amended, Seta Grant Regulations regarding monies received and related matters.

Mandatory Grants

The grant expenditure is recognised when the employer has submitted an application for a grant in the prescribed form within the legislated cut off period and the application has been approved. The grants are equivalent to 50% of the total levies contributed by employer.

Discretionary Grant and Project Expenditure

Fasset may out of the surplus Mandatory, Administrative or Discretionary levies 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 Fasset 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 Fasset.

Fasset 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. Discretionary Grant expenditure is recognised as expenses in the period in which it incurred, in which the conditions are met.

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 Fasset 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.

Project expenditure is recognised as expenses in the period in which it incurred, in which the conditions are met.

Finance and Accounting Services Sector Education and Training Authority

Accounting Policies to the Annual Financial Statements For the year ended 31 March 2013

5. 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 (1999), as amended
- The SDA (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.

6. 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 service 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 a surplus or deficit for the year.

In the application of Fasset's accounting policies, management is required to make judgments, 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

Fasset 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.

Management determined, consistent with the prior year, that the useful life of assets should not be limited by Fasset's establishment.

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
Leasehold improvements	over the lease term

Fasset has reviewed the residual values used for the purposes of depreciation calculations. 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.

Finance and Accounting Services Sector Education and Training Authority

Accounting Policies to the Annual Financial Statements For the year ended 31 March 2013

7. 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 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 service 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 a surplus or deficit for the year.

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 Intangible assets

Fasset reviews the estimated useful lives of Intangible assets at the end of each annual reporting period for the carrying values of Intangible assets.

The following useful life is used in the calculation of amortisation

Computer software	2 years
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Fasset has reviewed the residual values used for the purposes of depreciation / 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 and useful lives are reviewed annually.

8. Leasing

Payments made under operating 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 recognised as an expense in the period in which termination takes place.

9. 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 Fasset will approve the grant application for payment. The liability is measured at estimated cash outflow as determined in accordance with the SDA (1998). This measurement involves an estimate, based on the amount of levies received.

Finance and Accounting Services Sector Education and Training Authority

Accounting Policies to the Annual Financial Statements For the year ended 31 March 2013

Discretionary Grant Payments

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

Discretionary Projects

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

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

10. Provisions

Provisions are recognised when the Seta has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

11. Employee Benefits

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

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

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

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

12. Financial Instruments

Recognition

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

Financial Assets

All financial assets of Fasset 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.

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.

Finance and Accounting Services Sector Education and Training Authority

Accounting Policies to the Annual Financial Statements For the year ended 31 March 2013

Financial Assets at amortised cost

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'financial assets at amortised cost'. These financial assets 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 Fasset 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.

Finance and Accounting Services Sector Education and Training Authority

Accounting Policies to the Annual Financial Statements For the year ended 31 March 2013

13. 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 SDA (1998) and the Seta Grant Regulations for the purpose of:

	2012/13 %	2011/12 %
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
	<u>100</u>	<u>100</u>

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

14. Comparative Figures

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

15. Taxation

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

16. Consumables

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

Notes to the Annual Financial Statements For the year ended 31 March 2013

1. Allocation of Surplus for the Current Year to Reserves

	Total per Statement of Financial Performance 2012/13 R'000	Administration Reserve R'000	Employer Grants Reserve	Discretionary Reserve			Total Discretionary R'000
			Mandatory Skills Grant R'000	Discretionary Grants R'000	Projects R'000		
Total Revenue	363 920	47 549	214 370	87 168	14 833	102 001	
Skills Development Levy transfer from non-exchange transactions	47 469	47 469	-	-	-	-	-
Levy transfer Administration (10%)	301 538	-	214 370	87 168	-	87 168	87 168
Levy transfer Employer Grants (70%)	4 055	-	-	-	4 055	4 055	4 055
Skills Development Levy penalties and interest from non-exchange transactions	10 778	-	-	-	10 778	10 778	10 778
Investment Income	80	80	-	-	-	-	-
Other income							
Total Expenses	309 709	29 098	164 143	16 320	100 148	116 468	
Administration expenses	29 098	29 098	-	-	-	-	-
Employer grants and project expenses	280 611	-	164 143	16 320	100 148	116 468	116 468
Surplus per Statement of Financial Performance allocated	54 211	18 451	50 227	70 848	(85 315)	(14 467)	(14 467)

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

Allocation of Surplus for the Prior Year to Reserves

	Total per Statement of Financial Performance 2011/12 R'000	Administration Reserve R'000	Employer Grants Reserve	Discretionary Reserve			Total Discretionary R'000
			Mandatory Skills Grant R'000	Discretionary Grants R'000	Projects R'000		
Total Revenue	319 488	39 794	193 010	75 663	11 021	86 684	
Skills Development Levy transfer from non-exchange transactions							
Levy transfer Administration (10%)	39 686	39 686	-	-	-	-	-
Levy transfer Employer Grants (70%)	268 673	-	193 010	75 663	-	75 663	75 663
Skills Development Levy penalties and interest from non-exchange transactions	1 926	-	-	-	1 926	1 926	1 926
Investment Income	9 095	-	-	-	9 095	9 095	9 095
Other income	108	108	-	-	-	-	-
Total Expenses	250 793	25 519	149 242	13 314	62 718	76 032	
Administration expenses	25 519	25 519	-	-	-	-	-
Employer grants and project expenses	225 274	-	149 242	13 314	62 718	76 032	76 032
Surplus per Statement of Financial Performance allocated	68 695	14 275	43 768	62 349	(51 697)	10 652	10 652

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

2. Skills Development Levy Transfer from non-exchange transactions

2012/13 R'000	2011/12 R'000
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The total levy transfer per the Statement of Financial Performance is as follows:

Levy transfer: Administration	47 469	39 686
Levies received	47 469	39 686
Levies received from the DHET	47 076	39 318
Government levies received	527	482
Inter-seta transfers in	-	7
Inter-seta transfers out	(134)	(121)
Levy transfer: Employer grants	214 370	193 010
Levies received	214 370	193 010
Levies received from the DHET	215 039	193 586
Inter-seta transfers in	-	37
Inter-seta transfers out	(669)	(613)
Levy transfer: Discretionary grants	87 168	75 663
Levies received	87 168	75 663
Levies received from the DHET	87 435	75 893
Inter-seta transfers in	-	15
Inter-seta transfers out	(267)	(245)
	<u>349 007</u>	<u>308 359</u>

3. Investment Income

2012/13 R'000	2011/12 R'000
------------------	------------------

Interest income		
Accruals on bank deposits	94	145
Bank deposits	10 684	8 950
	<u>10 778</u>	<u>9 095</u>

4. Other Income

2012/13 R'000	2011/12 R'000
------------------	------------------

Other income comprises:		
Bad debt recovered	29	36
Refund received	-	12
Skills development levy refund	51	57
Donation income	-	3
	<u>80</u>	<u>108</u>

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

5. Employer Grant and Project Expenses

	2012/13 R'000	2011/12 R'000
Mandatory grants	164 143	149 242
Disbursed	163 757	162 735
Movement in provisions and accruals	386	(13 493)
Discretionary grants	16 320	13 314
Disbursed	19 099	16 390
Movement in provisions and accruals	(2 779)	(3 076)
Project expenditure	100 148	62 718
Disbursed	97 643	66 672
Movement in provisions and accruals	2 505	(3 954)
	<u>280 611</u>	<u>225 274</u>

6. Administration Expenses

	Notes	2012/13 R'000	2011/12 R'000
Advertising, marketing and promotions, communication		1 044	716
Bad debts written off		35	17
Consultancy and service provider fees	6.1	10 627	9 449
Cost of employment *	6.2	10 559	9 093
Depreciation / Amortisation		311	296
Entertainment expenses		35	18
External auditor's remuneration		1 143	987
Movement in bad debt provision		(37)	48
Legal fees		-	22
Loss on disposal of Property, plant and equipment		30	7
Maintenance, repairs and running costs		162	136
Operating lease rentals		1 261	1 454
Remuneration to members of the Accounting Authority		359	286
Audit and Risk Committee expenditure		105	111
Staff training and development		117	163
Travel and subsistence		154	201
Other		3 193	2 515
Education and Training Quality Assurance (ETQA)		566	293
Insurance		375	281
Internal audit fees		551	591
Other administration expenses		1 454	791
Printing		110	207
Relocation costs		-	213
Telephone		137	139
		<u>29 098</u>	<u>25 519</u>

* Included in the cost of employment is an amount of R221 000 of fruitless and wasteful expenditure for a payment to SARS for PAYE relating to the 2000/01 period. Refer note 19.2.

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements

For the year ended 31 March 2013

6.1 Consultancy and service provider fees

Consultancy and service provider fees 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

	2012/13 R'000	2011/12 R'000
Salaries and wages	10 423	8 975
Basic salaries	9 382	7 999
Performance awards	871	843
Temporary staff	72	25
Leave provision	64	52
Leave paid	34	56
Social contributions		
UIF	33	29
SDL	103	89
	<u>10 559</u>	<u>9 093</u>
Average number of employees	22	21

Refer to the report by the Accounting Authority for disclosure concerning the emoluments of the Chief Executive Officer (CEO) and Chief Operating Officer (COO).

7. Property, Plant and Equipment

Year ended 31 March 2013	Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
Computer equipment	487	(307)	180
Office furniture and fittings	588	(430)	158
Office equipment	739	(479)	260
Lease improvements	456	(159)	297
Balance at end of year	<u>2 270</u>	<u>(1 375)</u>	<u>895</u>

Year ended 31 March 2012	Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
Computer equipment	457	(283)	174
Office furniture and fittings	582	(388)	194
Office equipment	963	(665)	298
Leasehold improvements	433	(72)	361
Balance at end of year	<u>2 435</u>	<u>(1 408)</u>	<u>1 027</u>

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Movement Summary 31 March 2013	Carrying amount 2012 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Carrying amount 2013 R'000
Computer equipment	174	115	(36)	(73)	180
Office furniture and fittings	194	14	(7)	(43)	158
Office equipment	298	41	(3)	(76)	260
Leasehold improvements	361	24	(1)	(87)	297
Balance at end of year	1 027	194	(47)	(279)	895

Movement Summary 31 March 2012	Carrying amount 2011 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Carrying amount 2012 R'000
Computer equipment	134	128	-	(88)	174
Office furniture and fittings	192	52	(2)	(48)	194
Office equipment	228	148	(3)	(75)	298
Leasehold improvements	-	433	-	(72)	361
Balance at end of year	554	761	(5)	(283)	1 027

Temporarily idle assets and assets not in use

Property, plant and equipment that were idle or had been retired from use had a net carrying value of Rnil (2012: Rnil).

Fully depreciated assets still in use

Gross carrying value	2012/13 R'000	2011/12 R'000
Computer equipment	208	26
Office furniture and fittings	146	62
Office equipment	291	35
Balance at end of year	645	123

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8. Intangible Assets

Year ended 31 March 2013	Cost R'000	Accumulated amortisation/ impairment R'000	Closing carrying amount R'000
Computer software	130	(88)	42
Balance at end of year	130	(88)	42

Year ended 31 March 2012	Cost R'000	Accumulated amortisation/ impairment R'000	Closing carrying amount R'000
Computer software	103	(56)	47
Balance at end of year	103	(56)	47

Movement summary 31 March 2013	Carrying amount 2012 R'000	Additions R'000	Disposals R'000	Amortisation R'000	Carrying amount 2013 R'000
Computer software	47	27	-	(32)	42
Balance at end of year	47	27	-	(32)	42

Movement summary 31 March 2012	Carrying amount 2011 R'000	Additions R'000	Disposals R'000	Amortisation R'000	Carrying amount 2012 R'000
Computer software	8	53	(1)	(13)	47
Balance at end of year	8	53	(1)	(13)	47

Temporarily idle assets and assets not in use

Intangible assets that were idle or had been retired from use had a net carrying value of Rnil (2012: Rnil).

Fully depreciated assets still in use

	2012/13 R'000	2011/12 R'000
Gross carrying value		
Computer software	50	43

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Notes to the Annual Financial Statements For the year ended 31 March 2013

9. Accounts Receivable from Non-exchange Transactions

	Notes	2012/13 R'000	2011/12 R'000
Inter-seta debtors	23.2	122	133
Employer receivables	9.1	1 608	2 560
Impairments	9.1	(37)	(74)
		<u>1 693</u>	<u>2 619</u>

9.1 Employer Receivables

	2012/13 R'000	2011/12 R'000
Overpayment to employers	1 608	2 560
Impairments	(37)	(74)
Effect of adjustments on affected employers	<u>1 571</u>	<u>2 486</u>

R1 608 000 (2012: R2 560 000) 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 R37 000 (2012: R74 000) was provided for as doubtful debts.

Fasset refunds amounts to employers in the form of grants, based on information from the DHET. Where information is retrospectively amended, it may result in grants that have been paid to certain employers that are in excess of the amount Fasset is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximates their fair value.

10. Accounts Receivable from Exchange Transactions

	2012/13 R'000	2011/12 R'000
Deposits	83	193
Interest receivable	94	145
Prepaid expenses	194	279
Other	44	-
	<u>415</u>	<u>617</u>

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Notes to the Annual Financial Statements For the year ended 31 March 2013

11. Cash and Cash Equivalents

	2012/13 R'000	2011/12 R'000
Cash at bank and in hand	1 853	26 212
Cash at bank	1 852	26 212
Cash in hand	1	-
Short term deposits	250 650	156 773
Cash and cash equivalents at end of year	<u>252 503</u>	<u>182 985</u>

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. Surplus funds were invested in line with an investment policy as required by Treasury Regulations 31.3.5. During 2012/13 all funds were invested in a call account with the Corporation for Public Deposits. The weighted average interest rate on short term bank deposits was 5.2% (2011: 5.3%).

Cash and cash equivalents comprise cash held by Fasset and short-term bank deposits on call. The carrying amount of these assets approximates their fair values.

12. Trade and Other Payables from Non-exchange Transactions

	Notes	2012/13 R'000	2011/12 R'000
Skills development grants payable - mandatory		35 095	32 507
Skills development grants payable - discretionary		715	12 140
Inter-seta payables	23.2	342	541
Employer payables		1 064	2 839
Levy Creditors		2 498	881
		<u>39 714</u>	<u>48 908</u>

13. Provision

13.1 Provision for levies incorrectly received

	2012/13 R'000	2011/12 R'000
Opening balance	8 359	7 119
Change in estimate	501	253
Addition	946	987
Closing balance	<u>9 806</u>	<u>8 359</u>

An amount of R9 806 000 (2012: R8 359 000) relates to levies incorrectly contributed by employers, and paid over by SARS and the DHET, after being exempted from contributing (SDL) due to legislation changes which came into effect from 1 August 2005. As SARS collects the levies on behalf of the DHET, the responsibility to refund the levies to the employers remains with SARS.

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

14. Trade and Other Payables from Exchange Transactions

	2012/13 R'000	2011/12 R'000
Project creditors	6 641	4 136
Levies payable (UIF correction) refer note 20	18 506	-
Trade payables	1 359	582
Sundry payables	952	944
Other accruals	440	496
Employee leave accrual	512	448
	<u>27 458</u>	<u>5 662</u>

The carrying amount of account and other payables approximate their fair value due to the relatively short-term maturity of these financial liabilities.

15. National Skills Fund: Special Projects

	2012/13 R'000	2011/12 R'000
Opening balance	-	226
Interest received	-	2
Utilised and recognised as revenue - conditions met	-	-
Bonani/Thuthuka Project	-	-
Repaid to NSF (closure of projects)	-	(228)
Closing balance	-	-

R228 000 was refunded to the National Skills Fund on 31 July 2011. The project was completed in March 2011, however the final closure and project sign off was only finalised by the DHET in July 2011.

16. Reconciliation of Surplus to Net Cash Generated from Operations

	2012/13 R'000	2011/12 R'000
Surplus as per Statement of Financial Performance	54 211	68 695
Adjusted for non-cash items:		
Depreciation / Amortisation	311	296
Loss on disposal of Property, plant and equipment	30	7
Bad debts written off	35	17
Impairments	(37)	48
Investment Income	(10 778)	(9 095)
Adjusted for working capital changes:		
Decrease/(Increase) in receivables from non exchange transaction	928	(1 934)
(Increase)/Decrease in receivables - other	296	1 984
(Increase)/Decrease in consumables	(7)	7
Increase/(Decrease) in payables from non- exchange transactions	9 312	(15 960)
Increase/(Decrease) in payables from exchange transactions	3 290	(2 968)
Increase in provision	1 447	1 240
Cash generated from operations	<u>59 038</u>	<u>42 337</u>

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Notes to the Annual Financial Statements

For the year ended 31 March 2013

17. Contingencies

17.1 Surplus Funds

In terms of the PFMA (1999), as amended, all surplus funds as at year-end may be forfeited to National Treasury should an application for retention of surplus funds be denied. We will submit an application to National Treasury through the DHET for the retention of surplus funds. As in the previous year Fasset expects that National Treasury will approve the retention of surplus funds.

17.2 First time employer registrations

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

At the reporting date it is estimated that, as a result, additional Mandatory Grant expenditure of R423 000 (2011/12 R148 000) will be payable. The amount is contingent on the number of submissions received and approved.

17.3 New scheme year levies received

At the reporting date levies were received in respect of the new scheme year, for which the Skills Development legislation allows an employer until 30 June 2013 to submit an application for a Mandatory Grant.

At the reporting date it is estimated, as a result, that additional mandatory grant expenditure of Rnil (2011/12 R2 000) will be payable. The amount is contingent on the number of submissions received and approved.

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

18. Commitments

18.1 Discretionary reserve

The full balance of R177 247 000 (2012: R123 174 000) available in the Discretionary reserve at the end of March 2013 has been approved and allocated for future projects and skills priorities as set out below. Of the allocated balance of R177 247 000, R78 091 000 has been contracted. 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 through the DHET.

NSDS Indicator	Project Name	Opening balance 2011/12 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2012/13 R'000	Approved by Accounting Authority R'000	Utilised R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000	Commitments R'000
4.2	NSDS II										
4.2	Framework for people with disabilities	72	(72)	-	-	-	-	-	-	-	-
4.2	Thuthuka Repeat QE Part I	410	(368)	(42)	-	-	-	-	-	-	-
	Sub-total year 9 Project Fund	482	(440)	(42)	-	-	-	-	-	-	-
5.3	Strategic Partnership Funding	3 860	-	(19)	3 841	-	-	-	-	3 841	-
1.1	Research Learnerships and Learnerships Development	1 346	-	(340)	1 006	-	(210)	-	(210)	796	342
4.2	Pakhamani 2 AAT	24	(24)	-	-	-	-	-	-	-	-
4.2	Thusanani 4 Work Readiness Program	15	-	(15)	-	-	-	-	-	-	-
	Sub-total year 10 Project Fund	5 245	(24)	(374)	4 847	-	(210)	-	(210)	4 637	342

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For the year ended 31 March 2013

NSDS Indicator	Project Name	Opening balance 2011/12 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2012/13 R'000	Approved by Accounting Authority R'000	Utilised R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000	Commitments R'000
2.2	SMME Pilot Grant	1 935	(1 935)	-	-	-	-	-	-	-	-
4.2	SMME Intervention - Fasset Skills Advisors	1 136	(1 136)	-	-	-	-	-	-	-	-
4.2	Life long Learning	2 512	-	(2 512)	-	-	-	-	-	-	-
2.8	Learnership Cash grant	3 721	(3 072)	(649)	-	-	-	-	-	-	-
6.2	Strategic Marketing	537	(181)	(356)	-	-	-	-	-	-	-
1.1	Annual Research	901	-	(860)	41	-	(41)	-	-	-	-
4.1	Assessor Moderator Grant	180	(180)	-	-	-	-	-	-	-	-
4.1	Taxation Learnership	1 500	-	(234)	1 266	-	(231)	-	-	1 035	999
4.2	Bonani 6 Work Readiness Program	15 292	(9)	(15 283)	-	-	-	-	-	-	-
4.2	Thusanani 5 Work Readiness Program	3 473	-	(3 351)	122	(122)	-	-	-	-	-
4.2	Schimatus	839	(27)	(812)	-	-	-	-	-	-	-
4.2	IRBA PPE support program	854	(36)	(818)	-	-	-	-	-	-	-
4.2	Thuthuka Repeat QE 2011/2012	4 318	-	(3 687)	631	(1 55)	(476)	-	-	-	-
4.2	Strategic Cash Grant	1 600	(1 600)	-	-	-	-	-	-	-	-
4.2	Development Projects	10 509	(10 509)	-	-	-	-	-	-	-	-
	Sub-total year 11 Project Fund	49 307	(18 685)	(28 562)	2 060	(277)	(748)	1 035	999		

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NSDS Indicator	Project Name	Opening balance 2011/12 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2012/13 R'000	Approved by Accounting Authority R'000	Utilised R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000	Commitments R'000
	NSDS III										
4.6.2	Employer Grant Support Programme	-	350	(115)	235	(71)	(164)	-	-	-	-
4.8.1	Strategic Marketing	-	2 921	(2 267)	654	22	(676)	-	-	-	-
9.16 & 8.12	Assessor/Moderator Grant	-	64	(64)	-	-	-	-	-	-	-
4.2.1	Learnership Cash Grant	-	6 435	(6 435)	-	50	(50)	-	-	-	-
4.4.1 & 4.2.1	Projects Impact Study	-	218	(98)	120	-	-	120	-	120	-
4.1.1	Annual Research	-	940	-	940	256	(1 196)	-	-	-	-
4.2.1	Lifelong Learning	-	9 500	(8 464)	1 036	38	(1 074)	-	-	-	-
4.4.1	Thusanani 6	-	9 060	(2 615)	6 445	-	(6 404)	41	-	41	-
4.4.1	Bonani 7	-	35 456	(7 522)	27 934	-	(27 868)	66	-	66	-
4.4.1	Ihemba Training Programme	-	7 697	(2 275)	5 422	-	(5 353)	69	-	69	28
4.4.1	Amathuba	-	2 813	(1 141)	1 672	-	(1 597)	75	-	75	20
4.4.1	Rhodes BAC Programme	-	6 182	(1 362)	4 820	-	(4 356)	464	-	464	409
4.4.1	Schimatus 2012	-	2 349	(919)	1 430	-	(971)	459	-	459	404
4.4.1	Boston Le Rumo Project	-	1 257	(460)	797	-	(753)	44	-	44	4
4.4.1	IRBA Support Programme	-	1 015	-	1 015	-	(1 015)	-	-	-	-
4.4.1	S&T Ukuthemba Project	-	3 361	-	3 361	-	(2 978)	383	-	383	328
4.4.1	Development Projects Initial Support Services	-	5	(3)	2	-	(2)	-	-	-	-
4.4.1	Schimatus 2013	-	3 446	-	3 446	-	(6)	3 440	-	3 440	3 380
4.4.1	Thuthuka Repeat QE Part II	-	835	-	835	20	(746)	108	-	108	53
4.4.1	Thuthuka Repeat QE Part I	-	10 001	-	10 001	(5)	(2 937)	7 060	-	7 060	7 005
4.2.1	NSFAS Bursaries	-	46 102	-	46 102	45 436	(4 876)	86 662	-	86 662	764
4.4.1	Fasset Tracer Study 2012/13	-	-	-	-	1 737	(1 530)	207	-	207	167
	Sub-total year 12 Project Fund	-	150 007	(33 740)	116 267	47 483	(64 552)	99 198	(64 552)	12 562	

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NSDS Indicator	Project Name	Opening balance 2011/12 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2012/13 R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000	Commitments R'000
4.2.1	Lifelong Learning	-	-	-	-	11 875	(12 864)	-	-
4.6.2	SMME Grant Year 13	-	-	-	-	750	-	750	-
9.16 & 8.12	Assessor and Moderator Grant Year 13	-	-	-	-	300	(295)	5	-
4.2.1	Learnership Cash Grant Year 13 (Entry)	-	-	-	-	4 025	(1 677)	2 348	200
4.2.1	Learnership Cash Grant Year 13 (Exit)	-	-	-	-	4 885	(1 220)	3 665	262
4.8.1	Strategic Marketing	-	-	-	-	3 870	(2 526)	1 344	-
4.1.1	Research Year 13	-	-	-	-	5 034	(1 595)	3 439	3 439
4.4.1	Bonani 8	-	-	-	-	33 698	(11 131)	22 567	22 508
4.4.1	Phadisa Training Programme	-	-	-	-	3 300	(1 761)	1 539	1 499
4.4.1	Rhodes BAC Programme 2	-	-	-	-	7 619	(1 570)	6 049	5 989
4.4.1	Thuthuka QE II (PPE) 2013/2014	-	-	-	-	1 369	(1)	1 368	1 308
4.4.1	S&Tlhemba	-	-	-	-	3 810	-	3 810	3 770
4.4.1	Bonani 8	-	-	-	-	5 341	-	5 341	5 281
4.4.1	Thusanani 7	-	-	-	-	9 655	-	9 655	9 615
4.4.1	IRBA-PPE 2013 Support Programme	-	-	-	-	940	-	940	880
4.4.1	MBAT & NMMU - lhemba	-	-	-	-	6 503	-	6 503	6 443
4.4.1	Thuthuka Academic Programme	-	-	-	-	3 053	-	3 053	2 993
	Sub-total year 13 Project Fund	-	-	-	-	106 027	(34 639)	72 377	64 188
	Total Project expenditure	55 034	130 858	(62 718)	123 174	153 233	(100 148)	177 248	78 091

Amounts disclosed in the approved by Accounting Authority column should be read as follows:

The positive amounts represents new or additional approvals made by the Accounting Authority. The negative amounts represents transfers back to the surplus funds due to savings on the project.

The Board strategic sessions held annually, is used to determine the allocation of Fasset's available surplus funds. The allocation is linked to the Seta's strategic objectives. Fasset either manages the project internally or appoints service providers to meet its objectives. The appointment of the service providers follows the procurement process, depending on the value either through a tender or three quote process. Commitments are disclosed where Fasset has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are not yet due for payment.

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18.2 Operating Leases

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

	2012/13 R'000	2011/12 R'000
Not later than one year	1 221	1 221
Later than one year and not later than five years	2 442	4 884
	<u>3 663</u>	<u>6 105</u>

The operating lease relates to building premises used for office accommodation. Fasset entered into a new lease agreement on 1 June 2011. Fasset will lease the current premises until 31 March 2016. A deposit of R75 000 was paid on inception of the lease. The deposit amount, which is refunded upon termination of the lease, will be reduced by any outstanding costs and will accrue interest based on prime less five percentage points per annum. The rent escalates annually on 1 April by 9%.

19. Irregular, Fruitless and Wasteful Expenditure

To the best of our knowledge no material losses through criminal conduct occurred during the period ended 31 March 2013.

19.1 Irregular expenditure

One instance of irregular expenditure occurred during the period ended 31 March 2013:

	2012/13 R'000	2011/12 R'000
Opening balance	-	-
Irregular expenditure incurred	32	-
Irregular expenditure condoned	(32)	-
Irregular expenditure awaiting condonement	-	-

The irregular expenditure arose due to the procurement amounting to R32 000 from a contract of which the contract completion date had elapsed. The nature and cost of the work performed subsequent to the contract completion date was in alignment with the initial agreement. The amount was condoned by the relevant authority and National Treasury was informed on 30 November 2012.

No disciplinary action was taken against the executing official as the official identified the problem and requested that the issue be addressed and corrective measures be taken as a matter of urgency. The matter was seen as a bona fide mistake in continuing with the contract. The official was informed in writing to be cognisant of contract termination dates.

The following preventative controls have subsequently been put in place:

- A general circular on the consequences of non-compliance to the contract management processes and procedures was issued to all staff.
- A contract management system was implemented.

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19.2 Fruitless and Wasteful Expenditure

During the current year the Seta received a letter from SARS recording that there was an amount outstanding for PAYE dating back to 2000 together with accompanying penalties and interest. Upon receipt of the letter of demand, Fasset provided the necessary reconciliations, however the matter remained unresolved. The Seta is of the view that payment was made to SARS for the amounts claimed, however the proof of payment could not be located. Fasset subsequently paid the total amount due in terms of the letter so as to prevent the Sheriff of the Court from attaching and selling Fasset's assets. The entire amount paid to SARS (R221 000) has been disclosed as fruitless and wasteful expenditure. The penalties and interest amount to R8 000 and R126 000 respectively.

No remedial action was taken as the service provider responsible for payment has ceased to operate.

The following preventative controls have subsequently been put in place:

- Fasset will obtain a tax clearance certificate from SARS annually to ensure that there are no outstanding tax related matters.

20. Events after Reporting Date

During April 2013, the DHET informed the Seta that UIF contributions amounting to R18.506 million had been incorrectly paid over to the Seta as SDL levies during the period September 2012 to February 2013. This is an adjusting event as it provides evidence of conditions that existed at the reporting date. The 2012/13 annual financial statements have been adjusted accordingly.

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21. Financial Instruments

In the course of Fasset operations it is exposed to interest rate, credit, liquidity and market risk. Fasset 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

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

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

	Floating Rate		Non-Interest Bearing	
	Amount R'000	Effective interest rate	Amount R'000	Total R'000
Year ended 31 March 2013				
Assets				
Cash	252 502	5,2%	1	252 503
Accounts receivable - other	-	-	415	415
<i>Total financial assets</i>	<u>252 502</u>	<u>-</u>	<u>416</u>	<u>252 918</u>
Liabilities				
Trade and other payables from exchange transactions	-	-	(8 959)	(8 959)
<i>Total financial liabilities</i>	<u>-</u>	<u>-</u>	<u>(8 959)</u>	<u>(8 959)</u>
Year ended 31 March 2012				
Assets				
Cash	182 985	5,3%	-	182 985
Accounts receivable - other	-	-	617	617
<i>Total financial assets</i>	<u>182 985</u>	<u>-</u>	<u>617</u>	<u>183 602</u>
Liabilities				
Trade and other payables from exchange transactions	-	-	(5 662)	(5 662)
<i>Total financial liabilities</i>	<u>-</u>	<u>-</u>	<u>(5 662)</u>	<u>(5 662)</u>

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Credit Risk

Financial assets, which potentially subject Fasset to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

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

Credit risk with respect to levy paying employers is limited due to the nature of the income received. Fasset does not have any material exposure to any individual or counter-party. Fasset's concentration of credit risk is limited to the industry (Financial and Accounting Services) in which Fasset operates. No events occurred in the industry (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. Fasset is exposed to a concentration of credit risk, as significant amounts are owed by the SARS and the DHET. This concentration of risk is limited as the SARS and the DHET are government entities with sound reputation.

The ageing of other receivables from exchange transactions:

	2012/13		2011/12	
	Gross	Impairment	Gross	Impairment
Not past due	415	-	617	-
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:

	2012/13		2011/12	
	Gross	Impairment	Gross	Impairment
Not past due	252 503	-	182 985	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

Liquidity risk

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

	Carrying Amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
2012/13						
Trade and other Payables from exchange transactions	(8 959)	(8 959)	(8 959)	-	-	-
2011/12						
Trade and other Payables from exchange transactions	(5 662)	(5 662)	(5 662)	-	-	-

Market risk

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

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

22. New Accounting Pronouncements

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
--

Related party	GRAP 20	Not yet Effective
---------------	---------	-------------------

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 20: Related party

GRAP 20: Related Party. This standard prescribes the disclosure of information relevant to draw attention to the possibility that the Seta's financial position and surplus/deficit may have been affected by the existence of related parties. It is not expected that this standard will significantly impact future disclosures.

The following Standards and Interpretations that have been issued but are not yet effective are not applicable to the Seta and will not have an impact on future financial statements:

Effective date, commencing on or after
--

Segment Reporting	GRAP 18	Not yet Effective
Transfer of Function between Entities Under Common Control	GRAP 105	Not yet Effective
Transfer of Function between Entities Not Under Common Control	GRAP 106	Not yet Effective
Mergers	GRAP 107	Not yet Effective

23. Related Party Transactions

23.1 Transactions with the controlling entity

Fasset is controlled by the DHET. The Department is controlled by the Minister of Higher Education and Training.

There were transactions relating to revenue with the DHET - refer to note 2.

There is an amount due to the DHET due to UIF that was incorrectly paid over to the Seta as SDL as a result of a SARS error - refer note 12 & note 20.

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

23.2 Transactions with entities under common control

By virtue of the fact that Fasset is a National Public Entity related to other entities and departments in the National sphere of government it is considered related to Telkom, Eskom, South African Airways, other Setas and the NSF. The transactions are consistent with normal operating relationships between the entities, and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under the common control of the DHET, these amounts are disclosed below.

	2012/13 R'000		2011/12 R'000	
	Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ (payable)
Interseta Receivables	-	122	59	133
BANKSETA	-	5	4	5
CATHSSETA	-	-	11	11
FOODBEV	-	22	22	22
SASSETA	-	11	11	11
SERVICES	-	84	12	84
W&R SETA	-	-	(1)	-
Intereseta Payables	(1 072)	(342)	(982)	(541)
AGRISETA	591	-	8	-
BANKSETA	11	-	475	267
CATHSSETA	5	-	(8)	-
CETA	-	-	7	-
CHIETA	-	-	14	14
FOODBEV	-	-	72	72
FP&MSETA	6	11	5	5
HWSETA	-	-	16	-
INSETA	67	8	207	10
MICT	22	-	-	-
MQA	158	-	-	-
MERSETA	(37)	-	73	73
SASSETA	(77)	2	86	86
SERVICES	8	3	11	14
TETA	-	-	16	-
UNKNOWN	318	318	-	-
Other	-	-	-	-
Total	(1 072)	(220)	(923)	(408)

* Note that relating to Seta transfers that the amount of the transaction, where applicable, includes interest and penalties transferred to or from the Seta.

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

23.3 Remuneration of Key Management

The key management personnel of the Seta are: the members of the Accounting Authority and the members of the senior management group.

The Accounting Authority consists of members appointed in terms of the Constitution. Remuneration is paid to members or to their nominating organisations. The aggregate remuneration of members of the Accounting Authority and the number of members receiving remuneration within this category, are:

	2012/13 R'000	2011/12 R'000
Aggregate remuneration	359	295
Number of persons	15	14

The senior management group consists of the Seta's CEO and COO. The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are:

	2012/13 R'000	2011/12 R'000
Aggregate remuneration	3 047	2 593
Number of persons	2	2

Refer to the report by the Accounting Authority for detail disclosure concerning the emoluments of the CEO, COO and Accounting Authority members. Refer to the report by the Audit and Risk committee for detailed disclosure concerning the emoluments of members of the Accounting Authority who are members of the Audit and Risk committee.

Finance and Accounting Services Education and Training Authority

Notes to the Annual Financial Statements For the year ended 31 March 2013

23.4 Transactions With Other Related Parties

Fasset has, in the normal course of its operations, entered into certain transactions with entities which had an appointed representative serving on the Fasset Accounting Authority.

Related party	Nature of relationship	Transaction type	2012/13 R'000		2011/12 R'000	
			Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ (payable)
Deloitte	Tsakani Maluleke*	Discretionary grants and projects	14 148	-	2 297	(1 650)
Ernst & Young	Seshni Samuel	Consultancy and other service provider fees	11 191	-	9 551	(338)
Industrial Development Corporation	Holger Fischer	Discretionary grants and projects	5 456	-	1 220	(1 220)
Pricewaterhouse Coopers	Shirley Machaba **	Discretionary grants and projects	4 732	-	1 134	(985)
SARS	Corne Karsten & Kate Hlongwane	Discretionary grants and projects	11 608	-	-	-
University of Johannesburg	Amanda Dempsey	Discretionary grants and projects	24 406	-	495	(495)
			-	-	6	-

The transactions above occurred under terms that were no more favorable than those available in similar arm's length dealings. The transactions disclosed excludes the transactions that relate to statutory requirements. Transactions disclosed above relate to administrative expenses and discretionary grant transactions. Discretionary grants and projects comprise of the Strategic Cash Grant, Learnership Cash Grant, Assessor Moderators Grant, SMME Grant and project funding disbursed in accordance with the priorities as defined in the Sector Skills Plan. 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.

* Tsakani Maluleke joined Deloitte from 1 January 2012. The transactions recorded above relate to contracts that were finalised during 2010/2011 prior to her appointment to the Fasset board and Deloitte. Tsakani resigned from the Board in May 2012.

** Shirley Machaba joined the Board in March 2013. The transactions recorded above relate to contracts that were finalised prior to her appointment to the Fasset Board.

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements

For the year ended 31 March 2013

Fasset has remunerated members of the Accounting Authority for attending board and sub-committee meetings as follows

Name	2012/13	2011/12
	R'000	R'000
	Total Remuneration	Total Remuneration
P. Badal	13	14
S. Daniels	19	15
A. Dempsey	42	35
H. Fischer *	28	22
S. Gounden	19	23
K. Hlongwane	34	12
C. Karsten	37	6
D. Kopolo	3	21
S. Louis *	26	18
S. Machaba *	3	-
T. Maluleke	6	29
B. Mathibela	39	21
S. Mngomezulu *	17	9
M. Mloi	21	27
M. Mushwana	35	28
S. Samuel	-	6
S. Sono	17	-
	359	286

* Remuneration for attending board and sub-committee meetings relating to these members is paid to their nominating constituency.

Finance and Accounting Services Sector Education and Training Authority

Notes to the Annual Financial Statements

For the year ended 31 March 2013

24. Notes to Comparison of Budget and Actual

Legislation requires that Fasset annually, in September submit a budget to the Minister for approval. Any subsequent changes required to the initial budget are approved by the Accounting Authority on recommendation of the Finance Committee.

24.1 Skills Development Levy: income from non-exchange transactions:

Levy receipts were higher than budget by 10%. This is mainly due to unanticipated levy adjustments from SARS relating to the prior scheme year levies that were effected in the current financial year.

24.2 Skills Development Levy: penalties and interest from non-exchange transactions

Income from penalties and interest arise when employers fail to submit their returns as required by legislation. These amounts typically vary significantly year on year and as such are not budgeted for. The full balance is made available for projects.

24.3 Investment Income

The investment income was slightly lower than budgeted. This is due to a number of months of levy income being received late which resulted in a loss of investment income.

24.4 Employer grant and project expenses

The final budget includes estimated funding available for projects. The life cycle of some of the projects is between 1 - 3 years, with the majority of expenses only incurring in year 2 of the project life cycle. The actual expenditure for the current year is less than the budget. This was due to various projects' spend rates being slower than anticipated due to new commences in the current year and certain grant criteria being adjusted to align with Fasset's transformation imperatives.

24.5 Administration expenses

Administration expenditure is limited to 10% of levies received. The legislative limit has not been exceeded and the savings will be utilised to fund sector skills priorities through various projects. The savings were mainly in the training and development and marketing functions.



Part 3: Integrated Report

Report Profile

This is the second year of our integrated reporting journey. Our Chief Operating Officer (COO) serves as our integrated reporting champion. The Audit and Risk Committee had oversight in the preparation of the annual integrated report and recommended it for Board approval.

We continue to make important inroads into our integrated reporting journey and recognise that embarking on this journey is a new and bold step, particularly within the Seta environment.

Following the launch of our integrated reporting journey in 2012, we have identified the trajectory that we would like to follow and also sought external reviews of our first annual integrated report. This provided us with valuable input into our reporting process, going forward. We have elected to adopt an approach that focuses on the fundamentals first and then build from this foundation. In order to make the kind of difference that we would like to make externally through the inputs of our staff, we recognise that it is very important to begin within. This saw us undertake our Values and Culture Climate survey in the last financial year, which has helped focus our minds on our value proposition as Fasset; what we are here to do, and what we have to offer our stakeholders. Undoubtedly, one of the biggest milestones was the crafting of four core values, which will serve as our organisational compass, and will help to 'steer' Fasset in our integrated reporting journey.

This annual integrated report provides an account of the numbers in terms of our performance targets, which holds us accountable for the progress we make and the value we add. Our project beneficiaries and learners are not mere numbers. The Fasset team has always viewed learners as individuals, and has always been driven by a desire to make a positive difference in individual learner's lives. Equally important is the involvement of our staff who make a valuable contribution and enable us to achieve our performance targets.

We continually improve our reporting systems to provide useful and accurate reporting, and implement the requisite frameworks, strategies and policies as part of our integrated reporting journey. While elements of the report are driven by legislative and regulatory requirements, we have used this as a backdrop to convey the Fasset story for the period 1 April 2012 to 31 March 2013, and have, for the first time, included forward looking statements in each section of this report. We have done this to not only report on our progress for the period under review, but to also depict our focus going forward.

Report parameters

The boundary, scope and content of this report has been determined in accordance with the Global Reporting Initiative (GRI) G3 guidelines. We have also taken cognisance of the recommendations outlined in the 2009 King Committee on the Code of Governance Principles for South Africa (King III Code). We have conducted a King III Maturity self-assessment based on the nine chapters of King III, and have adopted the 'apply or explain approach,' of the Code. In terms of this, we can state upfront that we comply with all of the sections of the Code except sections 2.14, 2.15 and 2.18, which cannot be applied directly in our environment.

Section 2.14 refers to the Board appointing the Chief Executive Officer (CEO) and establishing a framework for the delegation of authority. The appointment of the CEO is done in terms of the SDA and the Seta's Constitution, which states that the Board can submit three names to the Minister, for proposal to Parliament, who appoints the CEO.

Furthermore, section 2.15 indicates that the Board should comprise a balance of power, with a majority of non-executive directors. An independent Chief Financial Officer (CFO) should be appointed to the Board or the matter should be explained in the integrated/annual report. The composition of the Board is

determined in line with the Fasset Constitution and the Terms of Reference, comprising employee and employer representatives as well as independent members. All Board members are non-executive directors. The CEO, COO and the CFO are however not members of the Board but do attend Board meetings. Regarding this, there is therefore no balance of power on the Board in terms of executive/non-executive directors. Furthermore, the Board is assisted by a suitably qualified and reputable service provider.

Section 2.18 of the Code has also not been applied in our environment for the period under review, which stipulates that the Board should be assisted by a competent, suitably qualified and experienced Company Secretary. The appointment of a Company Secretary has been made with effect from 1 April 2013.

We have embraced the GRI principles of transparency, inclusiveness, auditability, completeness, relevance, sustainability context, accuracy, neutrality, comparability, clarity and timeliness in our reporting. We have defined material issues as those issues, which reflect significant economic, environmental and social impacts or which influence stakeholders' decisions. We have provided material disclosure on governance, strategy, risk and opportunities in relation to our financial, economic and

social performance. There are numerous GRI indicators, which are not relevant to what we do and have therefore not been included in this report. More information is provided in the section on GRI Compliance on page 61.

Our data measurement techniques are replicable and estimates and underlying assumptions are described when it is materially necessary to do so. We understand the value of independent assurance. At this stage of our reporting, external assurance is provided by the Auditor-General of South Africa with respect to performance information. A feedback form has also been included to obtain comments from our stakeholders on our annual integrated report.



Global Reporting Initiative Compliance

The GRI Guidelines for reporting version 3.1 have been followed in the compilation of this report. Information pertaining to our compliance in terms of standard disclosures: profile is provided below. We do not yet comply with the environmental

disclosure standards as we have not yet defined our environmental strategy. Our levels of compliance are however expected to be minimal as we are a low environment impact organisation.

Table 4: Information pertaining to our compliance in terms of standard disclosures: profile is provided in the table below

	Comply / Partially Comply	Do not Comply	Not Applicable
Organisational profile	x		
Governance, commitments and engagement	x		
Report parameters	x		
Strategy and analysis	x		

Table 5: Information pertaining to our compliance in terms of standard disclosures: performance indicators, is provided in the table below

	Comply / Partially Comply	Do not Comply	Not Applicable
Economic	x		
Environmental		x	
Labour practices and decent work	x		
Human rights	x		
Society	x		
Product responsibility	x		

Application Level

Although the GRI Guidelines provides self-declared levels of reporting, we feel that it is still too early in our reporting journey to self-declare that our reporting complies with a specific level. We are very cognisant of the importance of the GRI Guidelines and will continue to use this as a compass in our reporting.

Forward looking statement

We have commenced with the first leg of our integrated reporting process journey, where we focused on employee engagement. The other elements of our strategy will evolve as we finalise our Sustainability Strategy for the organisation in the year ahead.

2012/2013 Performance Highlights

13

Fasset obtains a clean **audit** for the **thirteenth** year in succession



1ST

Fasset launches its **NSFAS** Loan Repayment Grant, a **Seta first**

89.7%

The findings of the **Fasset** Tracer Study: "The Value of Work Readiness Programmes" confirms that these **programmes** are making a positive difference to learners lives and have created sustainable employment for **89.7%** of beneficiaries



92%

The results of Fasset's **Customer** Satisfaction Survey confirm **92%** overall satisfaction with Fasset

Organisational Context

Fasset is a public entity in terms of Schedule 3 (Part A) of the Public Finance Management Act (PFMA).

We were established in 2000 and are responsible for activities within the finance and accounting sector, which consists of 3 600 levy and non-levy paying organisations and employs 114 500 people.

Member organisations include the following sub-sectors:

- Investment Entities and Trusts and Company Secretarial Services
- Stockbroking and Financial Markets
- Development Organisations
- Accounting, Bookkeeping, Auditing and Tax Services
- Activities auxiliary to Financial Intermediation
- Business and Management Consulting Services
- SARS and relevant Government Departments.

Parliament, the Executive Authority (the Minister of Higher Education and Training) and Boards of public entities are responsible for corporate governance of Setas. Parliament exercises this role by interrogating the Seta's annual financial statements and other relevant documents. The Standing Committee on Public Accounts (SCOPA) also reviews the annual financial statements and the audit reports of the Auditor-General. The Portfolio Committee on Higher Education and Training exercises oversight of service delivery and reviews the non-financial information contained in the annual integrated report.

As a Seta, we report to the Department of Higher Education and Training (DHET), which is tasked with co-ordinating the education and training sub-systems of post-school education, including universities, Further Education and Training colleges (FETs), Sector Education and Training Authorities (Setas) and Adult Basic Education.

We are one of 21 Setas re-licensed by the Minister of Higher Education and Training in 2010 for a period from 2011 to 2016. Fasset operates in terms of the Skills Development Act (SDA Act 97 of 1998), and the Skills Development Levy Act of 1999 (as amended), which introduced programmes and funding policies designed to increase investment in skills development. This legislation provides an institutional framework for Fasset to develop and implement national, sectoral and workplace strategies in order to develop and improve the skills of the national workforce resulting in improvements in employability and productivity, while contributing to South Africa's competitiveness.

Setas are licensed for a period of five years, which corresponds with the roll out of the National Skills Development Strategy (NSDS), which, with the exception of NSDS II, was extended to a six-year period. Our role is to influence the effective operation of the labour market, through effective skills development, so as to ensure the appropriate supply of competent labour necessary to compete in the global economy. We do this in fulfilment of our general objectives as a Seta, which are:

- Facilitate, co-ordinate and monitor the implementation of the NSDS in the Fasset sector
- Identify skills shortages in the sector
- Support the development of the skills of employees in the sector
- Support the improvement of the quality of life and labour market prospects of employees in the sector
- Strengthen the institutional capacity of the Seta in order to improve productivity and the quality of the services it provides to its stakeholders
- Through the Skills Development Levy, increase the levels of investment in skills development and improve returns on such investment
- Support improved performance and productivity in the workplace in the sector, as well as the competitiveness of employers
- Support the improvement of the employment prospects of persons previously disadvantaged by unfair discrimination
- In liaison with employment services, assist retrenched workers to re-enter the labour market
- Liaise with employers with respect to skills development programmes
- Promote the development of skills aimed at self-employment
- Support skills development in the informal sector, cooperatives and other income-generating initiatives for the unemployed
- Support and promote the development of artisans, technicians, professionals and persons in other categories
- Support, facilitate and promote the quality of occupation-based learning in the sector
- Promote effective communication between, and participation by bodies involved in skills development, both inside and outside the sector
- Co-operate with and support the Quality Council for Trades and Occupations (QCTO) in such matters relating to QCTO functions and operations referred to in Section 10 of the Act
- Co-operate with, and support the functions of other agencies in matters related to skills development.

We also report to National Treasury in line with requirements of the PFMA. We do this through submission of quarterly performance management reports and annual financial statements.

We are aligned to a number of national imperatives and sector-specific regulatory imperatives including NSDS III, the medium-term strategic framework (MTSF), the Human Resources Development Strategy for SA (HRD-SA), the Industrial Policy Action Plan (IPAP), the New Growth Path (NGP) and the National Skills Accord.

We are financed from the Skills Development Levy (SDL) 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 as follows:

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

view

Overall Fasset is seen as a well-functioning Seta with a strong relationship with all its stakeholders



The Fasset Board

The Board's responsibilities are laid out in Fasset's Constitution and the Terms for Reference for the Board and Committees.

Composition

Setas have a standard 15-person Seta Board, which includes an independent Chairperson and two independent members appointed by Minister Nzimande. Ministerial appointments include: Chairman, Siphiso Sono, Amanda Dempsey and Mopo Mushwana.

Drawn from diverse backgrounds, our Board members offer a wealth of experience, insight and professional skills. Our Board members actively engage with our business, sharing their expertise and help to advance strategic issues.

The Board, which has been appointed for the period 1 April 2011 to 31 March 2016, is comprised of:

- three Ministerial appointments
- six employee representatives
- six employer representatives.

Quarterly Board meetings are held to evaluate Seta performance, assess risks and review Fasset's strategic direction. In addition, Board members attend an annual two-day strategic planning session.

In line with King III principles our Board recognises the need to conduct business with prudence, transparency, integrity and accountability and to report to our stakeholders in a proper and timely manner. Attendance and membership details are provided in Appendix B on page 96.

Working Committees

The Board is supported by five sub-committees: Executive Committee (Exco), Audit and Risk Committee (ARC), Finance Committee (Finco), Remuneration Committee (Remco), Board Procurement Committee (BPC) and three Working Committees: Communications Committee (Comm Comm), Skills Planning Committee (SPC) and a Quality Assurance and Learnerships Committee (QALC). Information pertaining to attendance and membership is provided in Appendix C on page 97.

Committees are responsible for formulating policies and procedures. The ARC, the Board, Exco, Finco, Remco and the BPC are remunerated in line with the Minister's approved rate for Board and Committees.

SPC, Comm Comm and QALC members are not remunerated for attending Committee meetings. They are, however, remunerated for out-of-pocket expenditure, such as travel.

Prabir Badal

Appointed to Fasset Board
1 April 2011

- Remco
- Remco Chair
(January 2012 - current)



Shahied Daniels

Appointed to Fasset Board
1 April 2011

- ARC



Amanda Dempsey

Appointed to Fasset Board
1 April 2011

- Finco (Chair)
- Acting Board Chair
(June - October 2012)
- Remco



Holger Fisher

Appointed to Fasset Board
1 April 2011

- Exco
- Remco
- BPC
- SPC (Chair)



Sathie Gounden

Appointed to Fasset Board
1 April 2011

- Finco (resigned April 2012)



Kate Hlongwane

Appointed to Fasset Board
1 April 2011

- Exco
- BPC
- SPC



Corné Karsten

Appointed to Fasset Board
1 April 2011

- Finco
- BPC
- SPC



Shirley Machaba

Appointed to Fasset Board
November 2012



Samantha Louis

Appointed to Fasset Board
1 April 2011

- Exco
- Comm Comm (Chair)



Tsakani Maluleke

Appointed to Fasset Board
1 April 2011
Resigned May 2012

- Independent Board Chairman
- Exco Chairman



Bongani Mathibela

Appointed to Fasset Board
1 April 2011

- Finco
- Exco



Stadi Mngomezulu

Appointed to Fasset Board
1 April 2011

- ARC
- BPC



Mpuseng Molo

Appointed to Fasset Board
1 April 2011
Resigned December 2012

- Exco
- Remco (Chair)



Mopo Mushwana

Appointed to Fasset Board
1 April 2011

- Finco
- BPC (Chair)



Seshni Samuel

Appointed to Fasset Board
1 April 2011
Resigned May 2013

- QALC (Chair)



Sipho Sono

Appointed to Fasset Board
September 2012

- Independent Board Chairman
- Exco (Chair)



Stakeholder Engagement

We recognise that trust, respect and credibility are prerequisites for meaningful stakeholder engagement and organisational sustainability. Regular engagement is key to understanding our stakeholders' expectations and concerns, enabling us to respond to these. We engage with the following stakeholders in the implementation of skills development interventions to fulfil our mandate as a Seta.

- Employers
- Learners (employed)

- Learners (unemployed)
- Government (DHET, National Treasury, Department of Basic Education, Department of Rural Development and Land Reform, Parliament, Department of Labour, Setas)
- Public (national, provincial, Limpopo, Community)
- Internal stakeholders (staff, Board)
- Public Education and Training providers (HETs, FETs, professional bodies).

Table 6: Engagement Activities

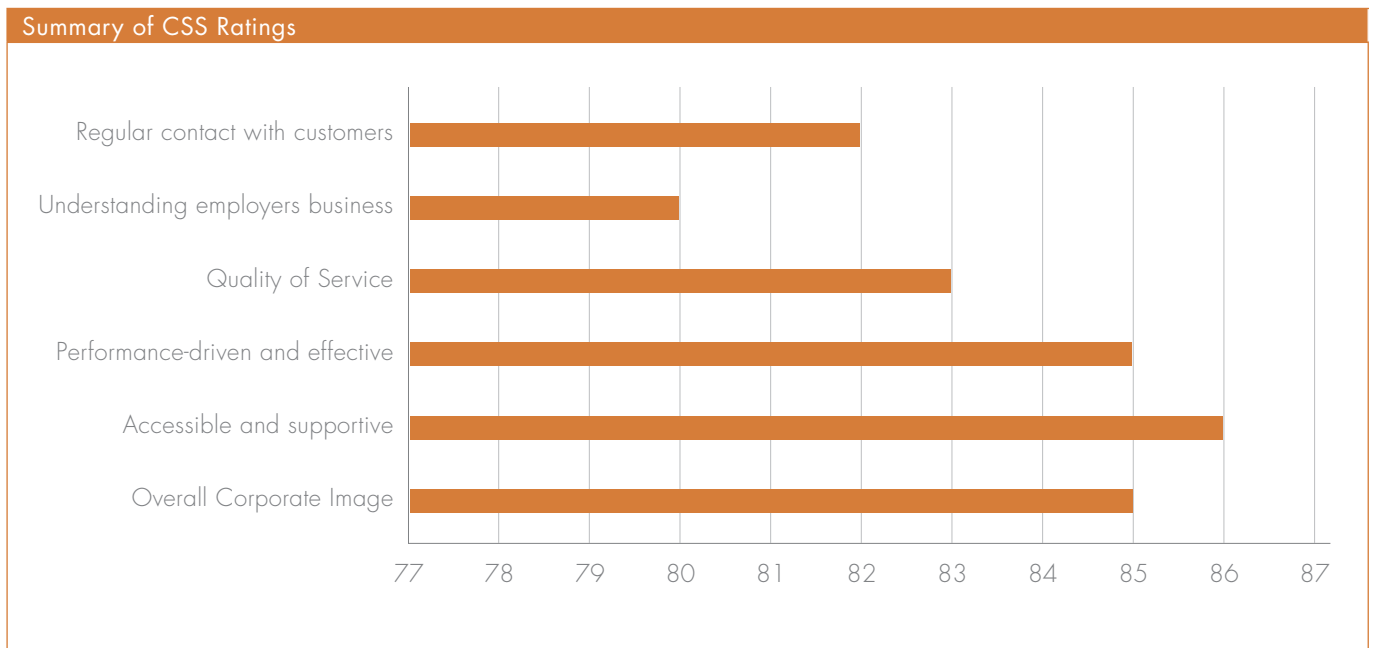
Stakeholder Group	Engagement Objectives	Engagement Mechanism
Government and regulatory bodies	Communicate Seta activities and determine various opportunities to support national imperatives	Meetings, briefings, regulatory submissions, Working Committees
Professional bodies	Provide additional support and quality assurance	AGM, customer satisfaction surveys, publications such as Facts newsletter, e-facts, I-facts, website, lifelong learning training events, skills development initiatives, sector-wide consultations, Working Committees
Member organisations, including employers and learners	Communicate the available benefits and incentives	AGM, customer satisfaction surveys, Facts newsletter, e-facts, I-facts, website, lifelong learning training events, skills development initiatives, sector-wide consultations, Working Committees
Suppliers, service providers and project partners	Build constructive and mutually beneficial relationships	Meetings, briefings and site visits
Our employees	Build constructive and mutually beneficial relationships	Staff meetings, email, newsletters, team building sessions, staff training, performance management discussions
The community	Communicate core function of the Seta and showcase various Seta projects	Employee volunteerism activities, site visits
Media	Communicate core function of the Seta and showcase various Seta projects	Press releases, internet, print, online, radio, television and social media
Education and training providers	Encourage partnerships between education and training institutions across South Africa as well as determine opportunities to advance skills development	Meetings, briefings and site visits

Customer Satisfaction Survey and Sector Survey

Customer satisfaction surveys serve as a good barometer for assessing how stakeholders perceive organisational performance. In the course of the last financial year, we conducted a Customer Satisfaction Survey (CSS), 162 employers, 12 training providers and 8 professional bodies were surveyed.

We received an overall satisfaction rating of 83% with 92% of Fasset's stakeholders being either satisfied or very satisfied. The summary of the CSS results are outlined in figure 1.

Figure 1: Summary of CSS Ratings



Customer satisfaction levels were slightly lower among non-levy payers. Placed in context, it is important to acknowledge that this group of stakeholders is not able to access all Fasset benefits. We have taken note of this feedback and will address the actions that require attention in the next financial year.

Although Fasset conducts regular Customer Satisfaction Surveys, the Sector Survey provided a unique opportunity to engage with stakeholders over a wide spectrum on specific issues that need the Seta’s attention. Obviously not all the expectations of stakeholders fall within the mandate of the Seta and some are already addressed without stakeholders realising it. Nevertheless, certain themes recurred in all the surveys:

- Overall Fasset is seen as a well-functioning Seta with a strong relationship with all its stakeholders.
- The decision to limit the Learnership Cash Grant (LCG) to Black African learners only, remains controversial and elicited many negative responses from the sector. This was particularly evident in the Western Cape and KwaZulu-Natal, where Coloured and Indian learners are predominant and are now excluded from the grant system.
- The need for work-readiness programmes and other measures to facilitate young people’s transition from study to work was reiterated in all the surveys.
- The reduction of administrative requirements for learnerships was a recurring request.
- In all the surveys there were respondents who asked for better communication from the Seta’s side.

Fasset Tracer Study

As part of our stakeholder engagement strategy, a longitudinal study was commissioned to assess the impact of Fasset-funded Work Readiness Programmes. Interviews were conducted with 1 353 Thusanani and Bonani Work Readiness Programme beneficiaries and 148 employers. The findings are reported under Projects on page 77 of the report and have provided us with valuable inputs for our Projects roll-out, going forward.

Operations

We operate from offices in Blackheath Johannesburg. Being one of the smaller Setas, Fasset is not in a position to establish a permanent office in each of the nine provinces.

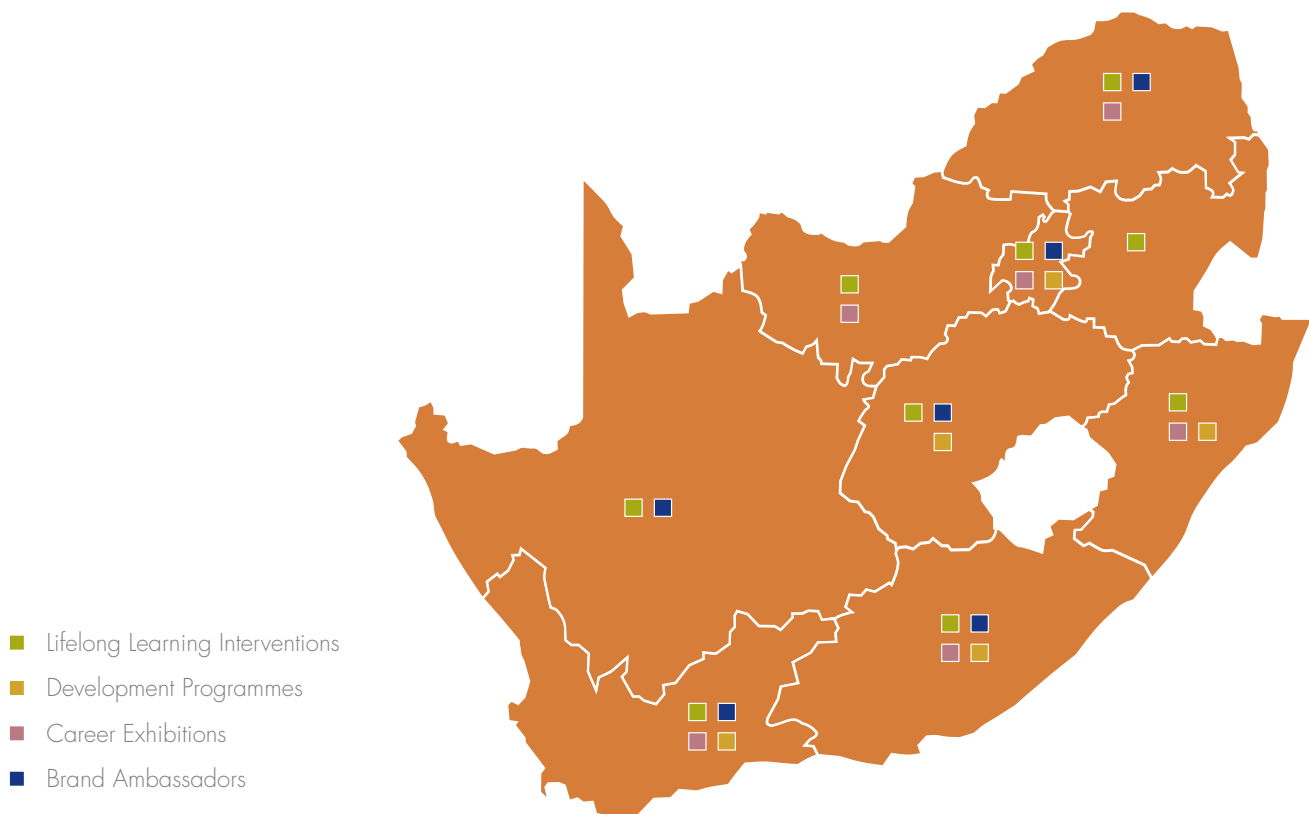
Instead, we have developed a Provincial Strategy, to ensure greater alignment to the national imperative for Setas to deepen our regional footprint, particularly in rural areas and townships. In terms of this strategy, we have a provincial presence through the delivery of our various programmes that are delivered nationally such as Lifelong Learning interventions (currently offered in 54 towns countrywide), access programmes,

meetings, on-going communication, career guidance, Brand Ambassador Campaign and career exhibitions, which are supported by the Call Centre and the website. Existing regional offices of other Setas are also supported through the deployment of material and information is made available, as well as attending to Fasset-queries that are channelled to us for resolution.

In a bid to increase accessibility to Setas in townships and rural areas, we have been appointed the Lead Seta in Limpopo and have established partnerships with Waterberg and Sekhukhune FET Colleges, to help direct young people towards becoming a skilled and capable workforce. This supports an inclusive growth path in South Africa thereby enhancing the career prospects for many young South Africans.

Table 7: Provincial Distribution of Fasset Programmes

Region	Number of Lifelong Learning Beneficiaries	Number of Development Project Beneficiaries	Number of Career Exhibitions Attended	Number of Campus Brand Ambassadors
Eastern Cape	1 481	130	1	1
Free State	534	33	0	2
Gauteng	6 508	793	7	1
KwaZulu-Natal	2 169	134	2	0
Limpopo	413	0	1	1
Mpumalanga	409	0	0	0
North West	243	0	1	0
Northern Cape	152	0	0	1
Western Cape	3 892	186	3	1
Total	15 801	1 276	15	7



Governance and Risk Management

Governance

Compliance with legislation and standards such as the PFMA and the King III Code of Corporate Governance enables us to manage stakeholder concerns, build commitment within and outside the organisation and also, focus on delivery.

A comprehensive set of policies is in place in accordance with our Constitution and in support of our Sector Skills Plan (SSP) and Strategic Plan. These are reviewed and updated annually. Our Board and other governance structures such as the Exco, Finco and ARC continue to ensure that internal controls are implemented and monitored adequately to provide reasonable assurance. Board and Committee assessments are conducted annually to gather feedback on the overall performance of the Board and its Committees. The assessments focus on areas such as Board/Committee size and composition, competence, information, agenda, performance and standards of conduct. An analysis of the results is reported to the Board with a set of recommendations. An integrated Quality Management System is also in place. This is updated regularly, in line with changing business practice and legislative requirements.

Internal Financial Control

Internal financial control focuses on critical risks identified by management and reviewed by the ARC. The management team and governance structures are confident that the standards, which have been set and the systems of internal control and accounting control, which have been implemented are adequate and ensure the integrity and reliability of the Financial Statements and accountability for Fasset's assets. Management and Internal Audit monitor these systems continuously throughout the year.

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 15.

Forward looking statement

In the year ahead, Fasset plans to develop an Ethics Programme, which will be undertaken as part of our alignment with the King III Code of Corporate Governance.

Risk Management

We are committed to the optimal management of all risks associated with the performance of functions and delivery in line with our vision, mission, objectives and strategic plans. To meet this commitment, the management of risks is integrated into our existing strategy, planning, budgeting and operational processes and is fully recognised in funding and reporting processes on the basis of evaluation of the level of risk and Fasset's exposure.

The Board has oversight of the risk management function and provides guidance and support to the CEO, in her capacity as the Chief Risk Officer, on risk management related strategy and policies. This function has been delegated to the ARC on the Board's behalf. It is the ARC's responsibility to ensure that a risk management programme is in place, is adequate and effective, and provides a realistic view of key risks facing the organisation. A Risk Management Committee has been established as a sub-committee of the ARC to monitor risk management.

In compliance with Treasury Regulation requirements, the Internal Auditors have direct access to the CEO, the ARC and the Board. Fasset's Code of Conduct ensures that ethical standards are adhered to at all times. The details of the Risk Management Plan are contained in the suite of documents, which include the Risk Management Framework, Risk Management Policy, Risk Appetite and the Risk Register.

Ten significant risks have been identified: risk descriptions, risk context, risk type, inherent risk status, control procedures, management perceived control effectiveness, residual risk status and risk response have been tabulated in our Risk Register.

Skills Development Priorities and Strategic Objectives

The purpose for which Fasset has been established is to provide an institutional framework to devise and implement national, sectoral and workplace strategies that are aligned to the objectives of national economic and social development priorities. These strategies have been developed within the context of:

- Supporting the development and improvement of skills development interventions,
- Providing an assurance of quality in education and training,
- Enhancing access to learning opportunities,
- Encouraging active employer participation,
- Supporting the objectives of the Employment Equity Act of 1998

to drive the transformation agenda aimed at addressing inequities linked to race, gender and disability, and

- Addressing the needs of the South African labour market including that of employers, workers and Small, Medium and Micro Enterprises (SMMEs).

Skills development priorities for the five-year period 2012 to 2017 are based on sector needs, NSDS III objectives, the MTSF, the HRDS-SA, IPAP and the NGP. More information is provided in Table 8.

Table 8: Skills Development Priorities

Increasing the Flow of New Entrants to the Labour Market
• Increasing the number of entrants to the labour market at FET level
• Developing work readiness and soft skills of entrants at Higher Education and Training (HET) level
• Increasing the number of graduates in professional-body-accredited HET programmes
• Increasing the number of learners who qualify on professional learnerships
• Increasing the number of learners that enter the labour market through internships
Developing and Maintaining the Skills Base of the Current Workforce
• Increasing the number of employees in the labour market at FET and HET levels
• Ensuring that employees receive training (short courses and skills programmes)
• Supporting skills development in small companies
Strengthening the Financial Skills Base of the Public Sector
• Increasing the number of public sector learners on FET- and HET-level qualifications and learnerships
Unemployed Youth
• Attract more Black African and/or Black African people with disabilities to the sector
• Provide opportunities to complete occupationally-directed qualifications and work readiness training

In terms of these priorities and objectives, we focused on the key components of our strategic objectives as informed by our SSP which include:

- delivery of learners on learnerships
- participation of the SMMEs within our sector
- continued promotion of the skills development strategy
- delivery of effective projects that impact on the skills needs of our sector.

interventions. In the coming year, greater focus will be placed on tracking the impact of the skills development interventions in the sector.

This was done with a particular focus on driving the transformation agenda within our sector and ensuring that more Black African people and Black African people with disabilities, in particular, are assisted in gaining access to the sector and that Broad-Based Black Economic Empowerment (B-BBEE) imperatives are addressed in all

Organisational Performance and Key Imperatives

Creating Value in the Sector

In line with the NSDS III, we aim to deliver value to our stakeholders through skills upliftment and transformation initiatives, and by offering both levy-paying and non-levy paying members a range of benefits, which meet their needs in a cost-effective and sustainable manner.

During the period under review, Fasset levy-payers were able to access five grants: the Mandatory Grant, Strategic Cash Grant, Learnership Cash Entry and Exit Grants, SMME Grant and the Assessor and Moderator Grant (AMG). Non-levy payers were able to access all grants other than the Mandatory Grant and the Strategic Cash Grant. Additional benefits for both levy and non-levy-payers included employer grant support, lifelong learning and access to beneficiaries of Fasset-funded Access into Employment Programmes.

The value-add for employees was that they were able to improve their skills levels through attendance of lifelong learning interventions. Because their employers were incentivised to train employees, learners benefitted by being placed on learnerships.

Organisational performance is measured in terms of performance against the NSDS III targets. The Fasset Board submitted an Annual Performance Plan (APP) to the DHET for the period 1 April 2012 to 31 March 2013. The APP is aligned to, and guided by the Fasset Strategic Plan for 2012 to 2017. Outcomes and success indicators aligned to the NSDS III are included as the basis upon which Fasset will deliver its strategic objectives.

Fasset's performance against the NSDS III indicators for the period 1 April 2012 to 31 March 2013 is provided in Appendix A on page 89 and has been audited by the Auditor General of South Africa as part of the audit of performance objectives. Performance indicators and achievements for each implementation department are provided in this section.

Forward looking statement

We will continue to work with the DHET and other Setas as well as enter into partnerships with FETs, HETs, Professional Bodies and training providers to achieve the NSDS III targets, relevant national imperatives in support of the DHET's vision, "of a South Africa in which we have a differentiated and fully inclusive post-school system that allows South Africans to access and succeed in relevant post school education and training, in order to fulfil the economic and social goals of participation in an inclusive economy and society."

Skills Planning

The Skills Planning Department is responsible for implementing Fasset's Research Policy, which includes the commissioning of a Sector Skills Survey every five years; updating Fasset's SSP on an annual basis, and updating the Scarce Skills Guidelines on an annual basis. The department is also responsible for assisting employers to take advantage of skills development initiatives, including Skills Development Facilitator (SDF) related issues; claiming Mandatory Grants (Workplace Skills Plan (WSP)/Annual Training Report (ATR)); claiming Discretionary Grants such as the LCG; Skills Development Levies and Inter-Seta transfers; and the scheduling and hosting of lifelong learning interventions throughout South Africa.

Research

The NSDS III places a heavy emphasis on research and Setas' responsibility to develop research capacity in South Africa. One of Fasset's key responsibilities is to monitor the demand and supply of skills experienced by employers and professional bodies. During the year under review, Fasset commissioned a Sector Survey. This is the third Sector Survey that we have commissioned. Essentially, a sectoral analysis monitoring system, the Sector Survey includes a survey of employers, professional bodies, education and training providers, and learners skills forecast. The survey plays an important role in identifying demand and supply constraints in terms of meeting scarce skills needs within the sector.

The survey provides a comprehensive up-to-date picture of the sector including employer organisations; employees working in the sector; professional bodies active within the sector; stakeholder views on key issues relevant to skills planning within the sector; the overall labour demand and supply; skills shortages and mismatches which require rectification; and the research capacity and research needs within the sector. Going forward, this information will inform Fasset's strategy in terms of the implementation of appropriate skills upliftment initiatives.

Results indicate that skills shortages are not as acute as they were in 2007 when the last survey was conducted. In the last Sector Survey, hard-to-fill positions constituted 2.9% of total employment; this has dropped to 1.5%. In the previous survey vacancies for professionals constituted 5.8% of employment in this occupational category; this has dropped to 3.2%. Despite these improvements, employers

and professional bodies stressed the need for more highly qualified professional and specialist skills.

Many employers expect a growth in employment over the next five years. Major changes in the financial and business environment are impacting on the skills sets and technical knowledge required. As a result of customer-centric legislation many businesses have to change the way in which they interact with people. The worldwide demand for improved corporate governance, risk management and compliance with the regulatory requirements is driving the demand for skills in the field of finance, auditing, internal auditing, corporate governance and risk management. The increased complexity of business and the widening of the tax net is driving the demand for tax practitioners and specialists.

According to Fasset stakeholders the supply-side of the labour market is being constrained by the poor output of the basic education system and a lack of soft skills training. There is also, some reluctance on the part of employers and academic institutions to recognise work-based qualifications.

The Skills Planning department successfully submitted the updated SSP, which is updated on an annual basis and forms the basis for strategic decision making. It is approved by members of the Fasset sector representing organised labour, organised employers, relevant government departments, the DHET. The SSP provides a roadmap for the work of Fasset and organisations in the sector in terms of skills development. In addition to outlining our long-term and short-term skills development deliverables, our vision and mission, the SSP provides information on the sector profile, factors influencing future change in the sector, the sector development strategy, employment and skills needs, implications for skills policy and skills provision, vision, mission, objectives, priorities, outcomes and key performance indicators, monitoring, reporting and evaluating.

The updated Fasset Scarce Skills Guide was released in February 2013. Distributed annually, the guideline targets those

who need to understand and identify scarce skills within the Fasset sector, including educationalists, learners, parents, policy-makers and education and training providers. South Africa as a whole benefits when new graduates enter the economy, particularly those who are able to fill scarce skills gaps.

The findings of our Customer Satisfaction Survey (CSS) confirm that our customers and stakeholders attach a great deal of importance to research. An overall rating of 88%; was obtained for research; 88% of respondents believed the research is relevant; and 84% were of the opinion that the findings are communicated adequately.

Forward looking statement

Given our very strong focus on research, and our desire to develop Black African talent within the research arena, a research intern will be appointed for the 2013/2014 year.

Grants

Grants have been devised to incentivise employers to train their staff. It is voluntary for all levy payers registered with Fasset to apply for the Mandatory Grant. By submitting a Workplace Skills Plan (WSP) and Annual Training Report (ATR) employers were able to claim 50% of the SDL. In the year under review the Mandatory Grant was a prerequisite for accessing Discretionary Grants at Fasset such as the Strategic Cash Grant (SCG), LCG and Small Medium and Micro Enterprises (SMME) Grant. During the period 1 147 applications for mandatory grants were received, compared to 1 148 in Year 12 and 1 533 in Year 11.

The SCG enabled employers to claim back a maximum of 20% of their SDL if they undertook education and training in certain strategic skills priority areas for the calendar Year 2012 from 1 January 2012 to 31 December 2012. Funding was only applicable to Black African learners and all learners with disabilities. During the period 23 applications were approved, compared to 31 in the previous year. Table 9 provides more information on grant pay-outs.

Table 9: Grant Pay-outs

Grant	Amount Expensed in Current Year	Percentage of Funding Available Disbursed
Mandatory Grant	R160 334 000	78%
Strategic Cash Grant	R16 320 000	60%
Learnership Cash Grant	R2 897 000	33%
SMME Grant	R0	0%
NSFAS Loan Repayment Grant	R4 876 000	6.5%
Assessor and Moderator Grant	R295 000	98%

As part of our CSS, respondents rated the application process for the grants, which they had received. All application processes were well regarded with ratings ranging from 80% to 87%.

The new Seta funding regulations, which were released in December 2012, will come into effect on 1 April 2013. The regulations will have a profound impact on companies who do not offer learnerships or qualifications. They will also impact on employers who only claim back Mandatory Grants from the Seta.

Two changes in particular will impact on Fasset stakeholders: the decrease in Mandatory Grant payments from 50% of Skills Development Levy contribution to 20%; and the increase in information, which employers are now required to include in their WSP submissions. The additional 30%, previously allocated to Mandatory Grants has now been allocated to discretionary funding. In the past Setas had discretion in terms of how this funding was allocated. This is no longer the case: going forward 80% of discretionary funding must be allocated to PIVOTAL Programmes, which address scarce and critical skills within the sector. The remaining 20% must be allocated to programmes, to develop the sector in accordance with priorities outlined in the SSP.

The decrease in the Mandatory Grant means the grant now has more of a strategic role to play in the work that we are doing and the decisions that we need to make as a Seta. Information provided in the WSP and ATR, including the PIVOTAL Plan and Report, is more important than ever before as it will enable us to identify sector needs and to come up with an appropriate education and training strategy for the Seta. Our Strategic Plan and APP have been amended for the 2013/2014 financial year to take cognisance of these changes.

Forward looking statement

We will host workshops outlining the Fasset 2013 strategy and how member organisations can benefit from Fasset benefits, incentives and programmes, taking into account the new funding regulations.

Lifelong Learning

Lifelong Learning remains a flagship initiative designed to assist practitioners in the sector to ensure that they remain abreast of all sector developments and topics pertinent to their professional functioning. Delivered by experts in the field, and informed by training requests from our stakeholders, our lifelong learning events would otherwise be unaffordable for many SMME practitioners. While soft skills training events seek to improve learners' soft skills; some interventions are offered at a more intermediate level. Nine events were offered during the period under review. Details appear in Table 10.

Table 10: Lifelong Learning Events

Event Name	Start Date	Number Attended	Provinces Reached
Negotiating Skills to Reach a Deal	Apr-12	1 076	6
Global Economic Outlook 2012	May-12	582	5
Corporate Social Responsibility	Jul-12	266	5
Business Writing	Aug-12	1 939	7
Risk Ethics and Fraud	Sep-12	1 551	8
Compliance with Changes in Legislation	Oct-12	2 073	9
Fasset SDF Update 2013 / Strategy Implementation	Nov-12	82	2
Management and Leadership	Nov-12	1 650	8
Budget and Tax Update 2013	Mar-13	6 582	9
Total		15 801	

During the year, 15 801 delegates attended these events and 98 027 delegates in total have attended since Fasset's inception. Our CSS confirms that the overall perception of lifelong learning is excellent: overall perception (85%); relevance of topic selection (84%); and the frequency of courses meet our needs (82%).

Forward looking statement

The findings of our Sector Survey will inform the nature of events and topics to be included in the Lifelong Learning programme in the year ahead.

Quality Assurance and Learnerships Department

Seta ETQA accreditation expired on the 30th September 2012. This responsibility now falls under the Quality Council for Trades and Occupations (QCTO). Since ETQA bodies no longer exist with this responsibility now falling under the QCTO, the responsibility for quality assuring currently registered qualifications has been given back to us. In view of these changes, the ETQA Department has changed its name to the Quality Assurance and Learnerships (QAL) Department.

The QAL Department is tasked with building partnerships between learners, employers, training providers, professional bodies, universities and FETs; facilitating the development of learnerships; and the quality assurance and the accreditation of workplaces.

Learnerships

We continue to serve as a vehicle for facilitating the development of accounting skills, not only for the Finance and Accounting sector, but for the economy as a whole. In fulfilling this role, we

work tirelessly to cultivate strong relationships between the Seta, education and training institutions and the labour market as a whole.

As at 31 March 2013, 30 learnerships were registered. Of the 54 662 learners registered on Fasset learnerships to date:

- 4 268 learners were signed on during the year under review
- 609 are 18.1 learners (previously employed)
- 3 659 are 18.2 learners (previously unemployed)
- 29 964 have already completed their learnership (from 2000 to 2013).

Twenty Memoranda of Understanding (MoUs) with other Setas has facilitated the implementation of learnerships across sectors. There are currently 1 163 learners from other sectors on Fasset learnerships. Fasset employers have registered 1 292 learners on learnerships from other sectors.

While targets for the number of learners signed onto learnerships have been achieved, and most mid-level skills targets have been

achieved, the target for high-level completed learners has not been achieved. This is due mainly to timing, with learners likely to complete after the financial year end.

Transformation remains a key driver within the Fasset sector. It is gratifying, therefore, to see improvements year-on-year in the demographic profile of learners on Fasset learnerships. It continues to improve from 29% in Year 2, to 40% in Year 5, to 56% in Year 13. A consistent placement rate of 100% on completion confirms the relevance of Fasset learnerships.

We submitted our Financial Markets occupational qualification and Tax occupational qualification to the QCTO for registration. These are the first two occupational qualifications that we have submitted via the QCTO. It is not clear how long the registration process will take. A Financial Markets and Tax learnership can only be registered once these qualifications have been registered on the NQF. Both qualifications are pitched at NQF Level 7.

Table 11: Number of Learners who Completed Specific Learnerships: 2007- 2012

Year	Type of Learnership	Completions
2007	CA learnerships (SAICA)	161
	Professional accountant learnerships (SAIPA)	6
	Internal auditing learnerships (IIA)	1
Sub-total		168
2008	CA learnerships (SAICA)	163
	Professional accountant learnerships (SAIPA)	20
Sub-total		183
2009	CA learnerships (SAICA)	162
	Professional accountant learnerships (SAIPA)	20
Sub-total		182
2010	CA learnerships (SAICA)	201
	Professional accountant learnerships (SAIPA)	32
	ICB learnerships	11
Sub-total		244
2011	CA learnerships (SAICA)	206
	Professional accountant learnerships (SAIPA)	25
	ICB learnerships	0
Sub-total		240
2012	Chartered Accountant: Auditing	2 694
	FTE Certificate: Debt Recovery	42
	National Certificate: Business Accounting	2
	National Certificate: Business Administration Services	2
	Post Graduate Diploma: Professional Accountant in Practice	156
Sub-total		2 896
Total		3 913

Quality Assurance

Providers can only be accredited until qualifications expire in 2015. We can, therefore, no longer accredit qualifications

for the full five years as we did in the past. Going forward, we will only accredit qualifications for the duration of the qualification.

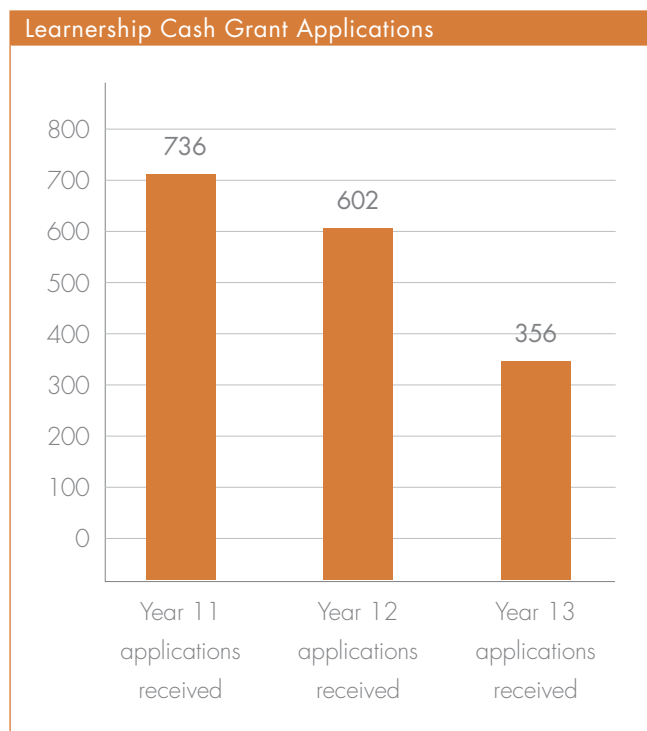
During the period under review, one organisation applied for internship accreditation and one organisation applied for whole firm accreditation. Our CSS revealed that 67% of training providers feel that the accreditation process is too long. These time frames, however, are in place to ensure quality of provision.

Overall satisfaction among professional bodies in terms of our accreditation process was excellent (90%); overall satisfaction with the handling of queries (93%); and overall perception of the monitoring process (93%). Professional bodies have a very good perception overall of Fasset: Fasset is performance driven (98%); Fasset is supportive (98%); Fasset is accessible (100%); and overall perception of staff (93%).

Grants

The Fasset Board took a decision that for the 2012/2013 funding year discretionary funding would only be allocated to Black African people and Black African people with disabilities. This decision has impacted on the uptake of the LCG (Entry and Exit). Fewer applications were received than in previous years as indicated in the figure below. The small pool of available Black African learners was identified as the key challenge that contributed to this low uptake of LCGs.

Figure 2: Learnership Cash Grant Applications



We continue to work very hard to increase the pipeline of Black African learners available to the sector by funding learners on Bridging Programmes for Access into Higher Education (NQF Level 5) and Academic Programmes for

Access into Employment. Unfortunately, the process to yield results is slow, specifically in the case of Bridging Programmes for Access into Higher Education, where it may take a learner a few years to complete an academic qualification. Only once this has been completed, will the learner look for an employer, who is willing to sign her onto a learnership. The situation is also exacerbated by the small pool of Black African matriculants, with pure mathematics, available to the sector.

Through our AMG, we reimbursed the cost of training to achieve assessor or moderator registration with Fasset. Eighty-one applications were approved during the period, compared to 17 in Year 12; 7 applications for the SMME grant were received compared to 17 in Year 12.

The termination of learnerships before completion remains an on-going challenge. Our Sector Survey confirmed that 27% of learnerships are terminated before completion either because learners make the incorrect career choice, or because of a lack of funds.

Forward looking statement

We are working towards the finalisation of the Tax and Financial Markets Learnerships in the year ahead. We will also focus on quality as a participant in quality assurance, rather than an enforcer or regulator.

Projects

The Projects Department facilitates skills development, transformation and social upliftment in line with the NSDS III targets. Our Board earmarks, on an annual basis, areas of high skills needs within the sector, based on the SSP and other research. Strategic project interventions are identified and public tenders are advertised annually in this regard. All new projects are approved by the Board Procurement Committee (BPC). Projects are funded from discretionary funding and unclaimed grant monies.

During the period under review R132 562 million was allocated bringing the amount allocated over the past 13 years to R566 864 million, including NSF-funding. Some 16 234 individuals in total, have benefited. Beneficiaries are in line with the NSDS III targets and other government imperatives, including, but not limited to the MTSF, the HRD-SA, the IPAP and the NGP.

In line with the Seta's pipeline approach to skills development, we fund Bridging Programmes for Access into Higher Education (NQF Level 5), Bridging Programmes for Access into Employment (NQF Level 6-7) and Academic Programmes (NQF Level 6-8), which

lead to the completion of a qualification, and/or a professional designation. By funding programmes at these three levels, we are able to make a difference in young people's lives by either assisting them to gain access into higher education; providing work-readiness skills, which assist in gaining access into employment; or assisting young people to obtain a professional qualification.

Fasset opened two funding windows on 18th January 2013 for Bridging Programmes for Access to Employment and for Academic Programmes for the Completion of a Qualification or a Designation. Responses to our new funding window opened in January 2013 indicating that providers are listening to the fact that our focus is

shifting towards public institutions. Providers are teaming up with universities and allowing universities to take the lead. Providers are also responding to our call to extend their rural reach thereby ensuring greater accessibility and participation of project beneficiaries from rural areas.

All Fasset-funded programmes either met or over-achieved performance targets due to increased funding made available to these projects. These programmes and achievements are outlined in table 12 below.

Table 12: Fasset-funded Programmes

Funded Programme	Type of Programme	Total Number of Learners Funded	Recruitment Criteria	Placement / Pass Rate Achieved
Bonani 7	Bridging Programme for access into employment	600	Unemployed Black African finance graduates with BCom degrees or National Diplomas	73.2%
Bonani 7 Extra Programme	Bridging Programme for access into employment			
Bonani 8	Bridging Programme for access into employment	700	Unemployed Black African finance graduates with BCom degrees or National Diplomas	Due to complete in March 2014
Bonani 8 Extra Programme	Bridging Programme for access into employment			
Thusanani 6	Bridging Programme for access into employment	200	Unemployed Black African learners and non-accounting graduates	82%
Thusanani 7	Bridging Programme for access into employment	200	Unemployed Black African learners and non-accounting graduates	Due to complete in March 2014
Madiba Bay Accountancy Training Amathuba Programme	Bridging Programme for access into employment	50	Unemployed Black African finance graduates with BCom degrees or National Diplomas	70%
Boston Lerumo Work Readiness Programme	Bridging Programme for access into employment	50	Unemployed Black African finance graduates with BCom degrees or National Diplomas	70%
Future Creation: Ithemba Bridging Programme	Bridging Programme for access into employment	80	Unemployed Black African finance graduates with BCom degrees or National Diplomas	Due to complete in March 2014
Nelson Mandela Metropolitan University (NMMU) Ithemba Bridging Programme	Bridging Programme for access into employment	150	Unemployed Black African finance graduates with BCom degrees or National Diplomas	Due to complete in March 2014
Rhodes Business Analyst Certificate Programme 2012	Academic Programme for access into employment	96	Unemployed Black African finance graduates with BCom degrees	79%
Rhodes Business Analyst Certificate Programme 2013	Academic Programme for access into employment	100	Unemployed Black African finance graduates with BCom degrees	Due to complete in March 2014
Thuthuka QEI Programme (2012-2014)	Academic Programmes, which lead to the completion of a professional designation	500	Employed Black African repeat candidates for the qualifying exam, part 1	56% pass rate (against a national pass rate of 42%)
Thuthuka QEII Programme for 2012	Academic Programmes, which lead to the completion of a professional designation	100	Employed Black African repeat candidates for the final qualifying exam	56% pass rate (against a national pass rate of 45%)
Thuthuka QEII Programme for 2013	Academic Programmes, which lead to the completion of a professional designation	100	Employed Black African repeat candidates for the final qualifying exam	Due to complete in March 2014

Funded Programme	Type of Programme	Total Number of Learners Funded	Recruitment Criteria	Placement / Pass Rate Achieved
IRBA PPE Repeat Programmes for 2012	Academic Programmes, which lead to the completion of a professional designation	80	Employed Black African repeat candidates for the final qualifying exam (PPE)	60% pass rate (against a national pass rate of 45%)
IRBA PPE Repeat Programmes for 2013	Academic Programmes, which lead to the completion of a professional designation	50	Employed Black African repeat candidates for the final qualifying exam (PPE)	Due to complete in March 2014
Thuthuka University Programme for 2013-2014	Academic Programmes, which lead to the completion of a qualification	500	Unemployed Black African finance students completing BCom degrees	Due to complete in March 2014
SciMathUS Bridging Programme 2012	Access to Higher Education	36	Unemployed Grade 12 learners	100% competence and 70% placement
SciMathUS Bridging Programme 2013	Access to Higher Education	70	Unemployed Grade 12 learners	Due to complete in March 2014
Ithemba	Access to Higher Education	120	Unemployed Grade 12 learners	90% competence and 70% placement
Ukuthemba	Access to Higher Education	50	Unemployed Grade 12 learners	Due to complete in December 2013
Phadisa Academic Programme	Access to Higher Education	55	Unemployed Grade 12 learners Black African learners	Due to complete in March 2014

Case Study

The Fasset team has always derived a great deal of satisfaction from making a positive difference in individual learner's lives. Sibusiko Zoko's story is a case in point.

Nineteen year old Sibusiso Zoko hails from Kwa Mpisi Location in the Bizana District in the Wild Coast area of the Eastern Cape. Bizana lies between Lusikisiki in the South and the Umtamvuma River on the border of KwaZulu-Natal.

Sibusiso attended school at Cangcie. After writing his Matric exams in 2012, he visited his sister in Johannesburg. He found employment as a cleaner, at the Mosaiek church in Fairlands, Johannesburg and started work on the 2nd January 2013.

Sibusiso saw lots of young South Africans of a similar age to himself at the Mosaiek campus and asked them what they were doing: "They told me they were applying for the Phadisa Academy. The Academy was looking for young people, who had passed Mathematics in Matric. They told me to apply."

Undeterred by the fact that he could not produce his Matric results as his school fees had not been paid and a computer book was also outstanding, he approached the programme organisers, nevertheless. His friends had told him that he had obtained university exemption. He

had obtained a 'B' for Accounting and had also studied Mathematics in Matric.

The Phadisa team interviewed him: he wrote a test, and was accepted onto the programme. Phadisa is assisting him to "sort out things with the school." "Phadisa will change my life. My wish is to go to university. This programme is going to change my life because it will assist me in my chosen career," he informs.

Sibusiso would like to study a BCom Accounting: he hopes one day to become a Chartered Accountant. "I would like to thank Fasset for providing me with this opportunity to study," he concludes.



Sibusiko Zoko: current learner on a Fasset-funded programme

Measuring impact

We commissioned a Tracer Study entitled: "The value of Fasset-funded Work Readiness Programmes" in 2012 to obtain employers' and project beneficiaries views on the perceived value of these programmes in terms of preparing candidates for work; to gauge beneficiaries workplace progress; to ascertain whether beneficiaries' earnings have improved; and to ascertain how many project beneficiaries had furthered their qualifications since completing the programme. The study spanned a ten-year period. Interviews were conducted with 1 353 Thusanani and Bonani Work Readiness Programme beneficiaries and 148 employers.

The research revealed that 89.7% of project beneficiaries (1 353 individuals) are currently employed. The majority of beneficiaries (88.7%) placed on an internship or learnership found employment on completion of the internship or learnership either at the company where they were placed, or elsewhere. Of the 11.3% of project beneficiaries, who were not placed, 85.4% found employment using the skills gained from the programme.

Most of the employers interviewed (90.5%) prefer employing beneficiaries of Fasset-funded programmes as project beneficiaries are equipped with the soft skills needed in the workplace. Employers value the fact that Bonani and Thusanani learners are work-ready: this saves time and money.

Many employers view the hiring of project beneficiaries as part of their social responsibility; it is also seen as an opportunity to reduce unemployment amongst graduates.

Some 93.2% of employers said the Fasset-funded Work Readiness Programmes provided beneficiaries with most of the

soft skills needed in the workplace; 89.2% expressed the same view for technical skills.

It was gratifying to note that 95.6% of project beneficiaries would recommend the programme to family and friends. The Bonani and Thusanani Work Readiness Programmes were seen to enhance soft skills and technical skills to a 'large extent'.

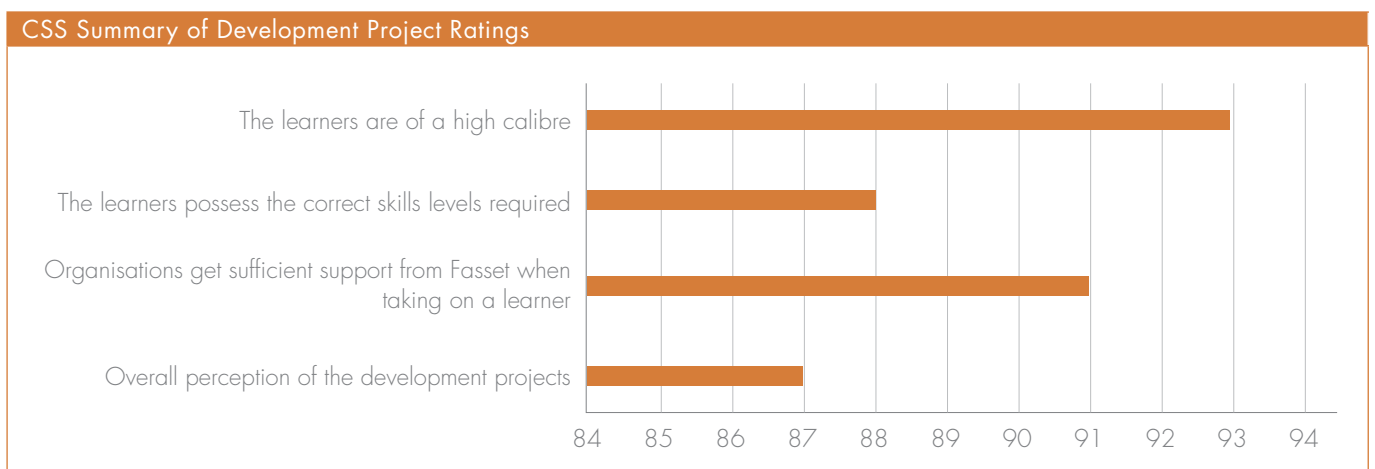
Some 48.6% of programme beneficiaries have progressed to a higher position; 30.5% are still in the same position and 13.4% have been placed as trainee accountants and are still busy with their training. If all trainee accountants complete, the progression figure will increase to 62%.

Only 766 of the 1 082 learners placed in employment or an internship or a learnership divulged salary information. Only 2.1% of candidates earned R10 000 or more per month when they were placed in employment; 32.0% revealed that they are now earning R10 000 per month or more; 58.1% of project beneficiaries earned less than R5 000 per month when they started working; currently only 19.8% earn less than R5 000 per month.

The results of the Fasset Tracer Study confirm that Fasset-funded work-readiness interventions have had a very positive impact on learners' lives. The Bonani and Thusanani Work Readiness Programmes have enhanced employability, provide better skilled entrants to the workplace, have facilitated gainful, sustainable employment, and are welcomed by employers. It is not surprising therefore, that the researchers have recommended that Fasset continues to fund Work Readiness Programmes.

The very positive feedback received in our Tracer Study was replicated in our CSS results as indicated in figure 3.

Figure 3: CSS Summary of Development Project Ratings



Grants

In an attempt to address the termination of learnerships before completion, we introduced the National Student Financial Aid Scheme (NSFAS) Loan Repayment Grant (NLRG) in the last year. A Seta first, the NLRG seeks to payback NSFAS study loans for eligible learners thereby increasing retention rates on learnerships within the Fasset sector, accelerating the development of a pool of accounting talent and adding impetus to Fasset's quest to fast track transformation within the sector.

Forward looking statement

Our Board has opened three Bridging Programme windows focusing on enabling access into higher education; completion of academic programmes and continued focus on work readiness programmes. Going forward, our Board has adopted a slightly different approach for tendering with public institutions.

Communications

The Marketing and Communication Department has been repositioned to focus solely on ensuring that Fasset stakeholders are engaged and informed about Fasset's value proposition; repositioning will also enhance the Fasset brand. In view of these changes the department has been renamed the Communications Department.

The Communications function is focused on delivering interventions aimed at strategically positioning the Seta and enhancing the Fasset brand. This includes a stakeholder engagement component and a career guidance campaign, which has been expanded to include a brand ambassador campaign as part of our provincial strategy to promote inclusivity and promote access to the youth located outside the major metropolitan areas.

The Department met all of its NSDS III targets for the period. During the past financial year, we focused on the following:

Stakeholder engagement

Our publicity programme was devised to increase participation in Fasset interventions and alert stakeholders to Fasset benefits, incentives, programmes and achievements. Fair and equitable media coverage was obtained in business publications, national and regional newspapers, community newspapers and web-based publications. Free publicity to the value of R5 624 677 was obtained during the period.

Based on readership figures provided by publications, and where these have not been provided, using a conservative pass-on rate of 2,5, publications in which Fasset advertised, Fasset has a combined readership of approximately 6 767 900.

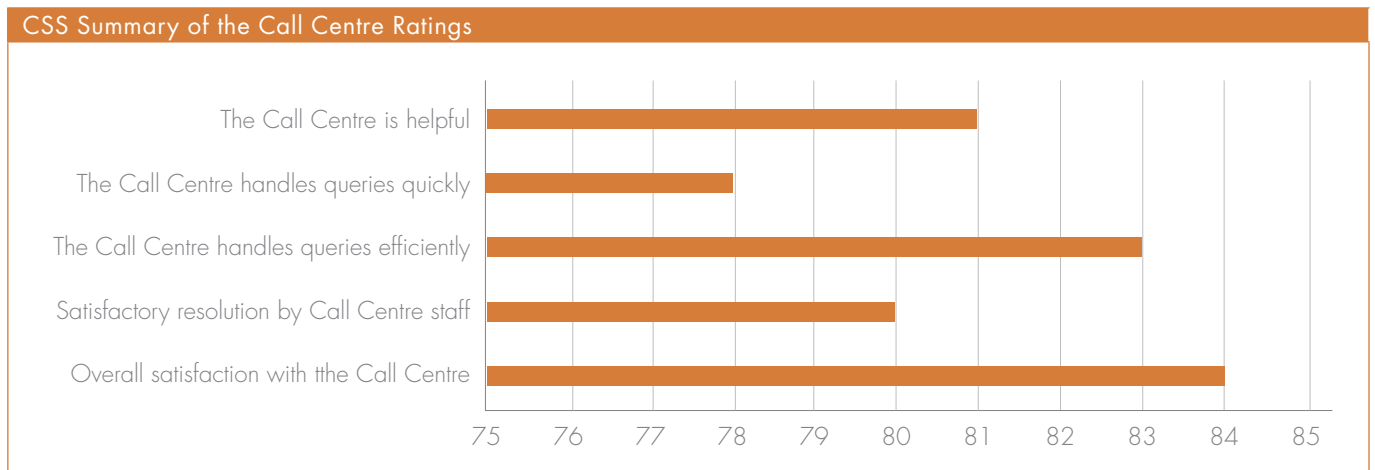
Various publications were produced during the year, including, our quarterly newsletter, Facts, a monthly e-zine, eFacts, our quarterly e-zine for learners, I-Facts and the 2011/12 Annual Report. According to our Customer Satisfaction Survey, 78% of respondents regarded the content of Fasset's monthly e-newsletter as relevant; 78% consider the content of Fasset's monthly e-newsletter informative; 79% perceive the content of Fasset's quarterly newsletter as relevant; and 80% consider the content of Fasset's monthly e-newsletter informative.

The Fasset website remains a flagship mechanism for on-going communication with our stakeholders. Our new website was launched in July. According to our Customer Satisfaction Survey, our website is the biggest source of information; in terms of overall perception a 72% rating was obtained. A total of 418 812 visitors visited the Fasset website during the period.

Our Call Centre continues to deliver high levels of service as indicated in the CSS results. A summary of the ratings is provided in figure 4. Fasset management and Call Centre managers and supervisors meet monthly to ensure that the call centre standard is maintained and to discuss any possible upcoming challenges. During the period, 9 749 calls were received.

We continue to refine our Return on Investment (ROI) model to measure the effectiveness of Fasset marketing objectives and increase participation in skills development.

Figure 4: CSS Summary of the Call Centre Ratings



Forward looking statement

In the year ahead, we will look at finalising our stakeholder engagement strategy and the implementation thereof.

Career guidance

Our National Career Guidance Campaign, through our partnerships with providers such as the Graduate, Career Planet and SAQA enabled Fasset to reach learners across the country via websites/social media, exhibitions, brand ambassadors and print media. Presentations and exhibitions were planned in partnership with the DHET, SAQA, Sci-Bono, Career Planet and the Graduate, as well as larger, provincial exhibitions. We partnered with Sci-Bono for the Careers in Finance Week in April: 4 892 learners and 126 educators attended. We also participated in the Deputy Minister’s career event in Soshanguve in June and the Nelson Mandela Day career event in Taung in July; 89% of respondents in our Customer Satisfaction survey agree that Fasset should continue to support career guidance.

Our Brand Ambassador Campaign played a very important role in disseminating information about opportunities in the sector: extensive radio and on campus coverage was obtained. The campaign was particularly successful in Limpopo. There were challenges around the implementation, including the fact that it was very difficult to access the Tshwane North FET College due to constant unrest on campus. There were also challenges around institutions changing their calendar. One of the most important lessons learnt is the importance of ensuring that our brand ambassadors enjoy Faculty support. In the year ahead, Fasset will review the FETs it will target; it will also strive to build stronger ties with the career guidance and information areas at these institutions. Based on the project’s success, the project has been extended from three months to a full academic year in 2013. A mentorship programme will also be set up: Fasset managers will mentor the brand ambassadors. Training and support includes CV preparation and attendance of lifelong learning events.



Fasset Campus Brand Ambassadors for 2012/2013



Fasset Campus Brand Ambassadors for 2012/2013 (Continued)

Forward looking statement

In the year ahead, we will look at adding capacity and support for our campus brand ambassadors. Where appropriate, contracts will be extended.

We will provide our brand ambassadors with skills to assist them to become work-ready. We will also roll-out our social media strategy and engage with our stakeholders, particularly the learner market audience through platforms that are most relevant to them.

Being a Responsible Employer

Fasset in its own right is an employer, and we would like to position ourselves as an employer of choice. We are very cognisant of the fact that our employees' skills, knowledge and capabilities are the cornerstone of our success and sustainability.

Management team

Strong leadership plays a pivotal role in entrenching ethical performance and a culture of performance throughout the organisation. During the year under review, Fasset's management team consisted of the CEO, the COO and five professionals.

The Management Team is tasked with implementing strategies and policies outlined in the legislation and agreed to by the Board. Specifically, the Management Team is responsible for:

- Implementing core functions as defined by the SDA
- Implementing strategies and policies
- Implementing financial administration systems and accounting 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.

Our non-core activities such as IT, the Call Centre and financial functions are outsourced to Deloitte while Business Innovations Group, a subsidiary of SAB & T Morvest Group, serve as our internal auditors.

Staffing

Our staff complement of 22 is unchanged from the previous year. The permanent team is kept to a minimum for the implementation and maintenance of core functions as defined by the SDA. This is in line with our commitment to ensure that the highest possible proportion of the SDL is allocated to skills development interventions rather than administrative processes. Our organogram is included in Appendix D on page 101.

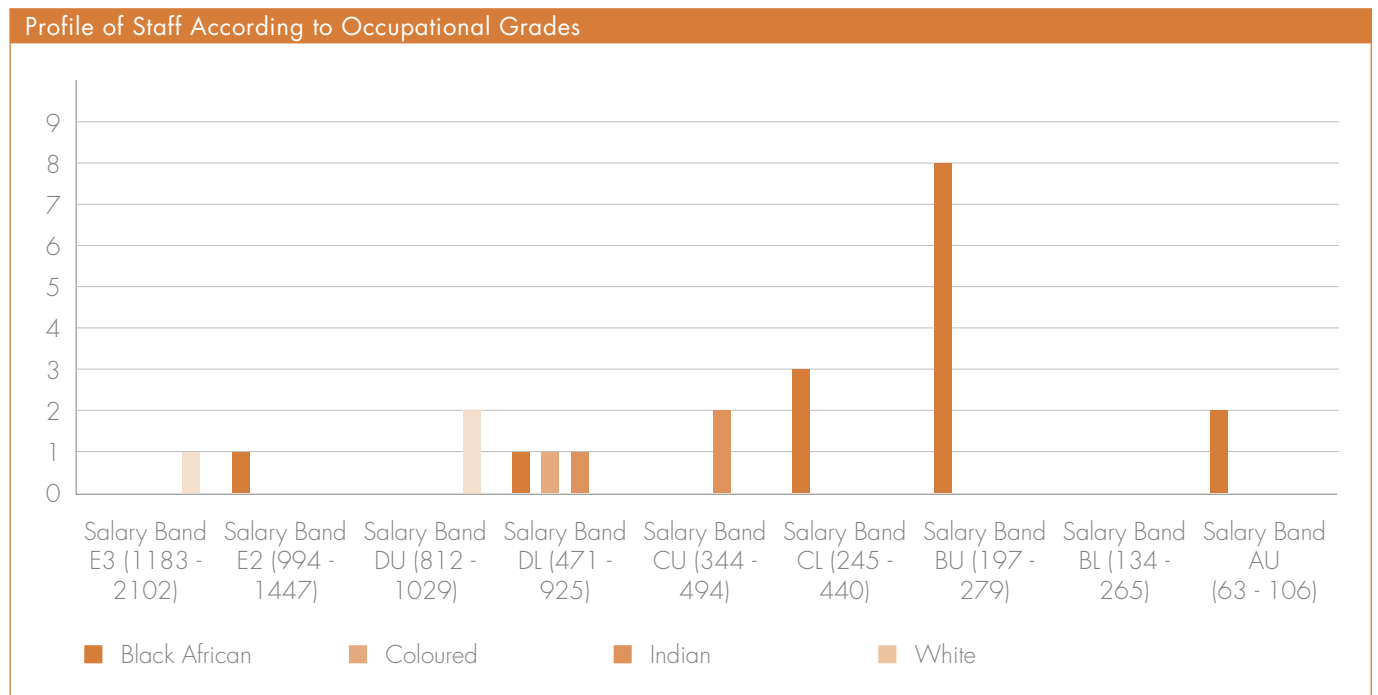
Our Remunerations Policy is designed to establish and maintain competitive, fair, equitable and market-related compensation to attract,

motivate and retain talented people. Our integrated performance management system includes individual performance contracts, personal development plans and quarterly performance reviews. Our performance management system is aligned to our organisational strategy and an incentive scheme, which rewards exceptional performance.

Employment Equity

Our recruitment and selection policies drive Employment Equity (EE). The composition of Fasset's management team reflects the Seta's commitment to skills development and EE. Occupational levels and grades are aligned with the sector and reflect the Seta's commitment to meeting its HR needs through clearly defining the roles and activities for all relevant positions. A breakdown of the demographic profile per salary band is provided in figure 5.

Figure 5: Profile of Staff According to Occupational Grades



Training and Development

Our Education and Training Policy ensures that our staff is upskilled to meet their developmental potential and is capacitated to deliver on Fasset's strategic objectives. Employees are encouraged to enhance their academic and professional qualifications through approved subsidised education at approved institutions. One of our employees is in the third year of her doctoral studies while another is pursuing a CSSA qualification. In addition, staff attend Fasset lifelong learning interventions.

Values and Culture Climate Survey

During the year under review we conducted a Values and Culture Climate survey, which enabled us to determine four values as being particularly important:

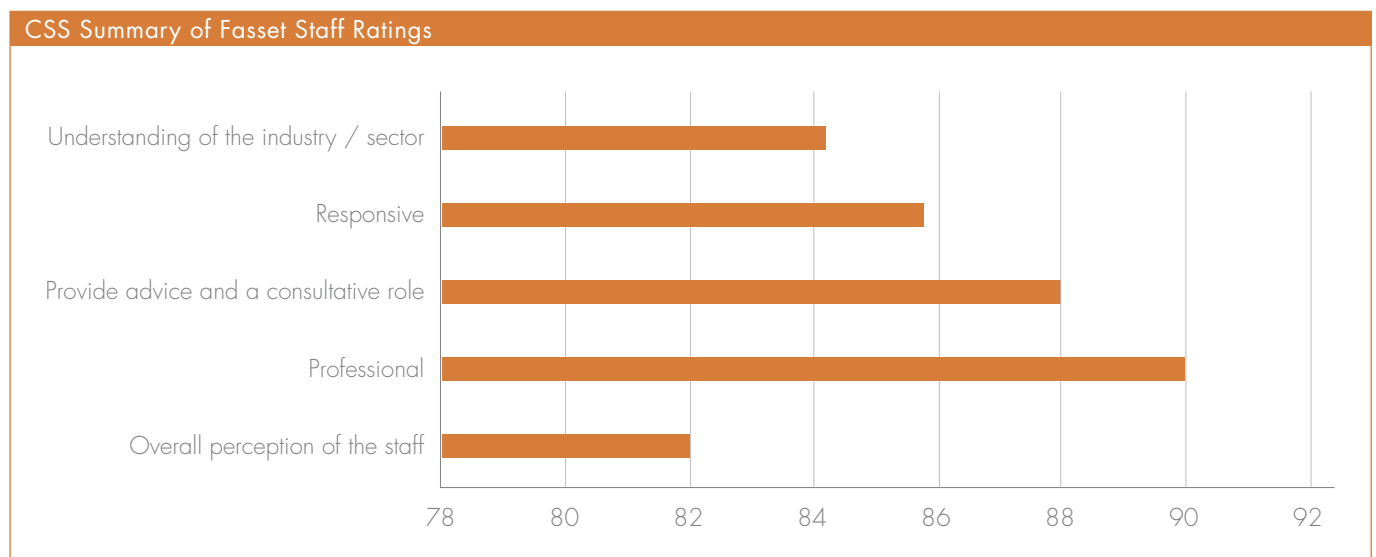
- Professionalism and accountability
- Ethics
- Making a difference
- Valuing people.

As an employer, we want to reflect the fact that our staff is important to the success of the organisation. In order to make a difference to people externally, we need to begin within. We aspire to making a difference to the sector, to the economy and our staff. We have determined gaps in terms of our interactions and connectedness as a team and know that some work still needs to be done in terms of enhancing employee engagement. In the new financial year, we will roll-out an employee wellness programme,

which will incorporate various team building opportunities and will also introduce staff benefits such as a Medical Aid Scheme and Group Risk cover from 1 April 2013. We will also commence a process to embed the identified values into our organisational culture, behaviour and practices.

Our CSS confirms that perceptions of our staff are very positive as indicated in figure 6.

Figure 6: CSS Summary of Fasset Staff Ratings



Forward looking statement

We will focus on enhancing employee engagement and our organisational culture. This will be done through the implementation of Phase 2 of our values and culture climate project, which is focused on embedding our values within organisational processes and practices, undertaking team development programmes as well as engaging in teambuilding activities. Our Employee Wellness Programme will also be rolled out in the new financial year. These interventions will form an important foundational basis for us to focus externally on how we are valuing our stakeholders.

the Fasset sector specifically. While we do this as a regulatory imperative, we also do this in line with our belief that investing in skills development provides a key catalyst for people, particularly those in less fortunate circumstances, to lead more productive lives.

Working with our Suppliers

We maintain sound supply chain management practices in line with the PFMA, National Treasury and other applicable standards.

Social upliftment

As a public entity we are constrained in the use of public funds to support social causes and non-profit organisations working towards the development, empowerment and social progress of the broader communities in which we operate. During the year under review, we continued to support our adopted school, Refalletse Primary School in Orange Farm on a staff volunteer basis. Located approximately 40km South of Johannesburg, many of the school's learners come from child-headed households, or from households where the parents are unemployed, and in some instances, unable to access Social Grants for their children. School fees, school uniforms, school books and desks are an issue. Nutrition is also an issue and many of the children rely on the School's Feeding Scheme.

Investing in our Community

Our mandate means we are focused on skills development to increase the number of new entrants in the labour market and in

Fasset initially assisted the school by donating computers and have also spent quality time at the school painting classrooms and reading to Primary and Grade 1 learners. Fasset recognised, however, that the school desperately needed financial support. However, being a public entity and the custodians of public funds, we are constrained in terms of utilising public funds to support social causes beyond our legal mandate.

Our staff decided to hold a Fun Day at the school to raise much-needed funds and, at the same time, interact with the learners, educators and parents. ACCA SA was also looking for a school to assist and partnered with us in terms of the Fun Day.

Staff donated items to sell such as clothing, books and other household items. They also manned food and cake stalls, which sold food, cakes, sweets and drinks. While fun activities such as sack races, three-legged races, and egg and spoon races were organised for the children, educators and parents had a great deal of fun playing netball and soccer.

An amount of R15 080 was raised from proceeds sold at the Fun Day and we are in discussions with the school to identify where these funds will be best spent.

During the period, Fasset also donated surplus computers and office furniture amounting to the value of R43 000.

Addressing our Environmental Impact

Our green strategy will form part of our broader sustainability agenda, as mentioned previously. We are working on our Sustainability Strategy and plan to roll this out in the year ahead. We are mindful of our direct and indirect impacts on the environment and have begun focusing on reducing our environmental footprint. While our operations are primarily based in our office in Johannesburg, we maintain a regional presence through various initiatives and engage in business travel for Board, Committee members and staff, all of which has an environmental impact.

As a Seta, we are a low environment impact company. Both direct and indirect impacts are regulated through application of relevant legislation, subscription to voluntary external regulations, and internal self-regulation.

Direct impacts

Our operations consume resources such as water, electricity, cleaning materials, paper and other office consumables, including toner and printer cartridges. We maintain focus on managing the efficient use of these resources and reducing consumption, where possible. We are also very aware of our carbon footprint, as a result of our need to travel around the country, specifically with respect to the delivery of our lifelong learning and the extension of our regional footprint through our Provincial Strategy and our Public FET colleges and Higher Education and Training (HET) Institutions Strategy.

Indirect impacts

We are mindful of our role in enabling the development and consumption of goods and services. We continue to engage in dialogue to assess opportunities for us to increasingly utilise our position to engage with our suppliers, service providers and delivery partners, who offer goods and services that may have both positive environmental benefits and negative impacts such as printing operations.

Future Performance Objectives

In the coming year we will continue to operate in line with our approved Strategic Plan and interface with a broad range of stakeholders as a good corporate citizen. In particular, we will place emphasis on the following objectives:



values

Focus on enhancing **employee engagement** and embedding our **values** within organisational processes and **practices**



Seta

Continue to create value and meet stakeholder **expectations** to deliver on our mandate as a **Seta**



staff-driven

Formulate our **CSR strategy** and contribute towards social **development** causes through our **staff-driven** initiatives



progress

Continue to measure and report our **progress** in creating stakeholder value and **managing** risks



impact

Formulate our **'green strategy'** approach to managing our direct and indirect environmental **impact**



business

Continue to evolve our integrated reporting framework by mainstreaming **sustainability** imperatives into our **business** practice



Part 4: Appendices

Appendix A:

NSDS III Targets And Achievements

Note: Only the indicators that are applicable to Fasset have been included.

Goal 1: Establish a credible institutional mechanism for skills planning

No	NSDS Output	Output Description	Fasset 2012 - 2013 Target	Achievement	Reason for Deviation
1.1	National need in relation to skills development is researched, documented and communicated to enable effective planning across all economic sectors.	Setas research and identify middle-level skills needs in their sector and put in place strategies to address them, particularly through the use of FET Colleges and Universities of Technology, working in partnership with employers providing workplace-based training.	SSP for 2011 - 2016 is finalised and submitted to the DHET.	SSP produced, signed off by all parties, presented to Fasset stakeholders and submitted to the DHET.	No deviation.
1.2	National need in relation to skills development is researched, documented and communicated to enable effective planning across all economic sectors.	SSPs are professionally researched, provide a sound analysis of the sector and articulate an agreed sector strategy to address skills needs.	The SSP Update for 2012/2013 is finalised and submitted the DHET by the due date.	SSP produced, signed off by all parties, presented to Fasset stakeholders and submitted to the DHET.	No deviation.

Goal 2: Increase access to occupationally-directed programmes

No	NSDS Output	Output Description	Fasset 2012 - 2013 Target	Achievement	Reason for Deviation
2.1	Middle-level skills needs are identified and addressed in all sectors.	Setas research and identify middle-level skills needs in their sectors and put in place strategies to address them.	Produce SSP for 2011 to 2016 and submit to the DHET.	SSP produced, signed off by all parties, presented to Fasset stakeholders and submitted to the DHET.	No deviation.
2.2	Projects are established to address middle-level skills in each sector.	Fasset introduces a system of grants and introduces learning programmes to address middle-level skills in the sector.	215 workers and unemployed people that have registered on Learnerships.	342 workers and unemployed people that have registered on Learnerships.	The target was over-achieved due to more learnerships agreements than anticipated being received.
2.3			5 000 workers and unemployed people that have registered on Lifelong Learning.	8 365 workers and unemployed people that have registered on Lifelong Learning.	The target was over-achieved due to increased funding made available and interest in LL events.
2.4			100 workers and unemployed people that have registered on Development Projects.	130 workers and unemployed people that have registered on Development Projects.	The target was over-achieved due to increased funding made available for Development Projects.
2.5			20 workers and unemployed people that have registered on the Assessor intervention.	48 workers and unemployed people that have registered on the Assessor intervention.	The target was over-achieved due to changes in the grant rules that allowed for flexibility for the application of this grant.
2.6			50 workers and unemployed people that have completed Learnerships.	52 workers and unemployed people that have completed Learnerships.	The marginal over-achievement relates more learners than anticipated completing learnerships.
2.7			5 000 delegates that have completed Lifelong Learning.	8 365 delegates that have completed on Lifelong Learning.	The target was over-achieved due to increased funding made available and interest in LL events.
28			70 workers and unemployed people that have completed Development Projects.	78 workers and unemployed people that have completed Development Projects.	The target was over-achieved due to increased funding made available for Development Projects.
2.9			20 workers and unemployed people that have completed the Assessor intervention.	48 workers and unemployed people that have completed the Assessor intervention.	The target was over-achieved due to changes in the grant rules that allowed for flexibility for the application of this grant.

No	NSDS Output	Output Description	Fasset 2012 - 2013 Target	Achievement	Reason for Deviation
2.10	Projects are established to address middle-level skills in each sector.	Fasset introduces a system of grants and introduces learning programmes to address middle-level skills in the sector.	40 workers and unemployed people that have been funded on Learnerships.	43 workers and unemployed people that have been funded on Learnerships.	This target has been achieved however, only through additional learners funded from the SCG. It is noted that the rule change to allow Black African learners only to be claimed on the LCG has affected the successful achievement on this target.
2.11			5 000 delegates that have been funded on Lifelong Learning.	8 365 delegates that have been funded on Lifelong Learning.	The target was over-achieved due to increased funding made available and interest in LL events.
2.12			100 workers and unemployed people that have been funded on Development Projects.	130 workers and unemployed people that have been funded on Development Projects.	The target was over-achieved due to increased funding made available for Development Projects.
2.13			20 workers and unemployed people that have funded on the Assessor intervention.	48 workers and unemployed people that have funded on the Assessor intervention.	The target was over-achieved due to changes in the grant rules that allowed for flexibility for the application of this grant.



Our **Campus Brand Ambassador Campaign** played a very important role in disseminating **information** about opportunities in the **sector**

Goal 3: Increase access to occupationally-directed programmes

No	NSDS Output	Output Description	Fasset 2012 - 2013 Target	Achievement	Reason for Deviation
3.1	High-level national scarce skills needs are being addressed by work-ready graduates from higher education institutions.	Setas research and identify high-level skills needs in their sectors and put in place strategies to address them.	Produce SSP for 2011 to 2016 and submit to the DHET.	SSP produced, signed off by all parties, presented to Fasset stakeholders and submitted to the DHET.	No deviation.
3.2	Projects are established to address high-level skills in each sector.	Fasset introduces a system of grants and introduces learning programmes to address high-level skills in the sector.	3 850 workers and unemployed people that have registered on Learnerships.	3 926 workers and unemployed people that have registered on Learnerships.	The marginal over-achievement relates to more learners than anticipated completing learnerships.
3.3			5 000 delegates that have registered on Lifelong Learning.	7 133 delegates that have registered on Lifelong Learning.	This target has been over-achieved due to increased funding made available and interest in Fasset events.
3.4			950 workers and unemployed people that have registered on Development Projects.	1 208 workers and unemployed people that have registered on Development Projects.	This target has been over-achieved due to increased funding made available to Development Projects.
3.5			5 workers and unemployed people that have registered on the Moderator intervention.	12 workers and unemployed people that have registered on the Moderator intervention.	This target has been overachieved. This is due to changes in the grant rules that allowed more flexibility for the application of this grant.
3.6			269 workers and unemployed people that have registered on SCG bursaries.	392 workers and unemployed people that have registered on SCG bursaries.	This target has been overachieved due to increased employer interest in the SCG application.
3.7			3 400 workers and unemployed people that have completed on Learnerships.	2 871 workers and unemployed people that have completed on Learnerships.	This target has not been achieved due to less learners than expected completed learnerships.
3.8			5 000 delegates that have completed on Lifelong Learning.	7 133 delegates that have completed on Lifelong Learning.	This target has been over-achieved due to increased funding made available and interest in Fasset events.
3.9			665 workers and unemployed people that have completed on Development Projects.	929 workers and unemployed people that have completed on Development Projects.	This target has been over-achieved due to increased funding made available to Development Projects.
3.10			5 workers and unemployed people that have completed on the Moderator intervention.	12 workers and unemployed people that have completed on the Moderator intervention.	This target has been overachieved. This is due to changes in the grant rules that allowed more flexibility for the application of this grant.
3.11			269 workers and unemployed people that have completed on SCG bursaries.	392 workers and unemployed people that have completed on SCG bursaries.	The target was overachieved due to increased employer interest in the SCG.

No	NSDS Output	Output Description	Fasset 2012 - 2013 Target	Achievement	Reason for Deviation
3.12	Projects are established to address high-level skills in each sector.	Fasset introduces a system of grants and introduces learning programmes to address high-level skills in the sector.	245 workers and unemployed people that are funded on Learnerships.	245 workers and unemployed people that are funded on Learnerships.	This target has been achieved however, only through additional learners funded from the SCG. It is noted that the rule change to allow Black African learners only to be claimed on the LCG has affected the successful achievement on this target.
3.13			5 000 delegates that are funded on Lifelong Learning.	7 133 delegates that are funded on Lifelong Learning.	This target has been over-achieved due to increased interest in and attendance at Fasset events.
3.14			950 workers and unemployed people that are funded on Development Projects.	1 208 workers and unemployed people that are funded on Development Projects.	This target has been over-achieved due to increased funding made available to Development Projects.
3.15			5 workers and unemployed people that are funded on the Moderator intervention.	12 workers and unemployed people that are funded on the Moderator intervention.	This target has been overachieved. This is due to changes in the grant rules that allowed more flexibility for the application of this grant.
3.16			269 workers and unemployed people that are funded on SCG learnerships.	518 workers and unemployed people that are funded on SCG learnerships.	This target has been overachieved due to increased employer participation in learnerships in the SCG application.
3.17			60 academic articles are tracked (entered).	81 academic articles are tracked (entered).	This target was overachieved due to a greater number of learners entered academic articles than expected.
3.18			65 academic articles are tracked (completed).	68 academic articles are tracked (entered).	Marginal deviation.
3.19			1 050 workers funded through the NSFAS Loan Repayment Grant.	175 workers funded through the NSFAS Loan Repayment Grant.	The target was under-achieved due to lower than expected uptake of this grant.

Goal 4: Encouraging better use of workplace-based skills development

No	NSDS Output	Description of Output	Fasset 2012 - 2013 Target	Achievement	Reason for Deviation
4.1	Training of employed workers addresses critical skills, enabling improved productivity, economic growth and the ability of the work force to adapt to change in the labour market.	At least 80% of large employers submit WSP and ATR claims and impact is measured (baseline = 52 firms).	52 large firms submit WSPs/ ATRs.	56 firms submitted.	Marginal deviation.
4.2		At least 60% of medium sized employers submit WSP and ATR claims and impact is measured (baseline = 96 firms)	96 medium sized firms submit WSPs/ ATRs.	97 firms submitted.	Marginal deviation.
4.3		At least 40% of small sized employers submit WSP and ATR claims and impact is measured (baseline = 1160 firms).	Support is provided to 1160 small levy paying firms.	Support provided to 1998 firms.	The target was overachieved due to increased interest in and attendance at LL events.
4.4		Cross-sectoral projects are established to address skills needs along local supply chains aimed at supporting local economic development.	Development of learnerships (Tax and Stockbroking).	The learnership was developed and submitted to the Quality Council for Trades and Occupations (QCTO).	No deviation.



NSDS III

All of our programmes
are aligned to the
NSDS III

Goal 5: Encourage and support cooperatives, small enterprises, worker-initiated, NGO and community training initiatives

No	NSDS Output	Description of Output	Fasset 2012 - 2013 Target	Achievement	Reason for Deviation
5.1	Partnership projects to provide training and development support to small businesses are established in all sectors and their impact.	Sector projects are developed that are piloted by Setas and expanded through partnership funding for the development of SMME skills as identified in the SSP.	1 160 small firms participate in skills development initiatives (baseline = 1 160 firms).	Support provided to 1 998 firms.	The target was overachieved due to increased interest in and attendance at LL events.
5.2			1 100 non-levy-paying firms participate in skills development initiatives (baseline = 1 100).	Support provided to 1 100 non-levy paying firms.	Target achieved through the attendance of Lifelong Learning events and advocating Fasset membership benefits to non-levy paying firms.

Goal 6: Building career and vocational guidance

No	NSDS Output	Description of Output	Fasset 2012 - 2013 Target	Achievement	Reason for Deviation
5.1	Career paths are mapped to qualifications in all sectors and sub-sectors, and communicated effectively, contributing to improved relevance of training and greater mobility and progression.	Career guides are developed with labour market information from Setas, addressing sub-sectors within their sector.	Career guide is developed for occupations across sectors in the economy. Comprehensive occupational profile of the sector and guide to employment opportunities in the sector should be included.	The career guide was developed and includes information on career paths, professional bodies and information on the career.	No deviation.
5.2			Learner marketing campaign planned and implemented using the following: <ul style="list-style-type: none"> - Learner print media campaign - Attendance at career exhibitions nationally - Online advertising - Social media - National distribution of the Fasset careers video - National distribution of the Fasset careers guide - Fasset brand ambassadors - Viral Campaign 	A national learner campaign was developed to include print media, exhibitions, social media and brand ambassadors targeting learners across the country from Grade 10 onwards.	No deviation.

Appendix B:

Fasset Board Meeting Attendance

Representing	Representing	Organisation	Race	Gender	24 May 2012	7 August 2012	8 August 2012	20 September 2012	22 November 2012	22 January 2013	8 March 2013	Total Meetings Attended	Participation in Working Committees
Prabir Badal	Employees	Nehawu	Indian	Male	✓	✓	✗	✗	✓	✗	✗	3 of 7	Remco (Chair)
Shahied Daniels	Employees	SAIPA	Coloured	Male	✓	✓	✓	✓	✗	✓	✓	6 of 7	ARC
Amanda Dempsey	Independent	UJ	White	Female	✓	✓	✓	✗	✓	✗	✓	5 of 7	Finco (Chair); Remco
Holger Fischer	Employers	IDC	White	Male	✓	✓	✗	✗	✓	✓	✓	5 of 7	Exco; Remco; BPC; SP (Chair)
Sathie Gounden	Employers	Sathie Gounden Associates	Indian	Male	✓	✓	✓	✓	✓	✓	✓	7 of 7	-
Kate Hlongwane	Employees	Nehawu	African	Female	✓	✓	✓	✓	✓	✓	✓	7 of 7	Exco; BPC; SP
Corné Karsten	Employees	PSA	White	Female	✓	✓	✓	✓	✓	✓	✓	7 of 7	Finco; BPC; SP
Shirley Machaba ²	Employees	PwC	African	Female	-	-	-	-	✗	✓	✓	2 of 3	-
Samantha Louis	Employees	CIMA	White	Female	✓	✓	✓	✓	✗	✓	✓	6 of 7	Exco; Comm Comm (Chair)
Tsakani Maluleke ¹	Independent Chairman	Deloitte	African	Female	✓	-	-	-	-	-	-	1 of 1	Exco
Bongani Mathibela	Employers	Basamandla Consulting	African	Male	✓	✓	✓	✓	✓	✓	✓	7 of 7	Finco; Exco
Sipho Sono ³	Independent Chairman	Opis Advisory	African	Male	-	-	-	✓	✓	✗	✓	3 of 4	Exco
Stadi Mngomezulu	Employers	National Treasury	African	Male	✓	✗	✗	✓	✓	✓	✗	4 of 7	ARC; BPC
Mpuseng Moloji ⁴	Employers	JSE	African	Female	✗	✓	✓	✓	✓	-	-	4 of 5	Exco; Remco (Chair)
Mopo Mushwana	Independent	LEDA	African	Female	✗	✓	✓	✓	✓	✗	✓	5 of 7	Finco; BPC
Seshni Samuel	Employers	Ernst & Young	Indian	Female	✗	✗	✓	✓	✓	✗	✗	3 of 7	QALC (Chair)

¹ Resigned May 2012

² Joined November 2012

³ Joined September 2012

⁴ Resigned December 2012

Appendix C:

Working Committee Chairs and Meeting Attendance

Working Committee Chairs

Committee	Chairperson	Meetings Attended
Audit and Risk Committee (ARC)	Mandi Olivier (Independent Chair)	4 of 4
Exco	Sipho Sono	2 of 2
Quality Assurance & Learnerships (QAL)	Seshni Samuel	1 of 4
Skills Planning (SP)	Holger Fisher	4 of 4
Communications (Comcom)	Samantha Louis	2 of 4
Finance (Finco)	Amanda Dempsey	10 of 11
Remuneration (Remco)	Mpuseng Moloi ¹	1 of 1
Remuneration (Remco)	Prabir Badal ²	1 of 1

¹ Resigned November 2012

² Joined November 2012

Committee Member Meeting

Board Procurement

Member	Organisation	Meetings Attended
Holger Fisher	IDC	2 of 3
Kate Hlongwane	Nehawu	3 of 3
Corné Karsten	PSA	3 of 3
Stadi Mngomezulu	National Treasury	2 of 3
Mopo Mushwana (Chairman)	LEDA	3 of 3

Executive

Member	Organisation	Meetings Attended
Amanda Dempsey ¹	UJ	1 of 1
Holger Fisher	IDC	4 of 4
Kate Hlongwane	Nehawu	4 of 4
Samantha Louis	CIMA	4 of 4
Tsakani Maluleke ³	Deloitte	1 of 1
Mpuseng Moloi ⁴	JSE	2 of 2
Sipho Sono ² (Chairman)	Opis Advisory	2 of 2

¹ Acting Chairman (July 2012)

² Joined September 2012

³ Resigned April 2012

⁴ Resigned December 2012

Communication

Member	Organisation	Meetings Attended
Andrew Carlsson	ICB	4 of 4
Janine Connor	SAIPA	4 of 4
Tsholofelo Dihutso	FPI	2 of 4
Samantha Louis	CIMA	2 of 4
Mopo Mutshwana ¹	LEDA	1 of 1
Nonhlanhla Tshabalala ²	Allan Gray	2 of 3
Karen Small ²	AAT(SA) (until 30 September 2012) ACCA (from 1 October 2012)	2 of 3
Tlalane Tshetlo ²	CETA	0 of 3

¹ Resigned April 2012

² Joined July 2012

Finance

Member	Organisation	Meetings Attended
Amanda Dempsey (Chair)	UJ	10 of 11
Bongani Mathibela	Basamandla Consulting	9 of 11
Corne Karsten ¹	PSA	6 of 8
Mopo Mushwana	LEDA	8 of 11
Cheryl James	Fasset CEO	10 of 11
Lesego Lebuso	Fasset COO	11 of 11

¹ Joined July 2012

Remuneration

Member	Organisation	Meetings Attended
Prabir Badal (Chairman)	Nehawu	2 of 2
Amanda Dempsey	UJ	1 of 2
Mpuseng Moloi ¹ (Chairman)	JSE	1 of 1
Holger Fischer ²	IDC	1 of 1

¹ Resigned December 2012

² Joined November 2012

Member	Organisation	Meetings Attended
Andrew Carlsson	ICB	3 of 4
Angela Forrest	SAIPA	3 of 4
Ashleigh Alistoun	KPMG	3 of 4
Stiaan Klue ¹	SAIT	1 of 4
Neo Mndebele	JSE	1 of 4
Stuart Noble	Financial Training Corporation	0 of 4
Charlene Raiser ³	ACCA	0 of 2
Fumani Nkuna	PwC	3 of 4
Hayley Hynd	VCA	3 of 4
Nishi Karysingh	Citadel	4 of 4
Leigh Lucas	IDC	4 of 4
Ethne Makgasane ²	Rio Tinto Management Services	1 of 4
Kate Hlongwane	Nehawu	4 of 4
Harry Mulaudzi ³	SARS	2 of 3
Khathutshelo Tshikos	SARS	2 of 4
Angie Ontong ⁴	National Treasury	1 of 3
Thea Pelser	PwC	3 of 4
Khensani Mathonsi	Deloitte	3 of 4
Holger Fisher (Chairman)	IDC	4 of 4
Cindy Parvess	ACCA	3 of 4
Anabela de Rose	Silica Fund Administration Solution	2 of 4
Judy Robinson ⁵	Mazars	2 of 2
Corne Karsten ⁵	PSA	1 of 2
Cilla Cinnamon	Ernst & Young	2 of 4
Ronel de Kock ⁶	SAIT	1 of 1
Erica Wassenaar	Business Partners	1 of 3
Tshepiso Nyatlo	Sizwentsaluba	0 of 4
Pradeshini Poovan	MBD Credit Solutions	3 of 4

¹ Resigned February 2013

² Joined May 2012 and Resigned March 2013

³ Joined July 2012

⁴ Resigned December 2012

⁵ Joined September 2012

⁶ Joined February 2013

Member	Organisation	Meetings Attended
Amos Kova ¹	CIMA	1 of 1
Andrew Carlsson	ICB	3 of 4
Angela Forrest ²	SAIPA	2 of 2
Bill Shellard	IIA	2 of 4
Caroline Hall	AAT (UK)	0 of 4
Charleen Davids ³	CIMA	1 of 1
Clare Morley	AAT (UK)	0 of 4
Ehsaan Nagia	IAC	3 of 4
Jacqui Baumgardt	CSSA	4 of 4
Janse Maritz	ICB	0 of 4
Joanett Pienaar	KPMG	3 of 4
John Blignaut	Definitive Solutions Training cc	3 of 4
Justine Johnson	KPMG	3 of 4
Krishan Nowrungsah	ACCA	1 of 1
Lawrence Chetty	IIA	3 of 4
Mmatsie Mphane	IRBA	1 of 4
Pradeshini Poovan	MBD	2 of 4
Robin T Dixie	Robin T Dixie & Associates	4 of 4
Shirley Olsen	Master Business Services cc	0 of 4
Stephen Sadie	CSSA	1 of 4
Stiaan Klue	SAIT	2 of 4
Teunis van Buuren	SAIBA	3 of 4
Vashna Rawjee	ATCOR	4 of 4
Seshni Samuels (Chair)	Ernst & Young	1 of 4
Nadine Kater	ACCA	2 of 4
Trudy Paul	AAT (SA)	4 of 4
Suzie Webb	AAT (UK)	0 of 4
Marietjie de Wet	Altimax	2 of 4
Yogini Sigamoney	SAIPA	4 of 4
Aboo Amod ⁴	IDC	1 of 1
Caretha Laubscher ⁵	CIMA	2 of 2
David Renecke ⁵	ACCA	2 of 2
Judy Robison ⁵	Mazars	2 of 2

¹ Resigned July 2012

² Resigned October 2012

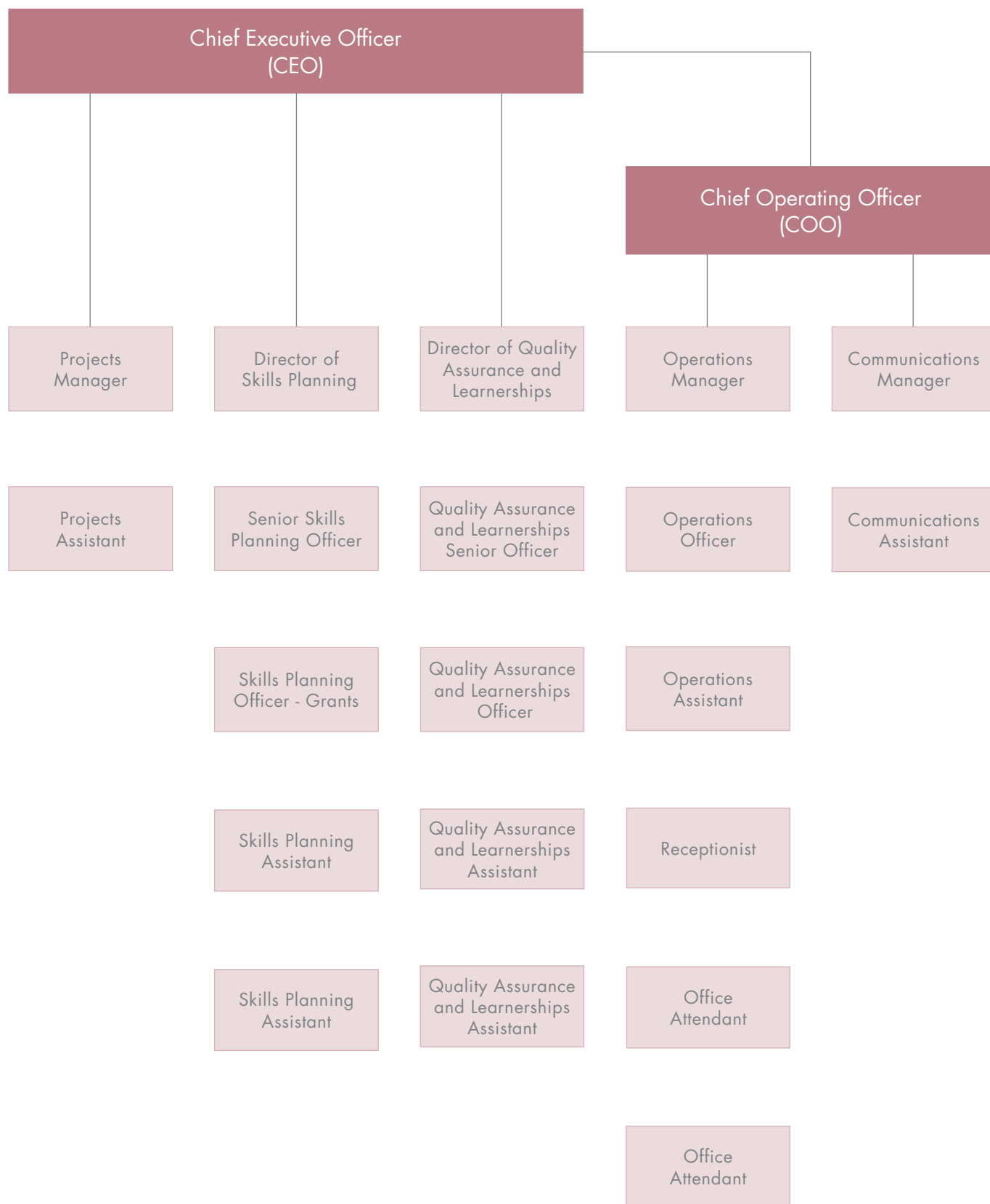
³ Resigned April 2012

⁴ Joined February 2013

⁵ Joined September 2012

Appendix D:

Organogram - 31 March 2013



Appendix E:

Acronyms and Abbreviations used in this Report

AAT (SA)	Association of Accounting Technicians (South Africa)	King III	2009 King Code of Governance Principles
AAT (UK)	Association of Accounting Technicians (United Kingdom)	LCG	Learnership Cash Grant
ACCA	Association of Chartered Certified Accountants	LEDA	Limpopo Economic Development
AGM	Annual General Meeting	MTSF	Medium-term Strategic Framework
AMG	Assessor and Moderator Grant	NEETS	Not in Education, Employment or Training
ASB	Accounting Standards Board	Nehawu	National Education, Health and Allied Workers Union
ATR	Annual Training Report	NGP	New Growth Path
B-BBEE	Broad-Based Black Economic Empowerment	NLRG	National Student Financial Aid Scheme Loan Repayment Grant
CEO	Chief Executive Officer	NQF	National Qualifications Framework
CETA	Construction Education and Training Authority	NSDS III	National Skills Development Strategy III
CIMA	Chartered Institute of Management Accountants	NSA	National Skills Authority
COO	Chief Operating Officer	NSFAS	National Student Financial Aid Scheme
CSS	Customer Satisfaction Survey	PFMA	Public Finance Management Act
CSSA	Chartered Secretaries Southern Africa	PIVOTAL	Professional, Vocational, Technical and Academic Learning Programmes
DHET	Department of Higher Education and Training	QCTO	Quality Council for Trades and Occupations
ETQA	Education and Training Quality Assurance Body	ROI	Return on Investment
Exco	Executive Committee	SAIBA	South African Institute for Business Accountants
Fasset	Finance and Accounting Services Sector Education and Training Authority	SAICA	South African Institute of Chartered Accountants
FET	Further Education and Training	SAIPA	South African Institute of Professional Accountants
FPI	Financial Planning Institute	SAIT	South African Institute of Taxation
GRAP	Generally Recognised Accounting Practice	SAQA	South African Qualifications Authority
GRI	Global Reporting Initiative	SARS	South African Revenue Services
HET	Higher Education and Training	SCOPA	Standing Committee on Public Accounts
HRD-SA	Human Resources Development Strategy for SA	SDA	Skills Development Act
IAC	Institute of Administration and Commerce	SDLA	Skills Development Levy Act of 1999 (as amended)
ICB	Institute of Certified Bookkeepers	SDL	Skills Development Levy
IDC	Industrial Development Corporation	SDF	Skills Development Facilitator
IIA	Institute of Internal Auditors	Seta	Sector Education and Training Authority
IPAP	Industrial Policy Action Plan	SMME	Small Medium and Micro Enterprises
IRBA	Independent Regulatory Body for Auditors	SSP	Sector Skills Plan
IRCSA	Integrated Reporting Committee of South Africa	UJ	University of Johannesburg
JSE	Johannesburg Securities Exchange	WSP	Workplace Skills Plan

Feedback Form

Fasset Annual Integrated Report 2012/2013

As part of our integrated reporting journey, we request all stakeholders to provide us with feedback. Kindly indicate which aspects of the report added value, and areas where you would like to see additional information.

Format:

Content:

Insufficient detail:

Too much detail:

Other comments:

Name:

Organisation:

Stakeholder grouping:

Complete the form and fax or email it to Fasset Call Centre:

Fax: (011) 476 5756

Email: fassetcallcentre@fasset.org.za

RP 143/2013

ISBN: 978-0-621-41885-9



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