



F A S S E T

Making the future count

Annual Report

1 April 2007 to 31 March 2008

Fasset is the Sector Education and Training Authority for Finance, Accounting,
Management Consulting and Other Financial Services.



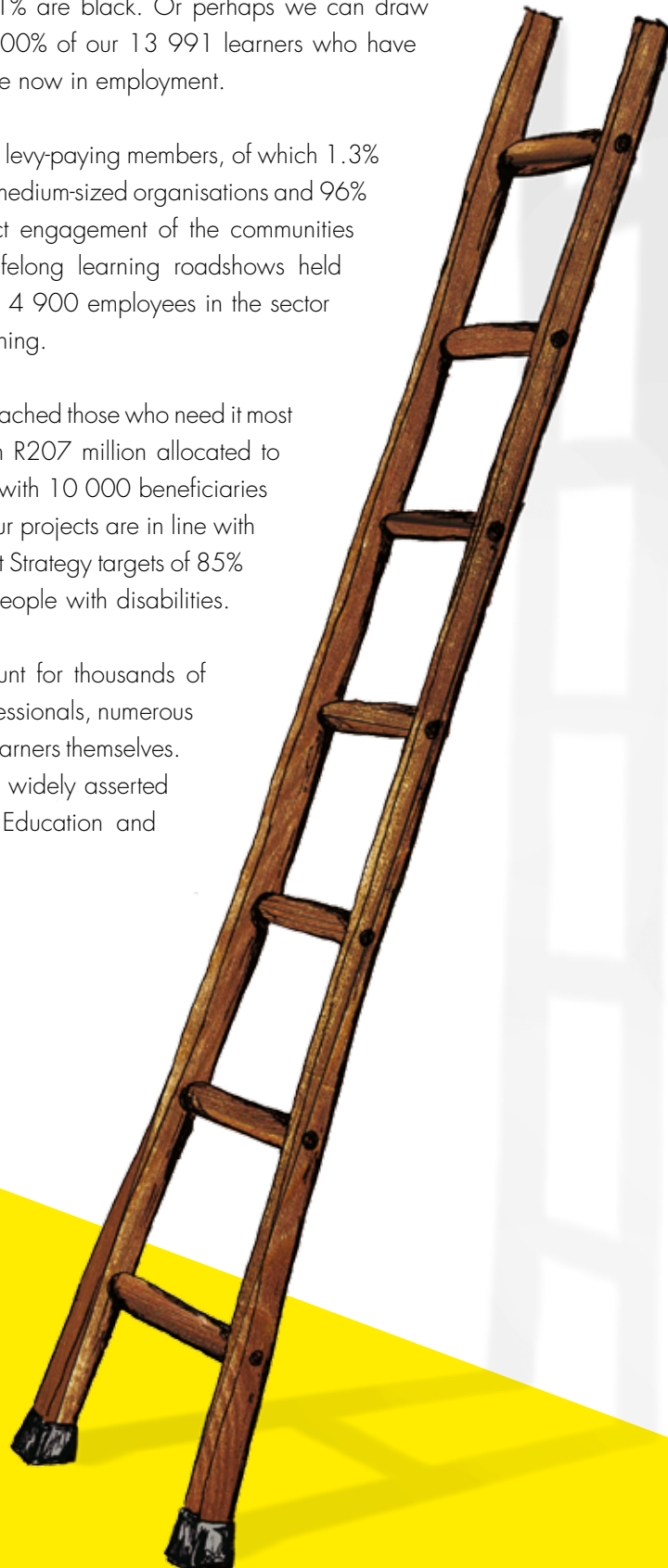
Making the future count

Anyone and everyone who has ever been, and is associated with Fasset, has made us count. When looking to the future, we can merely reflect on our achievements to date, such as the 29 487 learners we have signed onto learnerships, of which 51% are black. Or perhaps we can draw inspiration from the fact that 100% of our 13 991 learners who have completed their learnerships are now in employment.

Let us not forget the value of our levy-paying members, of which 1.3% are large organisations, 2.7% medium-sized organisations and 96% small organisations. Our direct engagement of the communities is ongoing, following eight lifelong learning roadshows held nationwide in 2007/08, with 4 900 employees in the sector obtaining free professional training.

Undoubtedly, our budget has reached those who need it most over the past eight years, with R207 million allocated to over 50 development projects with 10 000 beneficiaries in total. Not surprising, all of our projects are in line with the National Skills Development Strategy targets of 85% black, 54% women and 4% people with disabilities.

We have made the future count for thousands of professionals and aspiring professionals, numerous learnership providers and the learners themselves. It is no wonder that Fasset has widely asserted itself as the definitive Sector Education and Training Authority.





labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



Annual Report of Fasset

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

1 April 2007 to 31 March 2008

Publisher	Fasset Chief Executive Officer PO Box 6801 Cresta 2118
Editing and distribution	Marketing and Communications Department
Design, layout, photography and printing	Blackmoon Advertising and Design
RP	74/2008
ISBN	978-0-621-37802-3



Minister MMS Mdladlana, MP
Minister of Labour

It is my pleasure to present to you the Annual Report of the Seta for Finance,
Accounting, Management Consulting and Other Financial Services for the
financial year ended 31 March 2008.



Cheryl James
Fasset CEO

Vision

“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”.

Mission

- To improve the competence of employees and potential employees, thereby enhancing productivity in the sector
- To increase the level of investment in education and training in the sector and to optimise the return on this investment
- To encourage employers and employees to adopt a culture of 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 (EEA) 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

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Chairman's Foreword

... **100%** of our **13 991**

learners who have completed their learnerships are now employed.



Mpuseng Moloji

HONOURABLE MINISTER, IT IS WITH PLEASURE THAT WE PRESENT TO YOU THE ANNUAL REPORT OF THE SETA FOR FINANCE, ACCOUNTING, MANAGEMENT CONSULTING AND OTHER FINANCIAL SERVICES (FASSET) FOR THE PERIOD 1 APRIL 2007 TO 31 MARCH 2008.

INTRODUCTION

The year under review was our eighth year of operation and the third year of Fasset's functioning in terms of the Department of Labour's (DoL's) second National Skills Development Strategy (NSDS II), which came into effect on 1 April 2006 and will run to 31 March 2010. An overview of Fasset's functioning and performance against NSDS II is provided in Appendix A on pages 64 to 66 of this Report.

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

FINANCIAL INFORMATION

Fasset was financed predominantly from skills development levies paid in accordance with the Skills Development Levies

Act (SDLA) (Act No 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, ie:

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

Members were able to access three grants during the period:

- Mandatory grants
 - Mandatory Grant 2007 (Combined Annual Training Report (ATR) 2006/07 and Workplace Skills Plan (WSP) 2007/08)
- Discretionary grants
 - Strategic Cash Grant (SCG) 2007/08
 - Learnership Cash Grant (LCG) 2007/08



Discretionary grants are disbursed in line with sector priorities as defined in the Sector Skills Plan (SSP) which are approved by the Management Board at an annual strategic planning session.

Fasset has reflected a surplus in the Statement of Financial Performance. This is due to the extraordinary growth in the finance and accounting sector which was not anticipated when the budgets were prepared. It is important to note that the surplus has been allocated to projects.

Fasset has also seen a phenomenal growth in levy income which is attributable to the growth in the finance and accounting sector. In addition to the increased contribution by the current employers, Fasset has seen a significant increase in new employers in the sector and an increase in levies from inter-Seta transfers.

All unclaimed funds, amounting to R67 757 000 for the period under review, have been allocated to strategic projects identified by Fasset's Management Board. All budgeted income for 2007/08 has been spent or allocated to specific skills development projects for the sector. Generally Accepted Accounting Practice (GAAP) does not permit committed funds to be reported as a liability. This unfortunately creates a misconception that there are unspent funds. It is important to emphasise that 100% of budgeted funds have either been spent or allocated to approved projects, which are currently in progress and for which payment is only due on full completion of all deliverables. The finalisation of all deliverables can take up to four years, during which time the allocated funding is held in trust and is therefore reflected in the Fasset bank accounts.

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

Full financial details are provided on pages 23 to 61 of this Report.

GOVERNANCE

As the Management Board, we are custodians of public funds and have a fiduciary duty to ensure that we invest and manage those funds appropriately, enabling Fasset to

meet the aims of skills development. Fasset is very pleased to report that the Seta has obtained an unqualified Audit Report for the eighth year in succession.

Fasset will continue to strive to position itself as the leader in corporate governance systems and structures within the public sector environment. In keeping with this philosophy, we have always adopted a conservative investment approach, in terms of cash on hand and the projects that we fund.

FOCUS AND ACHIEVEMENTS

The year under review has been another very good and an exciting year for Fasset. Fasset has once again exceeded its NSDS targets. Based on our strong track record for delivery, the Seta is negotiating with DoL to increase its NSDS targets for the 2008/09 financial year.

Undoubtedly, one of the highlights of the year was the fact that we were able to engage with the Auditor-General, National Treasury and DoL on the matter of completeness of revenue. This has been an area of contention for the past eight years and we finally have clarity on this matter.

I would like to commend our Management Board for approving the commissioning of research on women's development within our sector. In the year ahead, Fasset will be conducting a study on career-pathing and opportunities available to black women in the sector. Research has shown that women are under represented at senior levels in the Fasset sector. The research findings will enable Fasset to implement appropriate strategies and projects to address this issue.

It has been gratifying to see the involvement of stakeholders, across the spectrum, in skills upliftment initiatives. Particularly gratifying is the fact that stock broking firms and organisations involved in financial markets, are participating in skills development initiatives and showing interest in the development of learning programmes. In addition, small to medium-sized organisations retained high levels of involvement in skills upliftment initiatives, which is encouraging, as these firms often lack the capacity and resources to develop their staff. Fasset-funded skills advisors are playing a very important role in this regard and are advocating Fasset interventions

and visiting employers all over the nation, from Parys to De Aar.

It is appropriate that we comment on our preference with regard to the Seta landscape post 2010. We have taken the decision as a Management Board that when our operating license expires on 31 March 2010, we would like to see the status quo maintained and believe this would be in our sector's best interest. Some Setas are performing better than others and Fasset is fortunate to have been recognised at the 2007 National Skills Conference as one of the best performing Setas, based on achievements against Service Level Agreement (SLA) targets in the previous financial year. It is the view of the Fasset Management Board that Seta structures should remain unchanged. We would, however, like to see Setas creating mechanisms for the transfer of skills and capacity building between Setas as part of a skills development initiative.

Our Management Board members serve for a two-year period. The term for the current Management Board, of which I am Chairman, expires at the end of May 2008. While many of the Board members will be up for re-election, some of our Board members will be stepping down. I am very grateful to the Board for the debates that have taken place. It has been very exciting working with people of such a high

calibre. I would also like to take this opportunity to welcome the new Management Board, which will be assuming office in May 2008.

It has been a pleasure working with Fasset's Management Team. Their professionalism and presentation of documents and papers is quite humbling, and their passion for skills development is unequalled.

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



MPUSENG MOLOI

Chairman

FRAUD POLICY STATEMENT

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

ANTI-FRAUD CHARTER

In implementing the Fraud Policy of Fasset:

We are maintaining an anti-fraud environment throughout Fasset

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

of all employees and members of the community who assist in the combating of fraud and in the prosecution of fraudsters

We understand and manage our risks

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

We are proactive in defending our assets

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

We react swiftly when a crime is uncovered

- We react swiftly and appropriately when a crime is uncovered





Chief Executive Officer's Report

R207 million allocated to over **50** development projects.

10 000 beneficiaries in line with NSDS targets of:

85% black, **54%** women and **4%** people with disabilities.



Cheryl James

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

INTRODUCTION

The year under review, 2007/08, has proved another very successful year with Fasset meeting all of its NSDS targets, despite the fact that the socio-political environment is changing around Fasset at an ever-increasing pace. This has impacted on Fasset and has created a 'business unusual' operating environment. Changes in the operating environment include the draft NQF Bill and the process of introducing the Quality Council for Trades and Occupations (QCTO). These changes will impact on the legal framework within which Fasset operates and on how Fasset will adapt its quality assurance processes.

We have also seen the finalisation of the South African Institute of Chartered Accountant's (SAICA's) Chartered Accountants Charter, which confirms the sector's commitment to principles of Broad Based Black Economic Empowerment (BBBEE). Through the signing of a sector-specific Charter and most importantly, by changing the weightings in the Charter, the sector has demonstrated its commitment to education and

training as the vehicle through which transformation can best be achieved in the sector.

Most importantly, this year, the sector experienced a net shortage of skills, with the big four accounting firms reporting shortages of around 1 700 trainees. Skills shortages have compelled business to become far more focused on skills development and as a result, employer participation and input into Fasset's skills development initiatives has increased. This is reflected in the increase in Mandatory Grant claim rates from 74% in the previous year to 80.4% in the year under review. Instead of viewing the Skills Development Levy (SDL) as a tax, employers are now viewing cooperation with Setas as a business imperative. Non-levy-paying members recognise the value that Fasset is able to add and are now registering voluntarily with Fasset.

Part of the 'business unusual' environment is the uncertainty surrounding the future Seta landscape. Fasset is engaging with all of its stakeholders: DoL, organised business, organised labour and professional bodies, to determine what the Seta landscape should look like post 2010. While none of these factors have come to fruition as yet, they have nevertheless compelled Fasset to focus on the bigger picture.



Learners are now being employed from our development projects in far greater numbers. One of the changes we have seen in the 'business unusual' environment is the fact that employers are now lining up for learners even before the projects have run to completion. This is in sharp contrast to a few years ago, where Fasset had to encourage employers to employ learners from these projects.

I am pleased to report that the quality of Fasset learners continues to impress. Indicative of the calibre of Fasset learners, all twenty-five learners on Deloitte's 2007 Future Leaders Programme were recruited from the Fasset-funded Thusanani Work Readiness Programme.

LEARNERSHIPS

As at 31 March 2008, Fasset had 19 learnerships registered. These learnerships were all utilised by Fasset and other sectors. Although no new learnerships were registered during the period, the Debt Recovery Learnership and the Local Government Finance qualification are both currently being piloted within the sector.

Some 44 learners are participating in the pilot phase of the Debt Recovery Learnership (FET Certificate: Debt Recovery). The pilot project has been a success and the learners will undergo academic and workplace assessments in July 2008.

The NQF Level 3 National Certificate in Local Government Finance is being piloted in municipalities in Gauteng. Offered by the Association of Accounting Technicians (AAT) the pilot project will be completed in July 2008. The qualification represents a working relationship between Fasset, SAICA, AAT and LGSETA (Local Government Seta). The qualification will be converted into a learnership in the year ahead.

During the period under review, 2 986 learners were registered on Fasset learnerships, bringing the total intake of learners onto Fasset learnerships to 31 March 2008 to 29 487. Of these learners:

- 12 849 are 18.1 learners (previously employed)
- 14 115 are 18.2 learners (previously unemployed)
- 2 523 learners have cancelled their learnership
- 13 991 have already completed their learnership

“employers are now lining up for learners”

Since Fasset's inception eight years ago, the Seta has incentivised employers with 150 or fewer employees to sign black learners (African, coloured and Indian), or learners with disabilities, onto learnerships by offering the LCG. In the past, the learner registration period for the LCG was aligned to the period of the grant, ie 1 April to 31 March. To streamline the LCG process, in 2007/08 the learnership registration period was changed to align to the calendar year. As a result of the overlap with the previous year, this change effectively meant that the learner registration period for the 2007/08 LCG was only 9 months, ie April to December. In spite of this, the response from employers in 2007/08 was impressive: applications were received in respect of 610 learners. The number of black learners entering the sector increases every year. The percentage has increased from 45% in 2006/07 to 51% in 2007/08. (The percentage of black learners in 2001/02 was 29%). From 2008/09, the LCG learnership registration period will revert to the 12-month cycle.

The 21 Memoranda of Understanding (MoUs) Fasset has with other Setas has facilitated the implementation of learnerships across sectors. There are currently 359 learners from other sectors on Fasset learnerships, of which 115 learners were registered during the period under review. Fasset employers have registered 338 learners on learnerships from other sectors.

QUALITY ASSURANCE

Fasset has come full circle in terms of the quality assurance cycle. The year was spent consolidating the quality assurance activities. This has paid dividends as Fasset received a very positive performance audit from the South African Qualifications Authority (SAQA).

During the past financial year, more learners participated in short courses and a far greater number of certificates for short courses were issued than in previous years. Some 844 certificates in total were issued to learners that had completed

short courses. Verification reports indicate that the quality of assessments has also improved.

Public comment on the draft NQF Bill closed on 10 March 2008. If adopted, the QCTO will become responsible for the quality assurance function. It is very difficult to gauge the possible impact, as discussions are still underway. The changes will, however, be fundamental: the legislation, regulations, guidelines, qualification design and quality assurance model will change when the QCTO is introduced in April 2009.

Fasset is part of a task team which is encouraging DoL to first pilot the QCTO model and thus only launch the QCTO in 2010, thereby coinciding with the new Seta landscape and the NSDS III. Fasset has remained very close to the process, attending workshops, participating in task teams and commenting on all policy and legislation drafts.

Fasset supports the QCTO as quality assurance is an underlying value of both the Seta and the sector. In line with 'business unusual', even if quality assurance is no longer a function that Setas are compelled to perform, Fasset will, nevertheless, continue to perform this function, providing Fasset stakeholders with the assurance of quality at all times.

Fasset believes that the QCTO could be faced with capacity constraints if it manages the workplace quality assurance system directly. We have therefore proposed that DoL considers adopting a similar model to Fasset's Quality Assurance Partner (QAP) model, which has worked well. Professional bodies are at different stages of attaining QAP status with Fasset. Accredited QAPs include: the AAT, the Chartered Institute of Management Accountants (CIMA), the Institute of Certified Bookkeepers (ICB) and the Institute of Chartered Secretaries and Administrators (ICSA). The Association of Chartered Certified Accountants (ACCA) is finalising the accreditation process. Discussions have taken place with the South African Institute of Tax (SAIT), the Institute of Credit Management (ICM) and the Institute of Internal Auditors (IIA), who are all considering applying for Fasset QAP status.

SKILLS PLANNING

Fasset received positive feedback from DoL on the Seta's SSP Update for 2007/08. A sector survey has also been undertaken where employers, professional bodies, training providers and learners were surveyed. The survey has provided important information on the sector, some of which is provided on pages 17 and 18.

During the year under review, 1 992 Mandatory Grant submissions were received. This represents a 9.3% increase on the previous year and can be attributed to employers moving from the non-levy-paying to the levy-paying bracket as a result of increases in payroll and an increasing participation rate by employers. Indicative too, of employer participation, 443 new Skills Development Facilitators (SDFs) were registered during the period, bringing the total number of Fasset-registered SDFs to 3 876 (See Table 1 below).

In 2007/08 Fasset again offered the SCG to levy-paying members and 46 applications were received (and 5 requests for extension timeously received). As a special skills initiative grant, the SCG allows levy-paying members to claim a maximum of 20% of their levy paid to Fasset for education and training interventions undertaken in specific skills priority areas.

Table 1: Participation by Levy-paying Members

	2007/08	2006/07	Percentage Increase
Mandatory Grants Submitted	1 992	1 822	9.3%
Registered SDFs	3 876	3 433	12.9%
Employers with SDFs	4 869	4 221	15.4%

An analysis of grant applications for 2005/06, undertaken during the period, continued to contribute to trend information on grant submissions. The research concluded that the number of Mandatory Grants approved by Fasset has increased steadily each year from 324 in 2000/01 to 2 628 in 2005/06. The percentage of the available Mandatory Grants paid out increased steadily throughout the five-year period, from 50% in 2000/01 to 75% in 2004/05. In 2005/06 there was a substantial drop due to the change in the SDL threshold which resulted in many firms becoming SDL exempt. The percentages of black people and women



in managerial positions have slowly increased over a six-year period. For black people, this increased from 16% in 2000/01 to 21% in 2005/06, and for women, this increased from 27% in 2000/01 to 30% in 2005/06. The percentage of black technicians and associated professionals (including accounting and auditing trainees) showed the highest increase from 34% in 2000/01 to 41% in 2005/06.

In line with 'business unusual' we have seen that more and more non-levy-paying members are voluntarily participating in Fasset initiatives. While government policy says employers with a payroll of less than R500 000 per annum do not have to pay the SDL, voluntary participation has confirmed that these individuals are in need of skills development. It is from this sector that we will grow the economy. Some 556 organisations registered as non-levy-paying members for the period 1 April 2007 to 31 March 2008.

Fasset has deployed Fasset Skills Advisors (FSAs) for the past eight years. Most importantly the FSAs maintain Fasset's presence in all nine provinces in South Africa and advocate and encourage participation in Fasset interventions. Specific deliverables for the period ending 31 March 2008 included: assisting employers to complete their Mandatory Grant application; maintenance of the Fasset stakeholder database to ensure that strategic information is accurate; the processing of grant application forms on Fasset's on-line database; ensuring the compliance of grant applications with Fasset's requirements and legislative requirements; completion of the LCG Survey; providing lists of potential inter-Seta transfers and conducting research where required.

Lifelong learning has always been a very important area of focus for Fasset and this remains a flagship initiative. It is significant to note that annual attendance at lifelong learning events remained high at 4 900 in 2007/08.

A training event for SDFs entitled, Introduction to the Role of the SDF, was held in April 2007 with attendance of 119. Speakers presented in Cape Town, Durban, Johannesburg and Pretoria. The event assisted SDFs, who are the vital advocates of skills development initiatives in firms, to acquire new skills or to refresh their existing SDF knowledge and skills.

In total, eight lifelong learning events were held during the year under review. Attendance figures appear in Table 2 below.

Table 2: Attendance at Lifelong Learning Interventions

Lifelong Learning Event	Total Attendees
Budget & Tax Update 2007 ¹	85
Introduction to the Role of the SDF	119
Project Management	982
Employing and Training People with Disabilities	15
Emotional Intelligence	316
BBBEE: Legislation and Recent Changes	703
Ethics in Business and the Professions	624
Budget & Tax Update 2008 ¹	2 056
Total	4 900

¹ The annual Budget and Tax Update is held across financial years; however, the attendance figures above include only those attendees who attended during the 2007/08 financial year.

In addition, Fasset members were invited to attend three BANKSETA lifelong learning events: Strategic Management, Marketing for Small Business and Financial Skills for Small Business. This co-operative Seta relationship has created value for Fasset members as the range of free events available to members increased.

The event administration system continues to work well as it provides real-time capability which allows employers to register online and also enables Fasset to manage events efficiently and to report to DoL timeously.

A lifelong learning database has been created where evaluation forms from lifelong learning events are captured and analysed. Customer satisfaction scores are calculated electronically. This allows Fasset to compare event satisfaction rates which enables improved and more efficient service delivery in a number of areas such as venue quality, speaker quality and registration efficiency.

Fasset continues to offer Adult Basic Education and Training (ABET). Although only 2.1% of employees in the sector require ABET training, our Management Board advocates the support of individuals requiring such training. Table 3 alongside provides details pertaining to the number of employees who have benefitted from ABET nationally. The

declining participation rates are due to low labour turnover in this occupational band, greater numbers moving through the levels of Fasset-funded ABET and the fact that the sector is also providing ABET, which is a positive development in terms of bridging the skills gap.

Table 3: Employee Participation in ABET

	Registered	Achieved
Level 1	69	15
Level 2	78	30
Level 3	67	30
Level 4	65	14

A task team was convened to look at the issues of disability and a workshop was arranged which was attended by fifteen delegates. The topic, Employing and Training People with Disabilities, was discussed. The workshop concluded with a number of recommendations which were considered by the Management Team culminating in a proposal to the Management Board Strategic Planning Session in August 2007.

Three important decisions were taken by the Management Board which will impact positively on people with disabilities in the next financial year. While the value of the LCG remains relatively unaltered for African, Indian and coloured learners, it has been increased to 175% of the Rand value for people with disabilities. The maximum grant payable per learner with a disability on a three-year learnership is R47 250. The SCG has also been increased to 175% of the Rand value for people with disabilities. Furthermore, the Management Board approved funding for the development of a toolkit for people with disabilities, which will assist employers in implementing interventions in the workplace relating to people with disabilities.

“Three important decisions will impact positively on people with disabilities”

DoL has developed a system and related processes called Employment Services South Africa (ESSA). The system, which

went live in April 2007, includes a database of all job vacancies in South Africa. ESSA is intended to be accessible to individuals and employers alike. Fasset has reported scarce and critical skills from the SSP via the ESSA system.

MARKETING COMMUNICATION

Marketing Communication plays an important role in ensuring that the Fasset brand and Fasset product offerings are top of mind. This is particularly important in a ‘business unusual’ environment, where change is the only constant.

Not only does Marketing Communication play an important role in disseminating information to Fasset stakeholders and the broader community regarding Fasset’s ongoing contribution to the skills revolution, it also plays an important role in ensuring that the limited pool of people we have available in the sector at a higher education level, are aware of the various career options that are accessible within the Fasset sector.

An ongoing challenge from a Marketing Communication perspective is the fact that there are limited business opportunities in the smaller provinces. Business and employment opportunities are limited in these provinces, which makes it very difficult for Fasset to establish its footprint. In the next couple of years, Fasset plans nevertheless, to raise awareness around careers in the Fasset sector and Fasset product offerings by targeting local publications. Considerable success has already been achieved in KwaZulu-Natal by adopting this approach. Given the ‘business unusual’ environment and the scarcity of skills it is imperative that learners in remote rural areas are reached.

Fasset continues to enjoy very good relations with the media. The Seta enjoys a high media profile and Fasset is often the first port of call for information regarding developments within the Seta environment and the broader skills development arena.

The media is monitored on an ongoing basis and fair and equitable media coverage was obtained in business publications, national and regional newspapers and web-based publications. During the year under review, Fasset maintained a high media profile and free publicity to the value of almost R2.16 million was obtained.



Fasset produced various publications during the course of the year, including the quarterly newsletter, *Facts*, monthly e-zine, *E-Facts*, bi-annual e-zine for learners, *L-Facts* and the 2006/07 Annual Report.

The Fasset website remains a flagship mechanism for ongoing communication. Average monthly statistics in terms of Total Number of Visits and Total Number of Visitors climbed to 62 818 and 21 835 respectively, from 53 148 and 15 236 respectively in 2006/07.

In June 2007, Fasset commissioned its first ever Customer Satisfaction Survey to ascertain whether current services are meeting stakeholder needs and to highlight potential areas for improving services and delivery. Employers, professional bodies and providers were surveyed and feedback was solicited in areas such as mandatory and discretionary grants, lifelong learning events, development projects, research projects, quality assurance, learnerships and communication.

Of the 2 363 stakeholders contacted, 287 responded, yielding a response rate of 13%. Eighty-one percent of respondents were employers, while the remaining 19% was evenly split between professional bodies and providers.

The survey indicated that:

- 79% of employees are satisfied with the process of claiming the Mandatory Grant
- 65% of employees have found the process of claiming the SCG clear and easy to follow (this is lower than the Mandatory Grant because of the lower proportion of stakeholders who claim this grant)
- 70% of respondents found the process of claiming the LCG easy
- 81% found the range of topics selected for lifelong learning interventions relevant
- Fasset's quarterly newsletter, *Facts*, is a very important vehicle for communicating with our stakeholders. Some 85% of respondents believe that *Facts* provides useful information
- We recognise that the switchboard is often our stakeholders' first point of contact with Fasset and were very pleased to learn that 80% of stakeholders felt our switchboard handles queries efficiently

The survey results indicate high satisfaction levels among stakeholders, which confirms that Fasset is firmly on track. Words used to describe Fasset included user-friendly, effective, efficient, flexible, friendly, reliable, honest, professional and non-discriminatory. The percentage of stakeholders who were dissatisfied was very low, with gaps in satisfaction occurring mainly due to respondents being unable to comment either way. In an ongoing quest for continuous improvement, a number of recommendations have already been implemented and the survey will be conducted on an annual basis.

"Fasset is firmly on track"

The Call Centre remains the primary area of focus for maintaining excellent standards of service to our stakeholders. Monthly meetings continued to be held with the Call Centre Supervisor to manage the quality of service and processes. Call Centre activities include: answering and making telephone calls, assisting with basic enquiries, responding to e-mails and faxes sent to the Call Centre, and managing registrations for lifelong learning events.

The majority of calls for the year (3 942) related to lifelong learning interventions; 1 059 calls related to the Seta Management System; 1 322 calls were received in relation to learnerships; and 331 calls related to the SCG. During the year under review a total of 9 882 calls were received.

DEVELOPMENT PROJECTS

Unclaimed grant monies are used to fund strategic projects, including development projects. These projects meet high skills needs within the sector as identified in Fasset's SSP.

Development projects seek to address the poor demographic profile within the sector and as such, beneficiaries are in line with NSDS targets:

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

Rather than support a large number of projects with very small amounts of funding, Fasset continues to focus on a smaller number of interventions. Four new projects were approved by the Executive Committee (EXCO) during the year under review: the Bonani 3 Work Readiness Programme (WRP), the Thuthuka Repeat Qualifying Exam (QE) WRP, the Thuthuka Full-time CTA Programme and the ORT Certified Accounting Technician (CAT) WRP. Some R62 million in funding was approved for these new projects, bringing the total amount of funding approved for all projects (over the past eight years) to just over R207 million.

Additional NSF funding secured in 2006 has enabled Guarantee Trust Corporate Support Services to test the 'Virtual Office' component which was added to the Fasset-funded Bonani 2 WRP. The 'Virtual Office' is a simulated office environment where learners are exposed to the full accounting function for five 'simulated' companies in a protected environment. Recent negotiations with the South African Institute of Professional Accountants (SAIPA) resulted in the possibility that learners may be credited with up to 12 months of SAIPA's 3-year learnership, provided they are successfully assessed (using SAIPA's Electronic Simulated Assessment (ESA) 1a and 1b) after having completed the Virtual Office Programme.

Two cohorts of learners have already completed the programme and preliminary feedback from employers has been extremely positive, boding well for the future rollout of this programme. Lessons learnt during the pilot programme were incorporated into the new project funding proposal submitted to Fasset in October 2007 and funding was approved for an additional 500 learners.

Programme improvements include: the 'Virtual Office' component being shortened and intensified; the programme now also being offered in the Cape Town and Pretoria Training Academies and the incorporation of additional training in Excel, as the ESAs are predominantly Excel-based. Participating employers have been surveyed to measure return on investment (ROI) for the project. This is work in progress and the findings will be reported at a later date.

The additional NSF funding secured has also provided for the extension of the Fasset-funded Thuthuka Small Practices

Programme, by facilitating the recruitment of an additional 45 learners across four additional provinces together with Fasset's 50 learners in Gauteng.

Given the shortage of black Chartered Accountants (CAs) in the country, Fasset's Management Board has taken a conscious decision to fund development projects that will ensure steady transformation by increasing the number of qualified black CAs. The Thuthuka full-time Certificate in the Theory of Accounting (CTA) Programme will be offered by participating universities in 2008 and 2009. Funding has been approved for 117 learners in 2008 and 232 learners in 2009. Learners are expected to achieve a pass rate of 55% in 2008 and 2009, against a current base of 39%.

Fasset has agreed to fund 400 learners on the Thuthuka Repeat QE WRP. This one-year, part-time programme, will be run in conjunction with the University of Johannesburg. A 50% pass rate (against the national average of 21%) has been projected for the project. SAICA has engaged with employers and with universities in a quest to improve the quality and success of both of these Thuthuka projects.

Funding was approved for 100 learners on the five-week ORT CAT WRP. Candidates have either completed the CAT qualification through the ACCA, or are in the final year of their qualification. This is the first time that Fasset has collaborated with the ACCA on a development project and this project will provide employers with yet another option in the search for qualified professional staff.

An innovation during the year under review was the introduction of a site visit checklist for audit purposes. This new process will ensure that Management Board members, appointed as patrons, will independently and effectively assess whether strategic objectives as identified by the Board annually, are being achieved through such funding. This measure is working extremely well and has tightened the project monitoring process.

As mentioned elsewhere in this Report, there is a dire shortage of learners in the professional accounting arena. Initially, Fasset had to market its Work Readiness Programmes fairly rigorously to employers in the sector and had to persuade employers of the value of recruiting these learners. The



situation has changed dramatically: recognising the value of these programmes, demand for learners now exceeds supply and some employers are even using Fasset-funded Work Readiness Programmes as their recruitment vehicle.

A significant development in the project arena is the application of the Supply Chain Management (SCM) principle which allows a public entity to participate in any contract arranged by means of a competitive bidding process by any other organ of state. This means that a provider contracted by another organ of state through a competitive process can be appointed in certain circumstances without undergoing another competitive bid process. In light of this, Fasset's Management Board agreed that BANKSETA could participate in the contract flowing from Fasset's competitive bid process and sign a contract with Stanley Hutcheson & Associates to deliver the Thusanani Work Readiness Programme. BANKSETA has signed 100 learners onto the programme, which is due to commence in April 2008.

This personifies how the Seta business model has matured over the past eight years, resulting in synergies developing between Setas and a number of Setas collaborating on projects where it makes sense to do so.

The issue of skills in the sector is becoming even more of a concern and is manifested in the net shortages and changes in the sector. Fasset's projects are successful, however we need to start viewing the challenges through a new lens: what more can we do, what changes do we need, are there any other types of projects that we can implement, what other organisations should Fasset partner with, and what should we do differently? In the next five years the operating environment will have changed dramatically. "What do we need to do differently to make the future count within the environment of 'business unusual'?" is the question we need to be continually asking.

INVESTORS IN PEOPLE

Investors in People (IIP) is an international standard that sets a level of good practice for improving an organisation's performance through its people. This standard was adopted by DoL and was piloted in a number of companies and organisations throughout South Africa. In 2006, DoL agreed

to establish a framework of standards which would include a national standard to promote good practice in skills development, and not to continue supporting IIP exclusively. It was envisaged that the framework would consist of different standards to promote good practice in skills development.

To date, a framework of standards has not been devised by DoL. In view of this, Fasset has taken a strategic decision to terminate the IIP project for its stakeholders. However, two organisations still need to undergo a final assessment at the end of May 2008, and Fasset will support these organisations in this process. Thereafter, no additional funding will be allocated.

Even though DoL has decided not to continue supporting the IIP standard, Fasset is an IIP-accredited organisation and will maintain this status as we believe it is good business practice to be benchmarked against international standards of people management. In light of this, Fasset will be re-assessed as an IIP organisation in October/November 2008.

"we believe it is good business practice to be benchmarked against international standards"

THE ORGANISATIONAL FRAMEWORK

Fasset's successes would not have been possible without a strong organisational infrastructure. The Management Board, plus the various Working Committees and the Management Team, enable Fasset to carry out its mandate in terms of the Skills Development Act, (Act No 97 of 1998), as amended (SDA).

MANAGEMENT BOARD

The Board's responsibility has been expanded on in the Accounting Authority Report (see page 29). Other pertinent information relating to the Board is provided overleaf.

Composition of the Board:

- one executive member
 - the Chief Executive Officer (CEO), who has no voting rights
- sixteen non-executive members, of which
 - four are trade union (employee) representatives
 - four are professional body (employee) representatives
 - eight are employer representatives

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

- 24 May 2007
- 19 September 2007
- 22 November 2007
- 13 March 2008

In accordance with Fasset's Constitution, Management Board members serve for a two-year period. The nomination process for the new Management Board, which will take office from May 2008, closed on 31 March 2008. Appendix B (page 67) provides details on the composition of the Board, which took over office on 26 May 2006, with Mpuseng Tlhabane (now Mpuseng Moloi) elected as Chairman. One employer representative resigned and was replaced. There were no changes in employee representatives. The number of meetings attended by Board Members is also detailed.

The Board is supported by seven Working Committees, as detailed in Appendix C (see page 68). Committees are responsible for formulating policies and procedures. With the exception of the Audit Committee, Working Committee members are not remunerated for attendance at Committee meetings. They are, however, remunerated for out-of-pocket expenditure, such as travel.

Audit Committee

Members of the Audit Committee are remunerated at a rate of R5 000 per scheduled meeting, as approved by the Management Board (May 2004). The Board also approved a remuneration rate, as per the Auditor-General rate, of R1 374

per hour for ad hoc meetings (this rate is reviewed on an annual basis based on the Auditor-General rate for audit partners).

The Audit Committee held four scheduled meetings and two ad hoc meetings during the period under review. Details of the Audit Committee members, the number of meetings attended, resignations, new appointments and the remuneration received appear in the Audit Committee Report (page 19 to 21).

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

In terms of Fasset's Charter, Audit Committee members have to rotate every six years. Independent member, Marianne Brown's, term of office ended in December 2007. She retired and was replaced by Erna Swart.

Management Team

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

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

Fasset has, since its inception, outsourced non-core activities. IT and financial functions are outsourced to Deloitte until 31 March 2010 and OMA will serve as Fasset's internal auditors until 31 March 2010.



Staffing

Fasset had a staff complement of 19 at year end. There were six new appointments and five resignations. Reasons for resignation include relocation and retirement. One employee was promoted. A breakdown of the demographic profile and staffing positions is provided in Table 4 below and the organisational structure is provided in Appendix D on page 70.

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

The composition of Fasset's Management Team is in line with the Seta's commitment to skills development and Employment Equity (EE), not only within the organisation, but within the sector as a whole. The occupational levels and grades, detailed in Table 5 alongside, are aligned with the sector and reflect the organisation's commitment to meeting its human resource needs through clearly defining the roles and activities that would be required to fill all relevant positions.

Fasset has always benchmarked itself against best practice. Human Resource (HR) policies not only meet, but exceed the Basic Conditions of Employment requirements.

Table 4: Staff Profile

Staff Member	Position	Female				Male			
		A	C	I	W	A	C	I	W
Aboo Amod ¹	Learnerships/ETQA Officer							1	
Farhana Bhamjee ²	Skills Planning Officer			1					
Nomadlozi Buthelezi	Learnerships/ETQA Assistant	1							
Lauren Derman	Director of Skills Planning				1				
Natércia Faustino ³	Learnerships/ETQA Manager				1				
Unathi Jakalase ⁴	Learnerships/ETQA Officer	1							
Cheryl James	Chief Executive Officer				1				
Nadine Kater	COO and Director of Learnerships/ETQA		1						
Tania Lee	Projects Manager		1						
Aviwe Maqetuka ⁵	Skills Planning Assistant	1							
Mando Mahlangu ⁶	Skills Planning Officer	1							
Annah Maseko	Office Attendant	1							
Dee Masilela	Marketing and Communications Manager	1							
Gugu Moetanalo	Operations Manager	1							
Itumeleng Msibi ⁷	Operations Officer	1							
Thandiswa Nduna ⁸	Skills Planning Assistant	1							
Naamochenee Pillay	Skills Planning Senior Officer			1					
Caroline Pulford	Communications Officer				1				
Desireé Rikhotso	Skills Planning Assistant	1							
Thabiso Sebashe [*]	Marketing and Communications Assistant	1							
Yogini Sigamoney ⁹	Learnerships/ETQA Senior Officer			1					
Marietjie Smit ¹⁰	Skills Planning Officer				1				
Pearl Thomo	Office Attendant	1							
Shirley Thorne	Learnerships/ETQA Assistant		1						

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

¹ Resigned September 2007

³ Joined March 2008

⁵ Joined September 2007, Resigned November 2007

⁷ Resigned January 2008

⁹ Resigned October 2007

^{*} One African female with a disability

² Joined October 2007

⁴ Joined October 2007

⁶ Joined November 2007

⁸ Joined April 2007

¹⁰ Retired December 2007

Table 5: Occupational Levels and Grades (2007/08)

Occupational Category	Job Title	Grade (Patterson)	Guaranteed Cost to Company Salary Band
Senior Managers	CEO/COO	EL	R618 000 - R1 100 000
Professionals	Functional Directors Managers	DU DL	R492 000 - R625 000 R284 000 - R561 000
Skilled Technical	Senior Officers Officers	CU CL	R208 000 - R299 000 R121 000 - R218 000
Clerks	Assistants Junior Assistants	BU BL	R96 000 - R137 000 R65 000 - R121 000
Elementary Workers	Attendants	AU	R26 000 - R38 000

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

Fasset is proud of its achievements in terms of its commitment to staff development and education and training. All 24 staff members employed during the year attended at least one training intervention: 25 training interventions, covering 8 areas, were attended during the year with Management and Leadership training being the most popular. In total, approximately R185 025 and 984 hours were spent on training.

CORPORATE GOVERNANCE

This item is addressed in the Accounting Authority Report (page 28), but we can add that Fasset adheres to a comprehensive suite of policies (see Table 6 below) designed and developed in accordance with Fasset’s Constitution and in support of the SSP and the Business Plan. These contribute to the effectiveness of corporate governance strategies and are in accordance with the Public Finance Management Act (Act No 1 of 1999), as amended (PFMA).

Table 6: Fasset Policies

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

Internal Financial Control

Internal financial control focuses on critical risk areas, which are identified by Management and reviewed by the Audit Committee. The Management Team and the governing structures are confident that the standards that have been set and the systems of internal control and accounting control that have been implemented are adequate and ensure the integrity and reliability of the Financial

Statements and accountability of Fasset’s assets. These systems are monitored continuously throughout the year by both Management and Internal Audit.

The system of internal controls provides reasonable, as opposed to, absolute assurance. During the period under review, adequate accounting records were maintained. The external auditors are responsible for reporting on fair representation of the Annual Financial Statements and their report can be found on pages 24 to 26.

Risk Management

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

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

Fasset’s Code of Ethics ensures that ethical standards are adhered to at all times. The management of financial affairs has been undertaken in accordance with the Financial and



Procurement Policies and Procedures which have been put in place and which comply with the King II Report on Corporate Governance. Fasset therefore complies with best practice and with all legislation in terms of governance.

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

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

CHALLENGES

Fasset faces a number of challenges in the year ahead. While some of these are new and arise out of the 'business unusual' operating environment, others are ongoing challenges that the sector has grappled with for some time.

The secondary and tertiary education systems, which are producing fewer learners and graduates, remains an ongoing

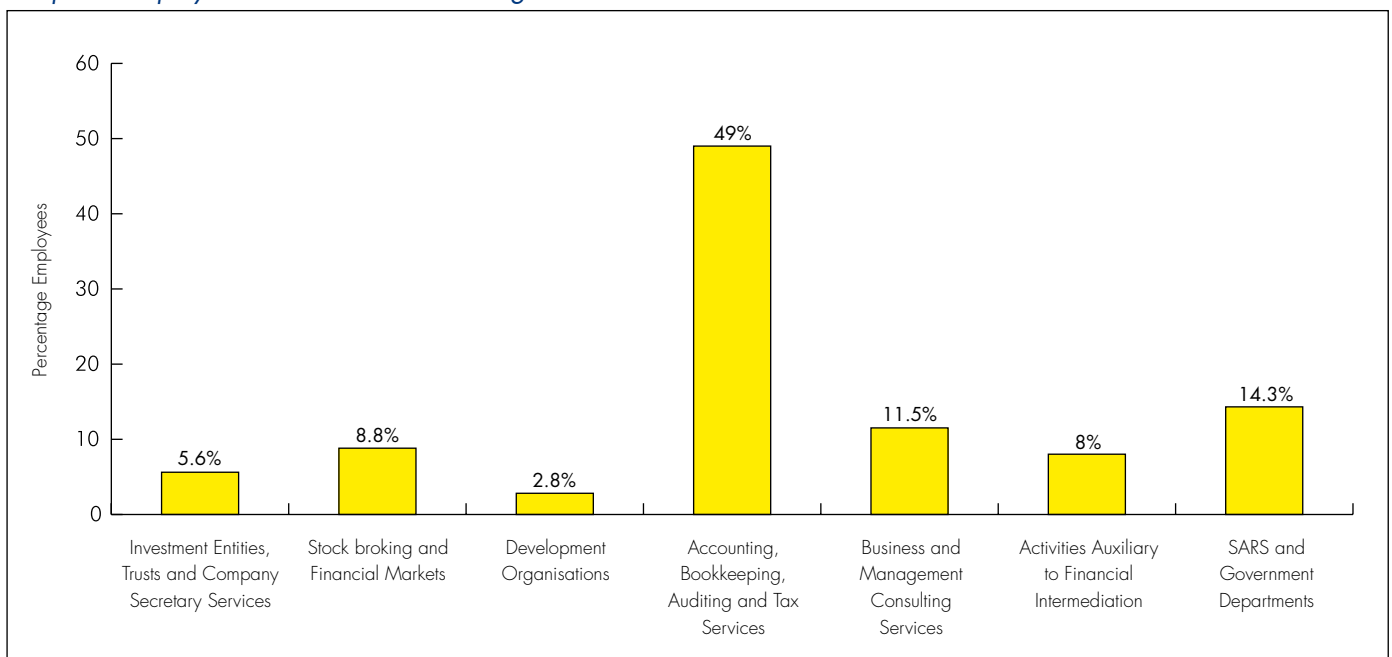
challenge for the sector, as is the challenge of changing the sector's gender and race profile to mirror the demographics of the country.

“ensure that young learners have a bright future and a future that counts”

Net shortages of learners impacts directly on the types of skills development interventions that Fasset will need to implement in the future. The projects that Fasset supports will need to ensure that young learners have a bright future and a future that counts. The magnitude and the nature of the skills challenge is continuously growing and changing. Consequently, Fasset in partnership with its sector, will need to broaden its thinking and implement skills development initiatives that take cognisance of changes within the broader economy.

One of the biggest challenges in the year ahead is finding young people who can enter the first year of a learnership.

Graph 1: Employment Distribution According to Sub-Sector



Source: Fasset 2007 Sector Survey

There is a significant shortage of people who have come out of the academic sector, who are able to go into a learnership, particularly in the rural areas and outlying towns and cities. Fasset is trying to address this challenge through projects such as the Bonani WRP and the Thuthuka Projects.

A further challenge is the need to re-visit the Seta mandate, which is continually expanding. Minister of Finance, Trevor Manuel, alluded to this in his Budget Speech. What Setas are now expected to deliver against, has gone beyond the original intention of the SDA. Fasset has always kept its original mandate in mind and we have not allowed the Seta to stray into those areas which are not necessarily seen as priority areas. We are going to have to remain focused on our mandate and the sector's high-priority areas, particularly where initiatives such as the Joint Initiative for Priority Skills Acquisition (Jipsa) and the Accelerated and Shared Growth Initiative for South Africa (Asgi-SA) may be dealing with areas that are not directly related to Fasset.

Perhaps the biggest challenge of all in the year ahead, is the debate around the Seta landscape post 2010. It is imperative that employers and employees in our sector are engaged in this debate and take responsibility for having a say in determining our future.

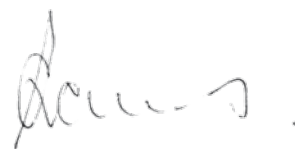
We need to ensure that we do not become the 'lost sector', forgotten and marginalised as a result of our success. We are not mentioned in the Department of Trade and Industry's

(dti's) National Industrial Policy Framework document and our sector has not been identified as a priority area by Jipsa and Asgi-SA. This does not mean that we do not have significant skills shortages in our sector: we need to ensure that our skills development needs continue to be met through appropriate Seta structures and engagements with all relevant government departments.

It is critical that Fasset, together with its stakeholders, provides strategic direction for the national skills development agenda for the next five years. We urge all stakeholders to ensure that they are actively involved in the process.

CONCLUSION

We will continue to operate in a 'business unusual' environment for the next eighteen months. This environment is a challenging, but also, an exciting environment. It creates the potential to innovate and to implement skills development strategies and policies that have not been tried before. We will continue to think laterally in order to raise our game and ensure that we make the future count.



CHERYL JAMES
Chief Executive Officer

Table 7: Percentages of Organisations that Experienced Skills Shortages by Sub-Sector and Organisation Size

Sub-Sector	Organisation Category			Total (N)	Percentage of Sub-Sector
	1 – 49 Employees (N)	50 – 149 Employees (N)	150+ Employees (N)		
Investment Entities, Trusts and Company Secretary Services	46	3	5	53	8.6
Stock broking and Financial Markets	40	8	7	55	8.8
Development Organisations	17			17	6.0
Accounting, Bookkeeping, Auditing and Tax Services	641	50	23	714	18.3
Business and Management Consulting Services	54	11	9	75	18.0
Activities Auxiliary to Financial Intermediation	34		5	39	11.5
SARS and Government Departments			6	6	100.0
Total	832	72	55	959	15.4
Percentage of Organisation Category	14.0	42.6	67.9		

Source: Fasset 2007 Sector Survey



Audit Committee Report

8 lifelong learning roadshows held nationwide with **4 900** sector employees obtaining free professional training.

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

We are pleased to present our report for the financial year ended 31 March 2008.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The accompanying table shows persons who served as members of the Audit Committee during the period under review and their attendance record at scheduled Audit Committee meetings.

Audit Committee

Member	Meetings Attended
Independent Members	
Marianne Brown ¹	4 of 5
Judy Grobler	4 of 6
Mandi Olivier	5 of 6
Sakhi Simelane (Chair)	5 of 6
Erna Swart ²	1 of 1
Board Members	
Kariem Hoosain	3 of 6
Bill Shellard	5 of 6

¹ Resigned with effect from December 2007

² Joined with effect from February 2008

AUDIT COMMITTEE RESPONSIBILITY

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

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

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

REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

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

- Reviewed quarterly management accounts
- Reviewed and approved the Internal Audit Charter
- Updated the Audit Committee Charter
- Reviewed the risk analysis, as well as the internal audit coverage plans and budget
- Considered internal audit reports and made recommendations as appropriate
- Monitored progress with the internal audit coverage plans as well as Management's follow-up of matters requiring attention throughout
- Monitored compliance with Fasset policies and applicable legislation
- Conducted separate ad hoc meetings with both internal and external audit

The Effectiveness of Internal Control

The Audit Committee is satisfied that:

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



Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the external auditor and Management the audited Annual Financial Statements to be included in the Annual Report
- Reviewed the external auditors' management letter and Management's response thereto
- Reviewed significant adjustments resulting from the audit

The Audit Committee concurs and accepts the conclusions of the auditors on the Annual Financial Statements and is of

the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



AS SIMELANE
Audit Committee Chairman

Audit Committee Meeting Attendance and Remuneration

Member	Marianne Brown ¹	Judy Grobler	Kariem Hoosain	Mandi Olivier	Bill Shellard	Sakhi Simelane	Erna Swart ²
Position	Independent Member	Independent Member	Management Board Member	Independent Member	Management Board Member	Independent Chairman	Independent Member
Total number of meetings attended during financial year	4	4	3	5	5	5	1
Scheduled Meetings Attended	3	3	2	3	3	4	1
17 May 2007	✓	✓	-	✓	✓	✓	N/A
18 July 2007	✓	✓	✓	✓	✓	✓	N/A
31 October 2007	✓	-	-	✓	✓	✓	N/A
22 February 2008	N/A	✓	✓	-	-	✓	✓
Ad Hoc Meetings Attended	1	1	1	2	2	1	0
15 August 2007	-	✓	-	✓	✓	✓	N/A
4 December 2007	✓	-	✓	✓	✓	-	N/A
Remuneration during year for financial year ending 31 March 2008	R16 556.36	R16 832.00	R11 374.00*	R18 206.00*	R18 206.00	R18 529.50	R5 000.00*

¹ Rotated off December 2007

² Joined February 2008

* Committee fees paid to:

1. South African Institute of Chartered Accountants (SAICA) iro M Olivier
2. Independent Regulatory Board of Auditors (IRBA) iro K Hoosain
3. Accounting Standards Board (ASB) iro E Swart

Remuneration Rate

Scheduled meetings: R5 000 per meeting

Ad hoc meetings: R1 374 per hour (Rate reviewed annually based on the Auditor-General rate for audit partners.)



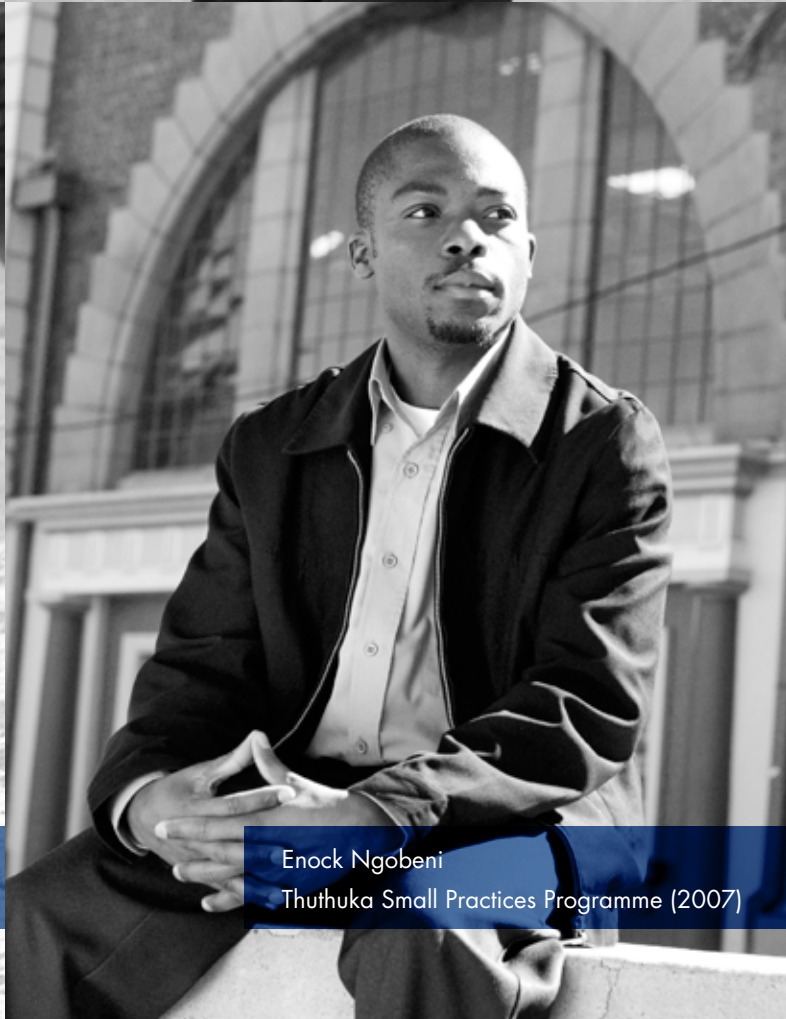
Kagiso Monareng
ORT CAT WRP (2008)



Happy Chilly
Thusanani WRP 2 (2007)



Mpumelelo Magasela
Thuthuka Small Practices Programme (2007)



Enock Ngobeni
Thuthuka Small Practices Programme (2007)

