

INSURANCE SECTOR EDUCATION AND TRAINING AUTHORITY (INSETA)

UPDATED STRATEGIC PLAN

2020/21 – 2024/25



Foreword: Chief Executive Officer

I have pleasure in presenting the updated Strategic Plan for the Insurance Sector Education and Training Authority (INSETA) for the period 2020/21 to 31 2024/25. This document is presented in terms of the Skills Development Act 97 of 1998, the National Skills Development Plan 2030 and the Public Finance Management Act (Act 1 of 1999, as amended).

This document takes into account the continuously evolving skills development landscape and further illustrates INSETA's appropriate response to the global pandemic of COVID-19 pandemic both now and in the future in the Insurance sector. The masterplan for skills, that is the National Skills Development Plan 2030, has already been engineered and it is geared towards creating the skills for the current and future demands. In addition to this, the response to skills challenges must be aligned to supporting the Economic Reconstruction and Recovery Plan (ERRP) and INSETA incorporated this in the Strategic Plan and Annual Performance Plan. The strategic priorities for skills development in the sector have been articulated in line with the Guidelines for the Revised Framework for Strategic and Annual Performance Plans presented by the Department of Planning, Monitoring and Evaluation (DPME).

The National Lockdown negatively impacted the delivery of skills development programmes and the sector had to adapt to the virtual and digital world in order to ensure that training took place. The continued relevance and agility of INSETA during these challenging times is proof of its ability to adapt to the ever changing and highly regulated sector. In consultation and partnership with its stakeholders, INSETA aims to respond with impactful solutions that will make a positive impact to the sector and society at large.

The delivery methods for skills development have been altered to take into account blended learning which includes online and face-to-face. The focus of performance in the medium-term will require fast-paced, adaptation and readjustment of INSETA's skills interventions to address:

- Research;
- The impact of Fourth Industrial Revolution;
- The impact of suspension of business and skills development in the Insurance sector;
- Addressing occupational shortages and skills gaps that will take into consideration new skills required in response to the impact of COVID-19 pandemic;
- Increased Partnerships with Public Learning Institutions and Insurance Employers Professional Bodies and Trade Industries;
- Sector Transformation;
- SMME Support;
- Quality Assurance; and
- Monitoring and Evaluation.

During this time INSETA remains committed to deliver quality service and value for stakeholders while driving continuous improvement in the implementation of its strategy. We are appreciative of the guidance of the Accounting Authority and the Executive Authority in directing the development and review of this document; and the support of management and staff who have contributed towards the document.

Through living its Vision, Mission and Values which are incorporated in the delivery of its mandate, INSETA hopes to make this a plan that will have an impact on all its current and prospective Stakeholders and the communities in which they live and operate. This plan also looks into the future to respond impactfully to the effects of COVID-19 pandemic in a progressive manner that will harness all lessons learnt during this challenging time.

Signature: _____

Ms Gugu Mkhize
Chief Executive Officer

Foreword: Accounting Authority Chairperson

I have pleasure in presenting the revised Strategic Plan for the Insurance Sector Education and Training Authority (INSETA) for the period 2020/21 to 2024/25. This revision is aimed at incorporating strategies INSETA will put in place to effectively respond to the impact of COVID-19 pandemic on skills development.

The joint Board and Management Strategic Planning process enabled INSETA to carefully review its operating environment and make choices on the direction it will take in line with the new National Skills Development Plan 2030 towards achieving its purpose and mandate; and plans to support its stakeholders to survive the negative impact of COVID-19 pandemic on business and on skills development. This plan aligns with stakeholder priorities as identified in the Insurance Sector Skills Plan and engagements INSETA has had with its various stakeholders and other local and international experts in skills development. The Accounting Authority has approved this Strategic Plan and has oversight on its implementation and how the organisation plans to reach its goals and achieve its objectives; including how INSETA Management will ensure business continuity to reach its mandate while making sure that they manage the risk of spreading the Coronavirus to its employees and stakeholders.

The INSETA strategy is reflective of the National Skills Development Plan 2030 and the Economic Reconstruction and Recovery Plan (ERRP). It was developed to reflect government priorities and actions reflected in the Medium-term Strategic Framework (MTSF) for the period 2020-2024. The strategy also takes cognisance of the White Paper on Post School Education and Training, the Human Resource Development Strategy and the National Development Plan. In addition, this plan takes into consideration regulations and legislation to prevent the spread of the COVID-19 pandemic and support businesses in the Insurance sector that are negatively impacted by the national Lockdown in response to COVID-19 pandemic. INSETA is committed to contributing to these national strategies, regulations and plans especially in relation to reducing inequality, eradicating poverty, arresting unemployment and ensuring equal access to education.

The Board and Management reviewed the SETA's performance over the five-year period against the Strategic Plan. INSETA achieved 93% of its targets in 2018/19 and 82% in 2019/20, the latter under very challenging circumstances created by the COVID-19 pandemic. New approaches are being implemented to improve research and increase partnerships with the TVET colleges, universities, Insurance Industry Professional Bodies and other relevant stakeholders. INSETA management have also been tasked to look for alternate revenue streams and funding partnerships to ensure the robust development of the critical skills needed to grow the economy at this critical time.

The INSETA Strategy is revised and updated in line with the Framework for Managing Programme Performance Information issued by National Treasury in terms of the mandates set out in section 215 and 216 of the Constitution. This is done particularly to respond to the change skills development and access to learning as a result of COVID-19 pandemic. The Strategic Plan aims to realise incremental achievements against the set outcomes over the five-year period, from 2020/21 to 2024/25.

In conclusion, I wish to thank members of the INSETA Accounting Authority and the Department of Higher Education and Training (DHET) for their guidance and support, as well as the INSETA Management and Staff for their continued dedication and hard work.

Mr Sihle Ngubane
Accounting Authority Chairperson

Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the Management of the Insurance Sector and Education and Training Authority (INSETA) under the guidance of the Board.
- Takes into account all the relevant policies, legislation and other mandates for which the INSETA is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the INSETA will endeavour to achieve over the planned period.

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Approved by:

Sihle Ngubane (Mr) Signature: _____
Chairperson: INSETA Board

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ABBREVIATIONS AND ACRONYMS

AA	Accounting Authority
AI	Artificial Intelligence
ATR	Annual Training Report
APP	Annual Performance Plan
AET	Adult Education and Training
ARC	Audit & Risk Committee
BUSA	Business Unity South Africa
B-BBEE	Broad-Based Black Economic Empowerment
CFI	Cooperatives Financial Institutions
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
CET	Community Education and Training
CoFI Bill	Conduct of Financial Institutions Bill
COVID-19	Coronavirus disease that was discovered in 2019
CPD	Continual Professional Development
DG	Discretionary Grants
DHET	Department of Higher Education and Training
QA	Quality Assurance
EXCO	Executive Committee
ERRP	Economic Reconstruction and Recovery Plan
FINCO	Finance Committee
FAIS	Financial Advisory Intermediary Services
FSCA	Financial Sector Conduct Authority
FSC	Financial Sector Charter
4IR	Fourth Industrial Revolution
GDP	Gross Domestic Product
HEI	Higher Education Institution
HRDS-SA	Human Resource Development Strategy for South Africa
HR RemCo	Human Resources & Remuneration Committee
ICT	Information and Communication Technologies
INSETA	Insurance Sector Education and Training Authority
MTSF	Medium Term Strategic Framework
MTEF	Medium-term Expenditure Framework
MG	Mandatory Grants
NDP	National Development Plan
NSDP	National Skills Development Plan
NGP	National Growth Path
NQF	National Qualifications Framework
NSA	National Skills Authority
NGO	Non-Government Organisation
NSF	National Skills Fund
NT	National Treasury
PIVOTAL	Professional, vocational, technical and academic learning
PWDs	People with Disabilities
RPL	Recognition of Prior Learning
PFMA	Public Funds Management Act
PESTEL	Political, Economic, Social, Technological, Environmental, Legal
QCTO	Quality Council for Trade and Occupations
SAQA	South African Qualifications Authority

SDP	Skills Development Provider
SCM	Supply Chain Management
SLA	Service Level Agreement
SETA	Sector Education and Training Authority
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SIC	Standard Industrial Classification
SME	Small and Micro-Enterprises
SP	Strategic Plan
SSP	Sector Skills Plan
SWOT	Strengths, Weaknesses, Opportunities & Threats
TVET	Technical, Vocational, Education and Training
TCF	Treating Customers Fairly
WIL	Work Integrated Learning
WP-PSET	White Paper on Post-School Education and Training
WSP	Workplace Skills Plan

Introduction of INSETA

INSETA was established to service the insurance and related services sector, which is part of a broader financial services sector. INSETA is required to promote, facilitate and monitor education and skills development provision in the insurance and related services sector. The sector is marked by complex compliance regulation governing insurance and financial advice and brings with it increased entry requirements to professionalise the sector. INSETA aims to invest in education and skills development of new entrants into the insurance sector and to further support the professionalisation of the current insurance sector workforce in order to enhance the economic growth of the sector, to facilitate creation of relevant jobs and to promote transformation of the sector.

INSETA's institutional outcomes as reflected in its relevant and responsive programmes are structured to ensure the realisation of Government's priorities and the institution's mandate.

Part A: Our Mandate

The Insurance Sector Education and Training Authority (INSETA) was established in March 2000 in terms of the Skills Development Act 97 of 1998, subsequently amended in December 2008. Together with other SETAs, INSETA has been re-established until 31 March 2030 through the Government Gazette. The next 10 years are critical for impactful, innovative, relevant and futuristic skills in the Insurance and Related Services. Therefore, progressive stakeholder engagement will be imperative to facilitate longer term planning linked to national planning cycles.

INSETA is required to promote, facilitate and monitor education and skills development provision in the insurance and related services sector. In addition, INSETA recognises that the COVID-19 pandemic calls for INSETA to step out of its mandate and put in place measures that will discourage the spread of COVID-19 in the workplace and ensure continuity of skills development and access to learning for learners.

INSETA's Strategic Plan is guided by the MTSF which reflects the political, social, economic, technological, environmental and legal priorities. The INSETA Board, with Executive Management have developed strategic priorities for the next five years of the SETAs license period. There are clear legislative and policy priorities that have guided INSETA's mandate towards the development of this Strategic Plan. There are also uncertainties arising from the current context that INSETA has taken into consideration through scenario mapping.

The INSETA strategy is aligned with the government strategic priority of "a skilled and capable workforce to support an inclusive growth path" in the Medium-term Strategic Framework (MTSF). INSETA has aligned this strategic plan with Department of Higher Education and Training (DHET) goals, the COVID-19 Regulations and the National Skills Development Plan (NSDP2030).

In implementing the strategy, INSETA will promote developmental and transformational imperatives such as race, class, age and gender, prioritising women, youth and people with disabilities. This will include supporting youth and communities surrounding Public TVET Colleges located in rural areas. INSETA will employ the MTSF as one of the key means of tracking progress towards achievement of the NSDP 2030.

The social, economic and psychological impact of the lockdown requires consideration for learners whose living conditions at home are such that they are not in a position to participate meaningfully in remote teaching and learning.

INSETA will also partner with various subsectors to focus on implementable interventions that address sustainability issues facing the sector; such as transformation, human capital development, support of Skills Development Providers to offer online learning, support of learners to access online learning, COVID-19 exposure risk management and the professionalization of the sector as a whole.

Strategic Planning Process

The INSETA Strategic Plan (SP) spans over the five-year period. It describes the situational environment and assesses possible challenges and opportunities, culminating in the identification of key skills priority actions for the sector. The Sector Skills Plan (SSP) draws on a range of data and information sources, including the INSETA's Mandatory Grant data, research conducted, sub-sector relevant publications and engagements with key stakeholders. The outcome of this analysis generates significant information to determine skills development needs and priorities in the sector. The SSP was subjected to broad consultations with stakeholders via the work of different stakeholder workshops. The completed SSP is used to inform the development and the subsequent annual review of the Strategic Plan (SP) and Annual Performance Plan (APP) and will be attached as Annexure to this SP.

Guidelines for Post School Education and Training PSET Skills Development Provider SDPs for management of and response to the COVID -19 outbreak (30 April 2020) to assist PSET institutions to put relevant protocols in place and these should be adhered to at the institutions.

It is in this volatile, uncertain, complex and ambiguous environment that the INSETA has updated its Strategic Plan for the year ahead. The INSETA Board engaged with the SP, which was revised in response to their feedback. This environment, together with a number of its possible outcomes, have an impact on INSETA's overall resources and will be further affected by the response of the Insurance companies to participating in skills development and the adaptability of Skills Development Providers to conducting business under COVID-19 pandemic conditions.

Insurance companies and Skill Development Providers may have to accommodate less numbers of learners to ensure that they curb the spread of the virus. The impact of this is that:

- companies may not be able to meet their set targets for reporting to the Financial Services Charter
- SDPs will have to hold more physical training and assessments sessions, which will increase their payroll; and
- INSETA may not be able to meet its targets to support its stakeholders like it used to, both because of unavailability of host companies for work-based learning programmes and for loss of levy revenue due to companies that were driven to close their businesses under COVID-19 pandemic national lockdown.

INSETA conducted a scenario analysis in response to the uncertainties arising from the pandemic, technology changes in the sector and the impact of climate change. The SP and APP were reviewed against the change drivers.

CONSTITUTIONAL MANDATE

The Constitution of the Republic of South Africa, 1996, is the supreme law of the land. It provides the legal foundation for the existence of the Republic; sets out the rights and duties of its citizens and defines the structure of the Government.

The Bill of Rights contained within the Constitution, is the cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms amongst others, the democratic values of Equality (Section 9) and Freedom of Trade, Occupation and Profession (Section 22) and Education (Section 29).

Section 9 of the Constitution provides for Equality.

This right enshrines the notion that everyone is equal and therefore has equal rights to measures designed to protect or advance persons. This right provides an enabling space for the promotion of transformational imperatives and the equalizing of opportunity for previously excluded communities.

Section 22 of the Constitution provides for Freedom of trade, Occupation and Profession.

This right confers to every citizen the right to choose their trade, occupation or profession freely; and obligates SETAs to ensure equal opportunity and access to mechanisms and programmes that support the sectoral occupations and professions.

Section 29 of the Constitution provides all South Africans with the right to Basic education, including adult basic education; and Further education, which the state, through reasonable measures, must make progressively available and accessible.

In support of these constitutional rights, INSETA must develop a credible Sector Skills Plan (SSP), supported by skills development programmes, to serve the interests of its diverse sector. INSETA is directed at addressing inequality, poverty and unemployment by supporting education, training and skills development of unemployed youth, women, people with disabilities and workers in the insurance sector.

2. LEGISLATIVE AND POLICY MANDATE

2.1 Disaster Management Act 57 of 2002

The COVID -19 pandemic resulted in the Minister of Cooperative Governance and Traditional Affairs, declaring a national state of disaster on 15 March 2020 in terms of the Disaster Management Act. Subsequently, the President announced a 21-day national lockdown period, from 26 March 2020 until 16 April 2020, which was further extended until 30 April 2020. As a result, all Post School Education and Training (PSET) institutions stopped training and closed their sites of learning including workplace-based training sites.

The Disaster Management Act stipulates directions for reopening of institutions offering qualifications registered on the Occupational Qualifications Sub Framework (OQFS), as part of a risk-adjusted strategy for phased-in return of skills development activities.

2.1.1 INSETA has plans in place to:

- Support learners to be safely back into institutions of learning and workplaces
- Ensure possible continuance of workplace-based learning programmes by conducting site visits online through taking videos of workplaces to ensure appropriateness of workplaces to host learners
- Allow for staggered commencement of learning programmes to ensure social distancing of learners in classrooms and workplaces
- INSETA has fast-tracked and approved policies and procedures for quality assurance of online learning.
- INSETA plans to insource development capabilities, to support sector efforts to deliver learning safely. This should also allow us to deliver (at least some) skills development better, economically and faster.

2.1.2 Skill Development Providers will be trained on different methodologies to ensure that staff and learners are able to access institutions as safely as possible and ensure that the mitigation of health and safety risks are built into the daily life and work of all INSETA-Accredited Skills Development Providers.

2.2 Skills Development Act 97 of 1998

The Skills Development Act 97 of 1998 is the primary law from which INSETA draws its mandate. This Act gives effect to the establishment and the functioning of the SETAs. The Act prescribes that INSETA should develop the SSP within the framework of the National Skills Development Plan (NSDP). The SSP should be translated into action by the Strategic Plan (SP) and the Annual Performance Plans (APP).

The purpose of the Act is to develop the skills of the South African workforce; increase the levels of investment in education and training; encourage employers to use the workplace as an active learning environment; provide opportunities for new entrants to the labour market to gain work experience; encourage workers to participate in learning programmes; improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education; and ensure the quality of learning in and for the workplace.

The current context impacts on achieving these purposes.

- INSETA is exploring extending the current partnerships model, to increase levels of investment.
- Companies may not be able to host learners at the high pre-pandemic levels, due to financial or health and safety concerns. This may impact on our achievement of targets and is reflected in our risks.
- In a post-pandemic landscape, INSETA is concerned we may not be able to sustain our historically very high levels of post-training absorption into employment.

It further requires INSETA to liaise with the National Skills Authority (NSA) regarding implementation of the NSDP as well as to submit to the Director General of the DHET budgets, reports and financial statements. It requires INSETA to administer Mandatory and Discretionary grants to finance initiatives of employers and public and private institutions of higher learning, targeting skills development training supporting skills priorities as indicated in the INSETA SSP.

INSETA has contributed to Youth initiatives over the last establishment period by supporting PIVOTAL programmes but also through initiatives to launch rural projects for excluded youth, Youth programmes for Actuarial Development and initiatives to drive youth entrepreneurship. We have consistently met performance targets and made impact on youth as evidenced in the Learnership Tracer Study conducted in 2017 that confirmed that 89% of learners were employed the year after they did their learnership and that 85% of survey respondents were still in employment up to 5 years later.

These are the areas that INSETA will continue to concentrate on in support of Youth because of the reported positive impact. This will include Youth in Rural areas.

INSETA plans to surpass the gender breakdown criteria for Learnerships recipients which was previously set at 54% female representation: with 60% of Learnerships funding going to women and 40% to men.

INSETA aims to continue the support of People with Disabilities through the PIVOTAL programmes and continue to pay increased stipend for PWDs unemployed youth. The current context impacts on achieving these purposes.

INSETA will support SMEs, a sub-sector comprising 20% of the workforce of the insurance sector, towards their regulatory compliance through:

- Facilitation of skills programmes delivery
- Preparation for writing Regulatory Examinations (REs)
- Guidance on reporting to the regulator on business compliance
- Small Business sustainability webinars; and
- Research of relevant skills required to support sustainability of SMEs' businesses, especially in the current COVID-19 pandemic environment.

2.3 Skills Development Levies Act 9 of 1999

This Act prescribes and regulates a compulsory skills development levy scheme to fund education and training in businesses across all economic sectors. The Act also makes provision for collection and distribution of skills development levies. The Act also prescribes apportionment of an amount into the account of the National Skills Funds (NSF), payment of a portion to Quality Council for Trades and Occupations (QCTO) and for use of the remainder in terms of the SETA Grant Regulations.

INSETA will support Non-Levy-paying Companies and NGOs to submit WSPs and ensure their participation in Discretionary grants towards learning programmes.

On 21 April 2020, the President announced the introduction of a four-month payment holiday for company skills development levy contributions, as a way of relieving financial pressure on companies during the COVID-19 pandemic. INSETA revised its targets in line with the reduced revenue.

During scenario planning, INSETA management and board raised concerns about the impact of potential reduced revenue on INSETA plans and operations. In the short-term, the fiscal strategies of the state during the pandemic may continue to impact. In the medium- to long-term, job loss due to the pandemic and technology changes may result in significantly lower revenue. INSETA strategies for managing this risk are reflected throughout this SP and APP.

2.4 Public Finance Management Act 1 of 1999

This Act regulates the management of finances in public entities, Parliament, provincial legislatures and constitutional institutions. It sets out the procedures for efficient and effective management of all revenue, expenditure, assets and liabilities.

As a Schedule 3A public entity, INSETA is obligated to perform to standards and legislated requirements of the PFMA (Act 1 of 1999, as amended) in the management of funds to enable the execution of its mandate.

The INSETA Board made a decision to procure goods and services from Emerging Micro Enterprises (EME), Qualifying Micro Enterprises (QSE) and promote the development of Small and Micro Enterprises (SMEs) as building transformation in order to improve the BBBEE status from level 5 to an improved contributor level.

To ensure effective Corporate Governance, INSETA will continue to train Staff on INSETA SCM Policy, which is approved by the INSETA Accounting Authority. The latter policy will be continually updated as INSETA receives NT Instruction Notes and amendment to legislation; and resubmitted to INSETA Accounting Authority to approve updates. Twice a year, INSETA Management, Specialists and SCM Staff is trained on the PFMA compliance requirements and on any updates to the SCM Policy. INSETA delegates the function of sitting on procurement committees to trained senior personnel. To ensure continued oversight and risk management, INSETA has as a standing agenda item, the presentation of SCM report to all AA sub-committees.

For procurement of COVID-19-related goods and services, INSETA will continue to ensure that its procurement processes remain fair, equitable, transparent, competitive and cost-effective. These processes remain compliant with the country's imperatives of promoting structural transformation and broadening participation in the economy to strengthen economic development and empowerment of previously disadvantaged groups and individuals.

2.5 South African Qualifications Authority Act 58 of 1995

The Act provides for the development and implementation of a National Qualifications Framework, the establishment of the South African Qualifications Authority and matters connected therewith.

Through the delegated quality assurance functions under the SAQA Act, INSETA will continue to accredit, monitor and verify training offered by Public and Private SDPs to ensure maintenance of high quality of learning delivery and assessment and the integrity of certification of learners trained by these SDPs. Registration of qualified Assessors and Moderators working in collaboration with the Skills Development Providers (Public and Private) will continue to be services offered to ensure maintenance of a high level of quality of learning in the sector.

INSETA continues to hold these functions that are now delegated for legacy qualifications from the QCTO (and no longer SAQA), in terms of the NQF Act. Learners will continue to be certificated for legacy qualifications for the period that the quality assurance function remains delegated to INSETA.

INSETA recognises that the COVID-19 pandemic will have a significant impact on the types of skills required in the sector, going forward and on skills development delivery; both at workplaces and at Skills Development Providers' sites, for some time to come. These new skills include non-credit bearing skills programmes that enable the learners to cope with the current environment in delivery of their work, develop skills for new jobs and for the significant changes in job functions due to the impact of technology and automation.

COVID-19 pandemic has resulted in a changed skills development landscape and lack of physical access to learning institutions. To ensure that learning continues during the pandemic, INSETA's response will be to:

- provide funding for learners to purchase electronic equipment like laptops required to access learning remotely when they cannot physically come into classrooms.
- develop and workshop policies to support Skills Development Providers to navigate online learning delivery and online assessments.
- have processes in place to ensure that online Verification of learning is made possible.

2.6 National Qualifications Framework Act 67 of 2008

This Act provides for the establishment of a single National Qualifications Framework (NQF) which is an integrated system comprising three co-ordinated qualifications sub-frameworks for General and Further Education and Training, Higher Education and Trades and Occupations.

Learner (Youth and Workers) learning achievements continue to be verified and certificated by INSETA and loaded onto the National Learner Record Database hosted by SAQA. This service will continue to be delivered by INSETA through delegation of the QCTO and in line with the Service Level Agreement between INSETA and QCTO. In line with the NQF Act, INSETA continues to cultivate relationships between employers and the skills development provider system.

2.7 Financial Advisory and Intermediaries Services Act 37 of 2002

The Act regulates the activities of all Financial Services Providers (FSP) who give advice or provide intermediary financial services and products to consumers. The Act requires that FSPs be licensed to offer financial services; and creates a professional Code of Conduct with specific enforcement measures.

INSETA will continue to support both SMEs and Workers with regulatory compliance preparation towards FAIS licensing exams. This support is in the form of both learning material provision and exam preparation workshops (physical and electronic). For Rural Youth Programmes that are managed centrally by INSETA, the support will include provision of training and preparation for regulatory exams.

On consulting with SMEs during the COVID-19 pandemic, it became clear that SMEs require support regarding being trained to be able to connect with their clients online and continue to conduct business, even during lockdown. INSETA will prioritise this support for SMEs in the insurance sector.

2.8 Employment Equity Act 55 of 1998

The Act promotes equity in the workplace, ensures that all employees receive equal opportunities and are treated fairly by their employers. The law protects people from unfair treatment and any form of discrimination.

Through its policies, INSETA continues to promote equity in Staff Recruitment and Career Progression. Internally, we are committed to a culture of growing our own talent, evidenced by the recent appointments of CEO and COO from internal employees. In addition, INSETA continues to promote employment of youth who were recruited as Interns from UoTs and TVETs as Administrators at the end of their Internships programmes.

INSETA will continue to support its external Stakeholders to access Discretionary Grant for PIVOTAL programmes that are run in support of EE Scorecards. Annually, INSETA contracts Sector Skills Facilitators to support the sector, especially SMMEs with submission of WSPs and ATRs and providing them with information regarding the INSETA offerings that they can access through application for Discretionary Grants.

INSETA supports the sector transformation imperatives through its leadership and management development programs that are tailor made to develop competencies that aid in the career progression of the delegates. Participants are carefully selected in line with employer plans towards fast tracking these individuals into senior management roles in the future.

INSETA as an organisation is at the BEE Recognition Level 80% with a BEE Status LEVEL 5. The challenge is that INSETA has been assessed against the Financial Sector Code which is the same one used for big banks and financial and related services providers. Because this Financial Sector Code includes measures like ownership and enterprise development, which do not fit squarely within the mandate of a SETA, the score awarded to INSETA is continually low, giving the impression that INSETA is not supporting transformation. To correct this, INSETA has initiated conversations with the Financial Sector Transformation Council to develop a public entity or Chapter 3A entity-specific scorecard that aligns to SETA mandate.

2.9 The SETA Grant Regulations, Notice No. 35940 of 2012

The Skills Development Act and the Skills Development Levies Act provide for the collection of levies from employers and provides directives and/or guidelines on how the funds allocated to Sector Education and Training Authorities (SETAs) should be disbursed.

On 3 December 2012 a revised grant regulation was gazetted (Government Gazette Notice No. 35940), which impacted on the allocation of SETA funding. The intent of the new regulation is to:

- Regulate the proportion of funds available for skills development that is spent on administration costs
- Make provision for SETAs to contribute to the cost of the work of the Quality Council for Trades and Occupations (QCTO)
- Discourage the accumulation of surpluses and carry-over of unspent funds at the end of each financial year.
- Improve the quantity and quality of labour market information received by SETAs through Workplace skills plans, annual training reports and professional, internships, vocational, occupational, technical and academic learning (PIVOTAL) training reports, which provide a reflection of skills needs and inform planning.
- Promote professional, internships, vocational, occupational, technical academic learning (PIVOTAL) programs, which are NQF-registered and quality assured, towards addressing priority scarce and critical skills needs in the sector, as identified through Sector skills plans and research.
- Create a framework within which expanded use is made of public education and training providers for the provision of skills development programmes .

The INSETA's Workers professionalisation support model will incorporate bursary, mentoring programs, behavioural skills programmes and professional designation support. These beneficiaries will be funded for between 3 – 5 years until professional designation is achieved.

Youth Employability model will incorporate a learnership or bursary, internship, Regulatory Examinations, work readiness as well as onboarding mentoring programmes. Youth beneficiaries will be funded for between 3 – 5 years.

3. INSTITUTIONAL POLICY AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

The INSETA takes into consideration national policies, plans and strategies which directly influence the implementation of its mandate. The following include, but are not limited to:

3.1 National Development Plan (NDP)

The National Development Plan (NDP) identifies skills development and education as a catalyst for economic development and growth. It aims to eliminate poverty (by creating 11 million jobs) and reduce inequality by 2030. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

In particular, young people deserve better educational and economic opportunities, and focused efforts are required to eliminate gender inequality. Promoting gender equality and greater opportunities for young people are integrated themes that run throughout this plan. While the achievement of the objectives of the National Development Plan requires progress on a broad front, three priorities stand out: Raising employment through faster economic growth, improving the quality of education, skills development and innovation, and building the capability of the state to play a developmental, transformative role.

To support the requirements of the NDP, the INSETA will:

- i. Implement innovative programmes for Youth - 60% of whom will be female - through partnerships with Public TVET Colleges and Employers in the sector
- ii. Reskill people at risk of losing their jobs to retrenchments.
- iii. Build competency of Public TVET Colleges through:
 - Training them on programmes that will enable them to offer Insurance-specific occupational qualifications.
 - Exposing TVET College lecturers to Insurance sector workplaces
- iv. Partner with the QCTO in the development and implementation of occupational qualifications
- v. Partner with the sector, Universities and TVET Colleges to offer Management and Leadership programmes to TVET & CET Lecturers.
- vi. Establish credible Assessment Centres in partnership with the industry.
- vii. Support Public TVET Colleges to become Centres of Specialisation to service the Insurance Sector.

3.2 Human Resources Development Strategy for South Africa (HRDS-SA)

INSETA commits to supporting the sector under the following commitments of the HRDS-SA that have impact on skills development:

3.2.1 HRDS-SA Commitment One: “We will urgently overcome the shortages in the supply of people with priority skills needed for the successful implementation of current strategies to achieve accelerated economic growth”.

Through research, INSETA will identify priority skills in the sector and implement programmes to increase such skills among Youth (especially those in Rural areas), Workers and SMEs. Among the priority occupations identified by the sector, INSETA will focus on Data Analysts and Underwriters initially over the short-term; and extend the offerings to include other occupations in line as will be prioritised the sector in the medium- and long-term. These skills will include soft skills identified by the sector as required to support priority occupations.

3.2.2 HRDS-SA Commitment Two: “We will increase the number of appropriately skilled people to meet the demands of our current and emerging economic and social development priorities”.

Fourth Industrial Revolution (4IR) is currently topical across the various sectors. INSETA will support employers through partnerships to develop skills to meet the employment challenges brought about by 4IR. Beneficiaries of this support will be Youth and Workers at risk of losing their employment to the effects of 4IR.

3.2.3 HRDS-SA Commitment Four: “We will urgently implement skills development programmes that are purposefully aimed at equipping recipients with requisite skills to overcome related scourges of poverty and unemployment”.

INSETA will support provision of programmes that will promote entrepreneurship among Youth and Workers who have lost or are at risk of losing their employment due to economic recession. 60% of these beneficiaries will be women.

3.2.4 HRDS-SA Commitment Five: “We will ensure that young people have access to education and training that enhance opportunities and increases their chances of success in further vocational training and sustainable employment”.

INSETA will partner with Public TVET Colleges and Employers to place TVET College learners in workplaces for work-based experience and support Public TVET Colleges learners on WIL programmes to be trained on skills programmes that are based on insurance-specific qualifications; to increase their employability in the insurance sector on completion of the WIL programmes.

3.3 The White Paper on Post-School Education and Training (WP-PSET)

The White Paper is a definitive statement of the Government’s vision for the post-school system, outlining main priorities and strategies for achieving the outlines priorities. It is a vision for an integrated system of post-school education and training, with all institutions playing their role as parts of a coherent but differentiated whole. These institutions include the colleges and universities whose main purpose is the direct provision of education and training; and in the case of universities, conducting of research.

These also include institutions that support the education and training processes, such as the Sector Education and Training Authorities (SETAs), the National Skills Fund and advisory, regulatory and quality assurance bodies such as the South African Qualifications Authority (SAQA) and the Quality Councils.

We envisage a system that is made up of a diverse range of educational institutions and institutional types that will expand considerably over the next twenty years to cater for the millions of people – especially the youth, but also a large number of adults – who need its benefits.

It will also be a system that recognises that the right to access an educational institution is not enough, and that institutions must provide education of a high quality.

In support of WP-PSET, INSETA partner to provide learners with paths for articulation between various qualifications, access to and obtaining of qualifications through Recognition of Prior Learning. These interventions will be made available to Youth, Workers and People living with Disabilities.

3.4 National Skills Development Plan (NSDP)

The NSDP and the new SETA landscape comes into effect from 1 April 2020 and provides SETAs with a ten-years establishment period up to 2030. This plan is aligned to NDP and set out 8 outcomes for post school education and training environment, which have a significant impact on skills development delivery approach.

The NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development. This new dispensation will bring about changes regarding the leadership, governance and quality assurance in skills development. At policy level towards building a responsive PSET system, the plan directs SETAs to build partnerships with workplaces and education and training institutions.

SETAs will remain an authoritative voice of the labour market and experts in their respective sectors. For the country to achieve high levels of economic growth and address unemployment, poverty and inequality, social partners must work together to invest in skills development in order to achieve the vision set in the NSDP: an educated, skilled and capable South African workforce. INSETA plans to align its current planning processes with the goals, objectives and outcomes of the NSDP 2030.

3.5 Post-Pandemic Policy

The policy landscape is evolving rapidly in response to the pandemic (and possible post-pandemic strategies). In some cases, this has meant some elements of the above policies are being fast-tracked. In other cases, new policies and strategies are emerging. For example, the Sustainable Infrastructure Development Strategy has emerged as a key component of a stimulus package to rebuild the economy using green infrastructure development as a platform. INSETA continues to monitor the policy environment and interpret targets in line with these.

3.6 Economic Reconstruction and Recovery Plan

At the advent of the COVID-19 pandemic lockdown, the President announced a three-phased economic recovery response towards implementing an economic strategy to drive the recovery of our economy as the country emerges from the pandemic. This is defined as the Economic Reconstruction and Recovery Plan (ERRP). Several sectors were identified as critical for the implementation of the ERRP.

Although the insurance sector is not specifically mentioned among the critical sectors at which the ERRP is aimed, insurance is important to all these sectors. INSETA aims to participate in the ERRP directly or in partnership with other PSET organisations and has identified sectors that will be included in its strategy to support the Government's Economic Reconstruction and Recovery Plan. INSETA will support identified sectors, with a few sectors supported directly and the remainder supported in collaboration with other SETAs and institutions, in line with availability of INSETA budget.

- Digital economy and global business services
- Green economy
- Infrastructure (IT)
- Presidential Youth Employment Intervention
- Agriculture and Food security
- delivery for network industries
- industrialisation through localisation
- public employment
- energy security

INSETA is cognisant of the deliberations between the DHET and SETAs for the refinement of the approach which will be followed to support the ERRP aligned programmes.

INSETA will identify specific projects in support of ERRP in these sectors to maximise impact. These projects will include women, youth, people with disabilities and people in rural areas. These will include the support and re-training of workers to prevent further job losses. The INSETA will support these sectors by ensuring maximisation of skills development opportunities for new entrants to enable them to access labour markets.

Changes in funding policies will be considered in Medium Term Strategic Framework (MTSF) and Annual Performance Plans (APPs) to allow for immediate and short interventions – both accredited and non credit-bearing. This will include development of learning delivery policies that include digitisation and technology as key enablers for successful implementation this strategy. These changes will ensure that INSETA is able to respond to the short-term needs and continue to strengthen the system without compromising quality of offerings.

INSETA will harness the expertise and resources of diverse institutions – public and private education skills development providers, workplaces, other SETAs and government departments to work in partnership towards greater efficiency and effectiveness. INSETA will therefore determine the nature of need in each sector, establish what work is already being done (if any) and partner in requisite intervention(s).

INSETA will partner with the QCTO to promote the fast-tracking of accreditation process for SDPs to obtain accreditation against occupations in high demand. This will include improvement of the planning and funding mechanisms for delivery of programmes through public TVET Colleges and to work towards demand-led system of skills development. Partnerships will also include the development of TVET programmes that will enable learners to access insurance qualifications and occupation.

INSETA will facilitate stronger relationships between the TVET colleges and industry associations to support skills development in outlying areas, especially where there are no private SDPs. This will include partnerships with SMEs for placement of learners in rural areas where big employers are scarce.

Programmes to be funded will include work readiness, digital skilling as well as entrepreneurship for self-employment, subject to availability of funds.

4. Relevant Court Rulings

The outcome of the BUSA Court Case may affect the budgets available for supporting the priorities outlined in the SP and the APP. The extent of this impact is currently unknown.

In line with the Ministerial Directive 11/2020, INSETA has reported mandatory grants as contingent liabilities and will continue to pay 20% Mandatory Grants to the sector, pending the determination of a mandatory grant percentage.

Part B: Our Strategic Focus

1. VISION OF INSETA

Empowered to Influence and Inspire.

2. MISSION

Harness technology and strategic partnership in pursuit of excellence to enable relevant, inclusive and impactful skills development; and be the bridge between education and the world of work by identifying skills in demand and providing agile and appropriate responses.

3. VALUES

- **Respect** – *Diversity, Inclusivity and Trust*
- **Innovation** - *Agile & Impactful solutions*
- **Collaboration** - *Unity & Partnerships*
- **Accountability** - *Ethical conduct*
- **Courageous Leadership** – *Compassionate and Empowering*
- **Customer Centricity** – *Responsive and Professional*

4. SITUATIONAL ANALYSIS

4.1 External Environment Analysis

4.1.1 Profile of the Insurance Sector

The table below depicts the various Insurance sub-sectors dependent on INSETA for skills development support.

Sub Sector	SIC Codes
Unit trusts	81901
Risk management	81902
Insurance & pension fund (except compulsory social security)	82100
Life insurance	82110
Pension funding	82120
Health care benefits	82131
Short-term insurance	82191
Funeral insurance	82192
Reinsurance	82193
Auxiliary activities (includes brokers and intermediaries)	83000

Under the regulation and supervision of the Financial Sector Conduct Authority, Insurance sector is grouped into the following clusters:

Long-Term Insurance	This covers life-changing events, such as death, retirement, and disability. The types of cover offered include life, disability, dread disease, funeral and credit life cover.
Short-Term Insurance	This encompasses all types of insurance policies other than life insurance. It includes vehicle, property, household, medical, personal liability, travel and business insurance.
Collective Investments	A collective investment scheme involves members of the public investing in a portfolio. This category was formerly known as unit trusts.

4.1.2 Key Role-Players

The sector is made up of Professional Bodies, active Industry Associations, Financial Service Companies, Trade Unions and Regulatory Bodies that regulate the sector service offerings and support the insurance sector, its professionals and clients. There are other associations with which INSETA is still developing partnerships with, which are not listed below. Each of these role players has a link to the NSDP Outcomes as depicted in the table below:

National Skills Development Plan (NSDP) Key:	
Outcome 1	Identify and increase production of occupations in high demand
Outcome 2	Linking education and the workplace
Outcome 3	Improving the level of skills in the South African workforce
Outcome 4	Increase access to occupationally directed programmes
Outcome 5	Support the growth of the public college system
Outcome 6	Skills development support for entrepreneurship and cooperative development
Outcome 7	Encourage and support worker-initiated training
Outcome 8	Support career development services
Outcome 9	Maintain effective corporate governance

Key Role-Players	Role	NSDP Outcomes linkages
Financial Sector Conduct Authority (FSCA)	Financial Sector Conduct Authority is a market conduct regulator for the South African financial services sector. The regulatory reform of the FSCA has skills development implications for compliance of employees, employers, skills development providers accredited by INSETA and others stakeholders in the insurance sector. These groups have to come together with the FSCA to bring the content of training interventions up to date with regulations.	Outcomes: 1, 3
Prudential Authority (PA)	The Twin Peaks model reforms the regulatory and supervisory landscape for the financial sector. The Prudential Authority, located in the SARB, regulates financial stability and soundness of financial institutions. The regulatory reforms of the PA have skills development implications for employees, employers, training providers and the INSETA. Training interventions are needed to bring these groups up to date with regulations.	Outcomes: 1, 3

Key Role-Players	Role	NSDP Outcomes linkages
Financial Planning Institute (FPI)	FPI is a South African Qualifications Authority recognised professional association for financial planners in South Africa. It is the only institution in South Africa to offer the CFP® certification, as well as an approved examination body for the FAIS Regulatory Examinations. FPI advises INSETA on the development of new qualifications relating to financial planning.	Outcomes: 1 to 8
Black Insurance Advisers Council	BIAC is an active formation of independent financial advisors seeking to increase the presence and numbers of the role players that will fill the work force requirements of the insurance industry, with special focus on building the financial advisory services space, with fit and proper players who will provide better services to their communities.	Outcomes: 1 to 8
The Black Brokers Forum (BBF)	BBF is a representative body for black financial advisers. BBF provides insights into the skills development needs of its membership.	Outcomes: 1 to 8
Council of Retirement Funds for South Africa (BATSETA)	BATSETA is a non-profit organisation, managed by a Board of Directors, that looks after the interests of Principal Officers, trustees, and fund fiduciaries in the retirement industry. BATSETA advises INSETA on the development of new qualifications relating to long-term insurance.	Outcomes 1 to 8
Insurance Institute of South Africa (IISA)	IISA is a professional membership institute for the South African short-term insurance industry. The Institute's vision is to help create "World-class skills for a world-class industry" by promoting skills development and professional conduct among its membership. IISA assists INSETA with graduate placements and internships.	Outcomes: 1 to 8
The South African Insurance Association (SAIA)	SAIA is the representative body of the short-term insurance industry. It represents the industry to all relevant stakeholders to ensure a sustainable and dynamic industry. SAIA's members comprise all categories of short-term insurers, including reinsurers. SAIA assists INSETA with graduate placements and internships.	Outcomes: 1 to 8
Financial Intermediaries Association	FIA represents South Africa's independent brokers, including large and medium-sized brokerages and individual financial intermediaries. FIA provides insights into the skills development needs of its membership.	Outcomes: 1 to 8
Association for Savings and Investment South Africa (ASISA)	ASISA represents the majority of the country's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers and life insurance companies. ASISA provides insights into the skills development needs of its membership.	Outcomes: 1 to 8
South African Reserve Bank (SARB)	SARB protects the value of South Africa's currency. In discharging this role, it takes responsibility for informing the South African community and all stakeholders abroad about monetary policy and the South African economic situation. Data from the SARB national accounts are used for skills planning research.	Outcomes: 1, 2, 3 and 7
Statistics South Africa	Statistics SA is the national public agency for the dissemination of official statistics on South Africa. The statistical findings of the agency are used for all research work by INSETA.	Outcomes: 1 and 7

4.1.3 Labour Market Profile

The INSETA SSP summarises the shifts in employment across occupational bands over the past decade, and points to the implications for skills development.

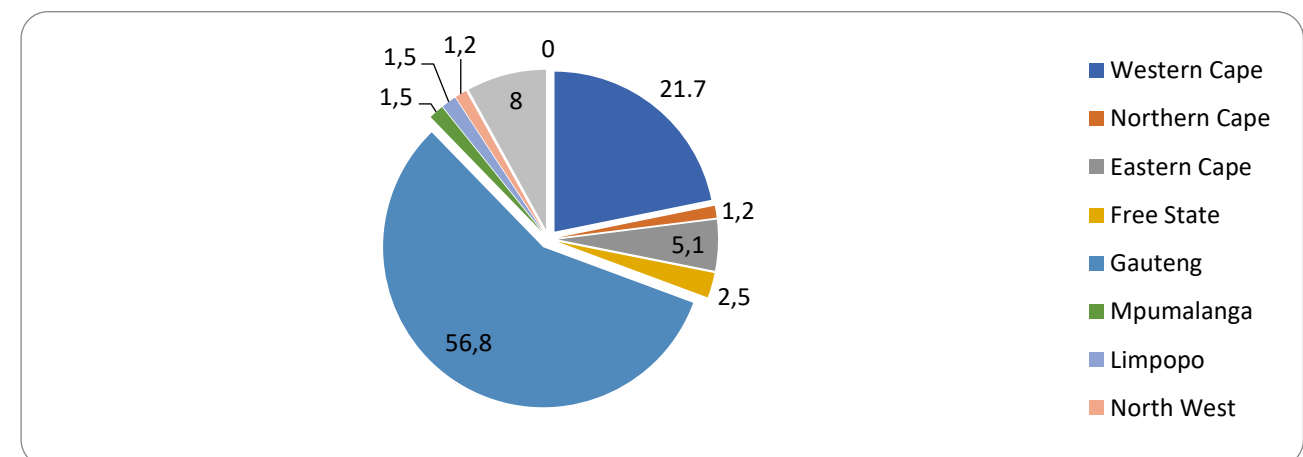
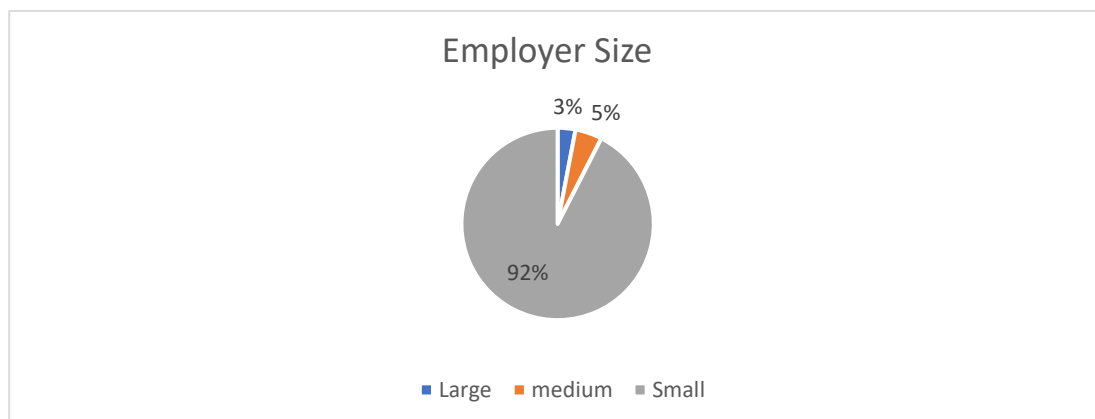
INSETA scenario planning identified the COVID-19 pandemic; adoption of technology in the sector; and climate change, as 3 primary change drivers. Emerging data suggests that these are already impacting dramatically on employment nationally and will likely impact also on the demand for labour in the INSETA sector. INSETA remains committed to implementing targets in ways that respond to these pressures.

Data Constraints

Statistics South Africa has not released the June 2020 Quarterly Labour Force Survey, due to lockdown constraints. However, forecasting as a methodology (which uses such data) is less useful under high degrees of uncertainty. INSETA has also drawn on other data to address the lack of QLFS data but conducted scenario mapping as a form of “back-casting” to address data weaknesses.

4.1.3.1 Employer Profile

In terms of employer size, 92% of the companies registered with INSETA are small businesses, followed by 5% being medium and 1% being large. Small businesses are known to be one of the biggest contributors to job creation and poverty alleviation hence the need for INSETA to support SMEs.



4.1.3.2 Provincial distribution of Employers

Majority of the employers are based in Gauteng, followed by Western Cape and then KwaZulu Natal. The Eastern Cape appears to be a growing business hub and INSETA intends to continue to have representation at public TVET colleges in this province.

INSETA will continue to pursue partnerships within the Post Education sector to increase its national presence. Where partnerships are a challenge, INSETA will train and place Career Guidance Practitioners at TVET Colleges in the other less active provinces to ensure that skills development opportunities reach remote of areas.

4.1.3.3 The employer breakdown per sub-sector is as follows:

SIC Code	Sub-Sector	
81901	Unit Trusts	26
81902	Risk Management	60
82100	Insurance & Pension Funding	304
82110	Life Insurance	345
82120	Pension Funding	0
82131	Health Care Benefits Administration	113
82191	Short-term Insurance	886
82192	Funeral Insurance	388
82193	Reinsurance	23
83000	Auxiliary to Financial Intermediation	1195
No SIC	Other	25

Source: INSETA Database 2020

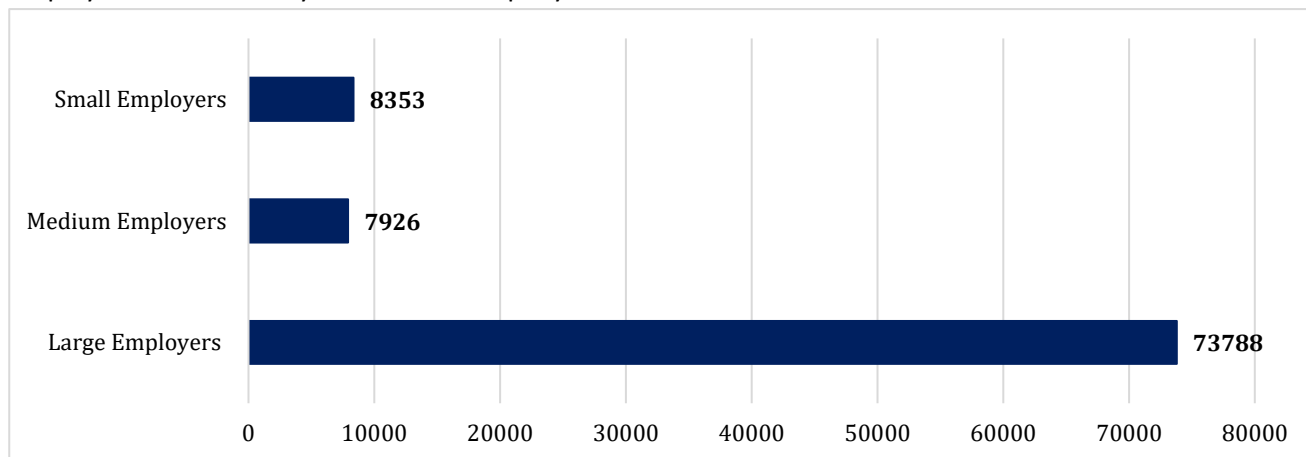
There are 3365 employers in the sector. The highest number of employers are intermediaries subsector (1195), followed by short-term insurance (886) and funeral insurance (388). The INSETA has 2208 active levy-payers and 1157 active non-levy payers.

Since about 35% of the employers are active non-levy payers, it exerts fiscal pressure on the INSETA to fund skills development interventions for all 3365 employers.

4.1.4 Employee Profile

4.1.4.1 Employee Distribution

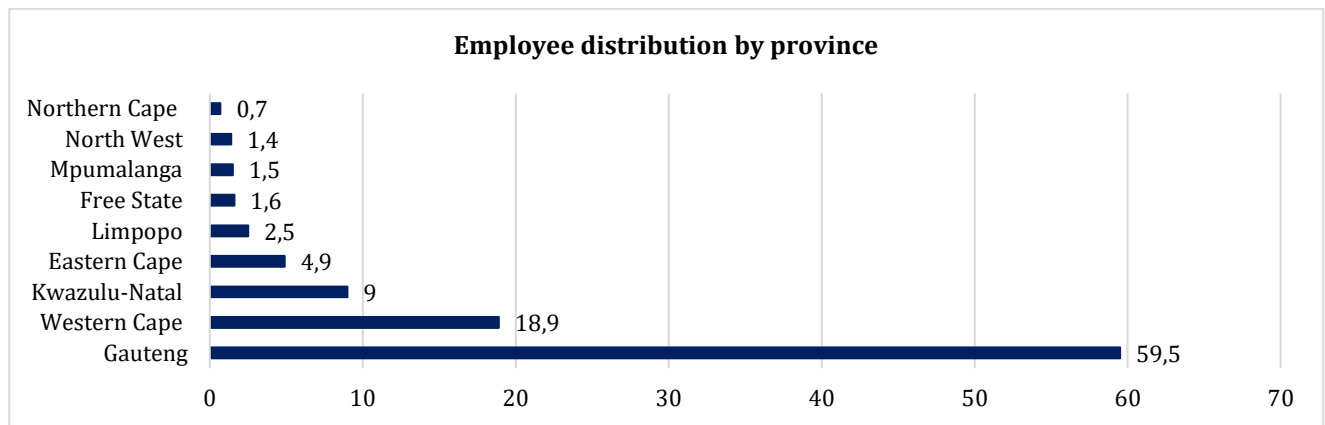
According to the Workplace Skills Plans for 2020-2021 received from insurance companies, the distribution of employees by company size is as follows:



Source: Source: WSP 2020-2021

Large insurance companies (+150 employees) comprise 82% of the workforce. Medium insurance companies (+50-149 employees) comprise 8.8% of the workforce. Small insurance companies (1-49 employees) comprise 9.2% of the workforce. The bulk of employment is in large insurance companies.

The distribution of employees by province in percentages is as follows:

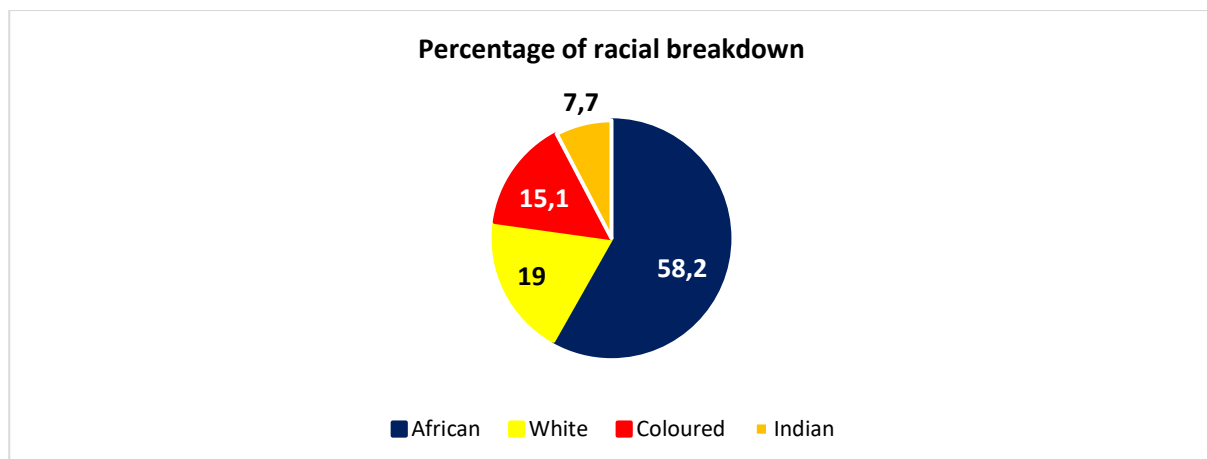


Source: WSP 2020-2021

About 59.5% of insurance employees are located in Gauteng, 18.9% in the Western Cape, 9% in KZN, and 4.9% in the Eastern Cape. These provinces make up 92.7% of the workforce. It is a highly concentrated sector. The remaining provinces are made up of intermediaries and small brokerages that are served from the Head Office, which is mostly in Cape Town.

4.1.4.2 Race, Gender and Age Breakdown

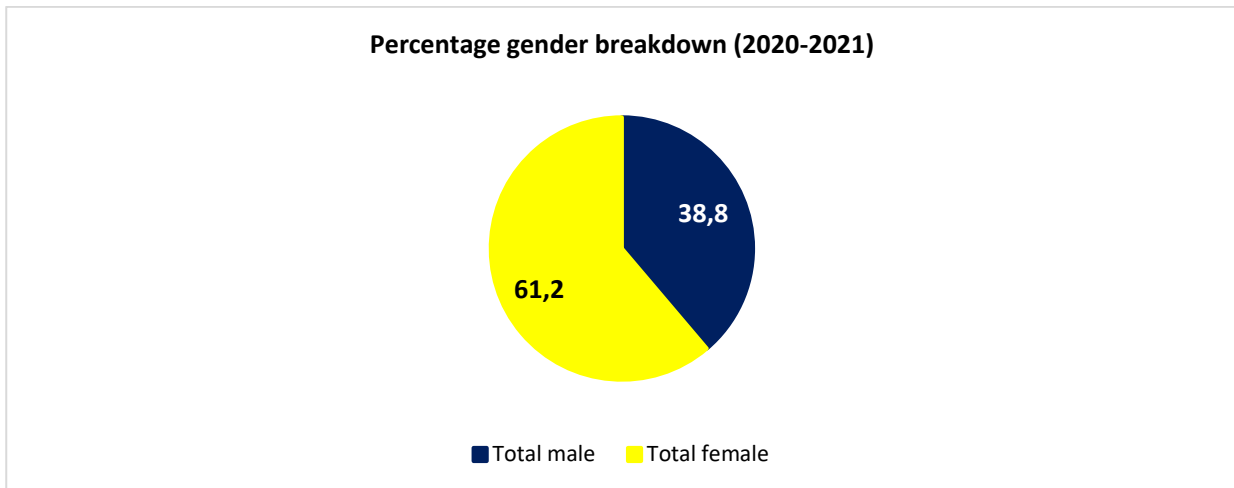
The workforce race profile is characterised as follows:



Source: WSP 2020-2021

The percentage of Black employees in the sector is 81% (Africans, Coloureds and Indians). This is an increase from 75,4% in the previous year – a 5.6% year-on-year increase. This is evidence that the sector is moving in the right direction in terms of employment equity and transformation.

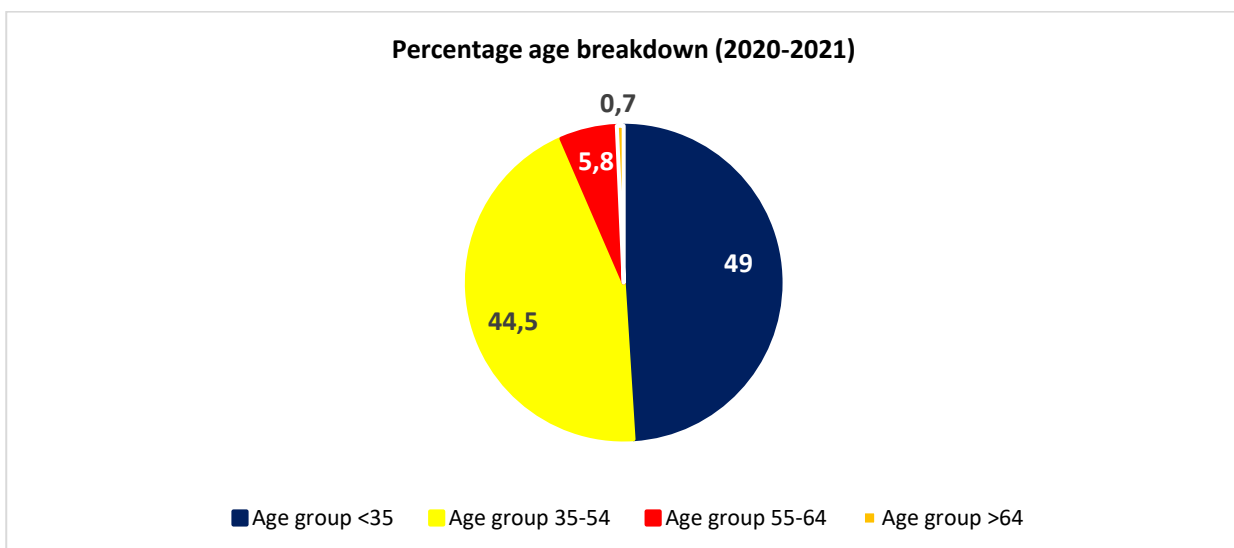
4.1.4.3 The workforce gender profile is characterised as follows:



Source: WSP 2020-2021

Females make up 61.2% of the sector compared to 38.8% males. The sector has exceeded the 54% female norm, showing a move in positive direction as regards transforming the gender profile of the sector.

4.1.4.4 The workforce age profile is characterised as follows:

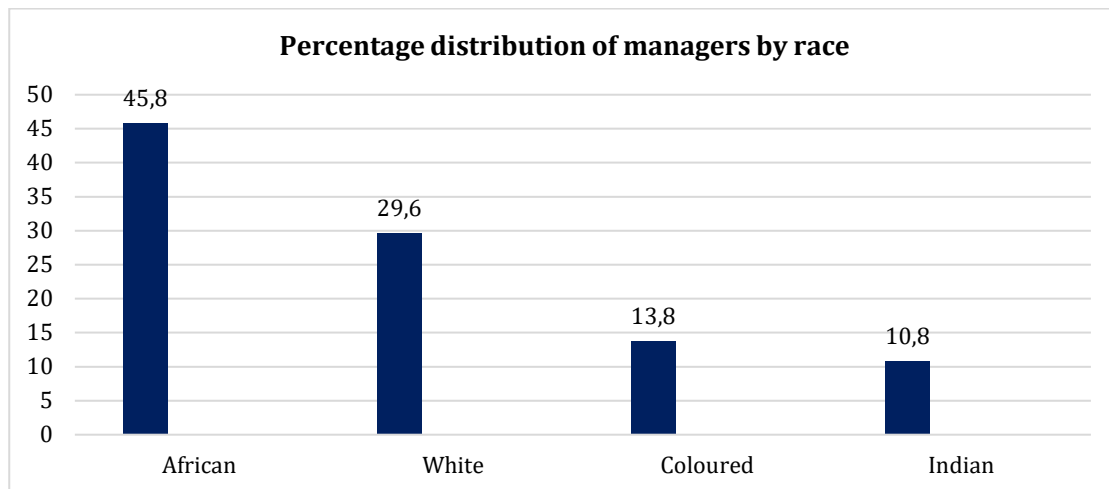


Source: WSP 2020-2021

Almost half of the workforce is under 35 years. 5.8% of the workforce in the 55 – 64 ear age category provide potential demand for labour due to retirement. The high percentage of youth below 35 years of age may require different HR strategies. INSETA works closely with stakeholders in the sector to understand and respond to these issues.

4.1.4.5 Distribution of Managers by Race

The distribution of managers by race group is as follows:



Source: WSP

2020-2021

Africans comprised 31.7% of the sector in 2019. This has increased by 14.1% to 45.8% in 2020. It is a very significant improvement at the manager level. Indians also improved from 10.8% to 13.3% for the period.

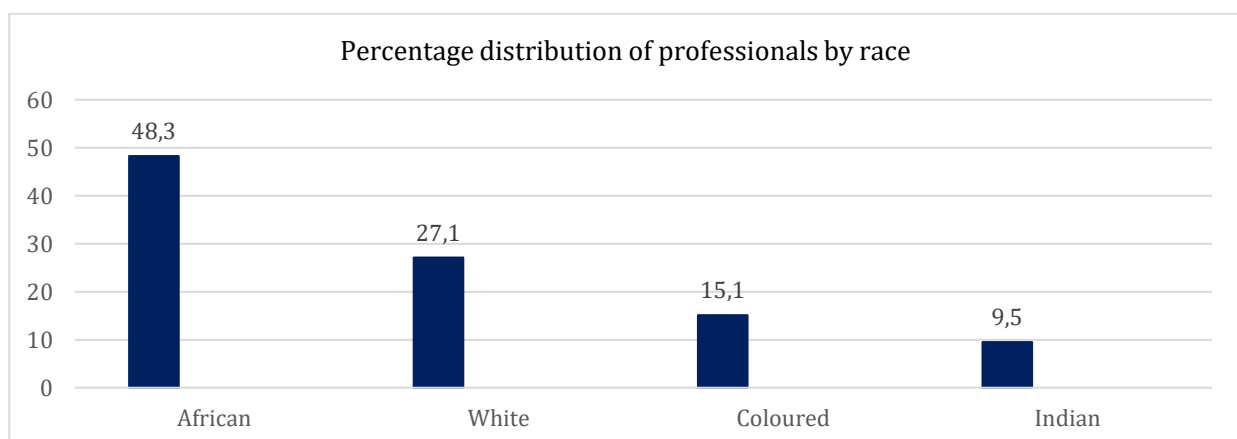
There was a 0.8% decrease in the number of Coloureds to 13%, while Whites recorded a decrease from 42% in 2019 to 29.6%. This is evidence that racial transformation is taking place in the sector.

Historically, Africans comprised a small percentage at the managerial level. Over many years, the number of African Managers has progressively increased, and they are now in the majority.

INSETA aims to significantly open-up opportunities to develop appropriate skills for people with disabilities and promote their employment in the insurance sector. This will be through partnering with public Higher Education Institutions and various NGOs representing people with disabilities, to offer qualifications and relevant skills development programmes and bringing challenges of employment and skills development of people with disabilities to light at the sector transformation fora.

4.1.4.6 Distribution of Professionals

The distribution of professionals by race group is as follows:

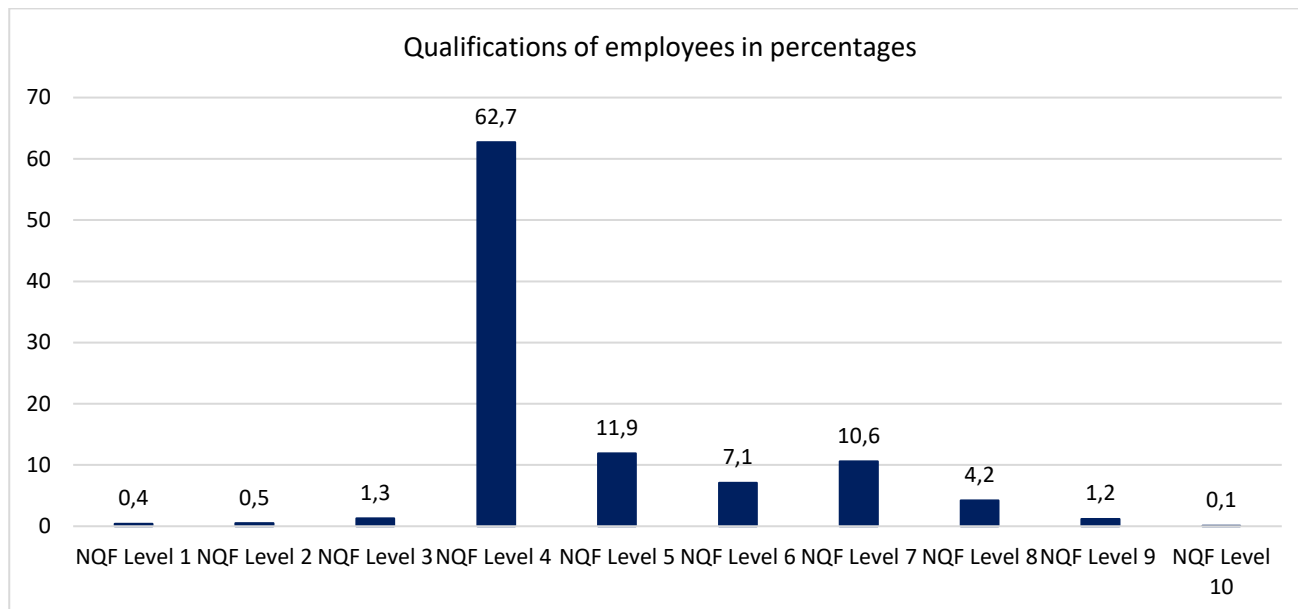


Source: WSP 2020-2021

The percentage of Africans increased from 41.6% to 48.3% annually. This is a 6.7% increase year-on-year. Whites decreased from 32.7% to 27.1%. Coloureds increased to 15.1% from 13.7%, and Indians decreased to 9.5% from 12% annually. There is evidence of racial transformation in the sector, albeit still slow.

4.1.4.7 Qualifications of Employees

The qualifications of the workforce are as follows:



Source: WSP 2020-2021

In comparison to the previous year, there is a significant upward progression to NQF Level 4 of the workforce from 53% to 62.7%. The percentage change of the workforce with tertiary qualifications (NQF 5 to NQF 10) decreased from 45.2% to 35.1%.

The insurance sector is essentially a tertiary education sector since the majority of occupations in the sector require higher levels of education to acquire competence and manage the various complexities. As a result, the majority of employees access occupations in the sector at NQF Level 4 qualification and progress to higher education over the duration of their careers in insurance.

With the advent of 4IR, the sector is influenced by skills-based technological change. It means INSETA will support the sector employees with higher level skills, obtaining of professional designation through Candidacy programmes, coupled by other critical soft skills that will enable them to be well-rounded in performing their work (increasingly with and through, technology).

4.1.4.8 Employment Challenges and Educational Profile

Middle-level workers such as clerks and sales and service workers are increasingly being replaced by technology in the form of Artificial Intelligence, automation, digitisation and other IT enablers. In addition, the convergence of insurance, banking and financial services means that insurance products are being sold in banks and non-banking organisations such as retail outlets; and over the counter for insuring purchases such as motor vehicles, electronic equipment and household appliances.

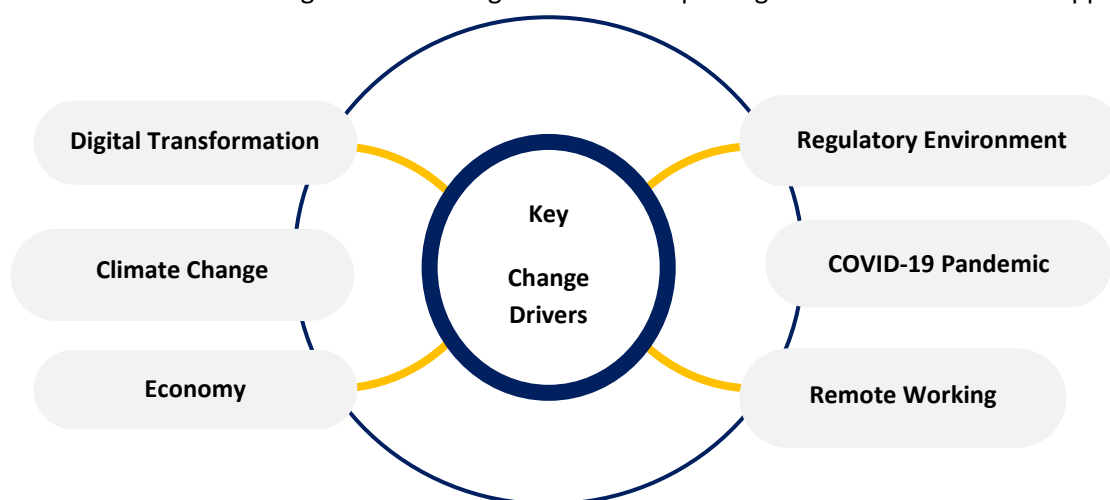
There is a growth of IT Technicians in the insurance sector who are representative of IT Professionals, an indication of the shift towards digitisation of services. As the sector adopts digital platforms, social media marketing channels, AI and informatics, there is a fast-growing demand for IT professionals such as Software Developers, Systems Analysts, Data Analysts, IT Technicians, Database Administrators and Network Professionals.

The rapid pace of technological change makes it difficult for INSETA to respond via conventional routes of designing qualifications, accrediting skills development providers and training learners. INSETA is therefore planning for support to capacitate particularly public TVET colleges to provide innovative and technology-driven solutions.

INSETA has started engagements with employers and Unions that have representation in the sector to identify and rank skills development interventions in order of their urgency, and to assist retrenched workers. In addition, apart from reskilling programmes that INSETA is implementing with employers to ensure support of retrenched workers; INSETA has partnered with Technology Innovation Agency (TIA) to implement an innovation project that will support retrenched workers who have innovative ideas to be trained in managing sustainable businesses and assist them promote their innovation ideas nationally.

4.1.4.9 Change Drivers in the External Environment

INSETA has identified the following external change drivers as impacting on skills demand and supply in the sector:



INSETA is fully aware of the volatile environment the country and the PSET system has to work in and has decided to embark on a scenario planning exercise. This has enabled INSETA to make informed decisions to be more robust in our response to possible future external environments and curb or mitigate the impact of job losses. This includes making proactive decisions, allowing us to identify early, opportunities to intervene on and influence to an extent, the external environment and explored how to maximise the opportunities. These decisions include what we intend to do to mitigate the risks we as an organisation and the sector that we serve face as a result of the change drivers that make the environment unstable and volatile.

On the whole, INSETA wants to ensure its plans and programmes reflect an awareness of- and responsiveness to the possible impact of the landscape on its revenue as it pertains to skills development priorities and how to continue to support the sector within the parameters of its mandate.

All the above-mentioned change drivers are projected to cause a significant impact on the insurance industry, employment and skills needs over the life of this strategy and possibly, beyond. INSETA will continue to assess the landscape and adapt its support to the sector accordingly. INSETA will also harness the strategic partnerships it has built with the sector and other role players in the PSET system to maximise the intended positive impact to the sector.

I. Regulatory Environment

The Insurance Act came into effect from 1 July 2018 and will eventually replace the Long-term and Short-term Insurance Acts.

National Treasury has established a working group to develop the Conduct of Financial Institutions (CoFI) Bill. It will provide the framework for licensing of financial services providers based on the type of activity; i.e. financial services offered.

Secondary legislation under the Financial Sector Conduct Authority (FSCA) will include Insurance Notices, Policyholder Protection Rules (PPRs), other Regulations and Conduct Standards. As of 1 April 2018, South Africa adopted the Twin Peaks regulatory model under the Financial Sector Regulation (FSR) Act, resulting in the following two organs regulating the financial services sector:

1. The Prudential Authority (PA) – responsible for maintaining stability in the financial sector system.
2. The Financial Sector Conduct Authority (FSCA) – responsible for market conduct and consumer protection. The Twin Peaks model will be implemented in two phases with primary and secondary legislation to be published under both regulators.

Implications for Skills Development

INSETA intends to support employees in the sector to understand and respond to legislative and policy changes through Continuous Professional Development (CPD) interventions. This will include continued support of the sector to ensure compliance with FAIS.

II. COVID-19 Pandemic

COVID-19 pandemic has had a negative impact on the insurance sector in multiple ways; from employer to business continuity; to employees; to client service considerations. A priority is protecting the health and safety of employees and their intermediaries as they keep the business going. The insurers communication system had to be improved to keep staff, intermediaries and clients informed about the status of business continuity plans.

Insurers had to review and/or update their disaster management plans to ensure servicing their clients with minimum disruption. The COVID-19 pandemic crisis is likely to increase policy lapses and reduce insurance product sales as the economy struggles to get back on its feet.

Implications for Skills Development

- There will be less money in the training budget for companies due to reduced revenue resulting from the four months SDL holiday granted to companies
- Organisations will need to reprioritise skills required urgently for the sustainability of businesses and make trade-offs
- Intermediaries will need to be trained to sell products remotely/online

III. Remote Working

The COVID-19 pandemic has necessitated moving of employees into work-from-home situations. This resulted in the change from requiring employees' "presenteeism" to "productivity", resulting in developing protocols for remote working.

A major challenge facing employers during the lockdown is alternative working arrangements to protect staff and comply with occupational health and safety protocols in the office while assuring business continuity. With remote working came the need to establish cyber-security protocols and permit the safe exchange of confidential information among staff connecting off-site.

Companies have to ensure that staff have the following technological apparatus: computers, telephone, virtual private network, data, audio, video and screen-sharing hardware and software and IT support.

Insurers also need to ensure the safety of Claims Assessors and Loss Adjusters who often need to travel to perform their jobs to examine claims.

Implications for Skills Development

- INSETA plans to insource eLearning development capabilities to enhance employees' digital competency – working remotely, especially in the usage of digital and screen-sharing tools.
- Employees should be developed to use the benefits of flexibility, freedom, and empowerment for job satisfaction in ensuring high productivity levels.
- Equipping employees with soft skills to manage working in isolation and dealing with the impact of COVID-19 pandemic on their relatives.
- Managers will also need to be trained to manage remotely from anywhere instead of micro-managing staff.
- In partnership with the sector, post-pandemic strategies will require *costly recalibration* to ensure that skills development that is delivered to re-orientate the workforce in the new way of doing their work.

IV. Economy

The South African economy was performing badly before the COVID-19 pandemic crisis with unemployment peaking at 30.1%. The latest figures are not available, but unemployment is projected to climb dramatically over the foreseeable future. INSETA will respond to the government's effort to boost the economy and curb unemployment through participations in interventions under the ERRP.

Implications for Skills Development

There should be a focus on retrenchment mitigation through multi-skilling and reskilling the workforce to enable employees to work effectively in a post-COVID-19 pandemic world. These skills include training on technology for employees at all levels and reskilling for competencies in job roles that have changed or new jobs that have emerged.

Shrinking insurance markets are therefore likely to impact on the profitability and employment in the sector, independently of the job loss expected due to automation in the insurance industry itself.

V. Climate Change

Since climate change is linked to the rise in frequency and severity of natural disasters, it is one of the main change drivers for insurers. The following is expected to emerge in the next five years for the global insurance sector:

- Disclosure of climate-related financial information is a prerequisite for financial firms, not only to manage and price climate risks appropriately; but also, to make lending, investment, or insurance underwriting decisions.

- Regulators are urging disclosure of climate change assessment metrics, risk management strategies and climate change risk reporting.

Implications for Skills Development

- Reskilling is required to factor climate change in the following areas: liability, underwriting, marketing, risk management, regulations, investment, strategic, operational, reputational, pricing and asset risks.
- Review of insurance qualification curricula to include climate change issues impacting on the sector.
- Skills to develop climate change assessment metrics, risk management strategies and climate change risk reporting.
- Increases research on climate change and its impact on the insurance sector.

VI. Digital Transformation

This disruption in how work and business has operated in the past is part of the 4th industrial revolution (4.0) and involves the application of artificial intelligence, robotics, big data, digitisation, digital marketing, blockchain, predictive analytics and machine learning. The COVID-19 pandemic has increased the pace of technological change in the sector.

Digital transformation presents opportunities for first-time entrants into the insurance sector to acquire in-demand skills and pursue non-traditional career paths. This also means reskilling of current workforce to be able to cope with the new way of doing business.

Implications for Skills Development

There are attractive career opportunities for graduates who can work in these emerging technology occupations. INSETA has identified some of these needs and continues to research the priority skills required. Bursary programs will be focused on building the skills pipeline into the sector. INSETA aims to partner with companies with HR capabilities in the sector to provide uptake of such skills, to support the technology changes taking place in the industry.

The critical success factor for insurance companies is to develop their workforce with skills that can use “big data” to manage client relationships, design new insurance products, reach new markets and digitise business operations while mitigating cyber-security risk. Training of learners on basic computer skills will also be considered to ensure narrowing of the digital divide.

4.1.4.10 PESTEL Analysis used to Monitor External Factors driving change in the Insurance Sector

Political: The current relatively stable Political Environment will enable INSETA to carry out its Mandate through the implementation of this strategy. The current political problems in neighbouring countries may lead to spillage and increase migration from the SADC regions into South Africa, which will put a strain on the delivery of public services. Failure of the state to adequately address corruption has resulted in low levels of business confidence in the government.

Economy: The South African economy has been performing poorly over the last decade. South Africa's sovereign credit rating was downgraded to junk status by all rating agencies at the end of March 2020. The rating agency, Moody's cut South Africa's rating to sub-investment grade means that the country has a junk rating from all major international rating agencies.

Moody's cited the deterioration in SA's fiscal strength and *“structurally very weak growth, unreliable electricity supply, uncertainty over property rights, persistent weak business confidence and investment as well as long-standing structural labour market rigidities”* for its decision to lower the country's rating.

This is reflected by the current unemployment of 31%, which means that a significant proportion of the economically active population is out of work and cannot access insurance products.

The COVID-19 pandemic has worsened the economic situation, leading to job losses, business closures, with SMEs in the insurance sector being particularly hard-hit. This means that the sale of insurance products is on the decline year-on-year. Because insurance has always been regarded as a grudge purchase, payment of insurance premiums is always first to be cut from household expenses affected by retrenchments, and purchase of new insurance products is not thought of.

The COVID-19 pandemic lockdowns have necessitated a different approach toward conducting business, looking towards harnessing technology to remain in touch with stakeholders and continue to conduct business. It is at times like these that stakeholders can feel isolated from peers and unsure of whether information they receive is authentic or not. INSETA will also assist SMEs with IT skills that will enable them to stay connected to their clients and stay in business.

As a way of minimising the impact of the reduction in its revenue which resulted from the four months SDL payment holiday that was granted to all levy-paying companies, INSETA will continue to conduct online information-sharing sessions/webinars to keep stakeholders posted on developments in the skills development space into the foreseeable future.

The Government's commitment to implementing National Health Insurance is expected to impact negatively on the private health care insurance market.

Social: High Youth unemployment constitutes a high risk to national stability due to high crime rate, which impacts the Insurance sector negatively. In addition, Insurers must keep up with the rapidly changing consumer needs and expectations that come with new generations.

The current NEHAWU strike regarding the demand for increased salaries will have possible negative impact of retrenchment of people employed by companies that are financially negatively impacted by COVID-19 pandemic lockdown. This unintended outcome will exacerbate the downward spiral of already negative social conditions of marginalised communities.

The COVID-19 pandemic national lockdown has highlighted the inequalities in SA society in areas such as education, healthcare, food security and possibility of implementation of social distancing. It has also led to job losses which exacerbated poverty and hunger in a lot of local communities. Recent retrenchments have placed added pressure on social grants and the unemployment insurance fund (UIF).

For INSETA, this has necessitated the re-skilling and re-purposing of retrenched workers to increase their potential to be re-employed or to start their own businesses, based on their newly acquired skills.

To address youth unemployment, INSETA has changed its Bursary model to accommodate learners who would be recruited by employers in the insurance sector to study at Universities. These partnerships will ensure that learners can access workplaces for vacation work while studying and ultimate employment on completion of their studies.

INSETA will continue to fund learners through bursaries as most education institutions are able to:

- comply with the government requirements to ensure that institutions are ready to accommodate learners safely to curb the spread of COVID-19
- respond with online learning, textbooks and assessments
- provision of laptops will be included in the Bursary amount.

COVID-19 pandemic national lockdown has resulted in a lot of employees having to deal with a sense of isolation and anxiety about the well-being of their relatives, especially those who work outside their home provinces. INSETA has kept constant online contact with and encouraged its employees to use the services provided through the Employee Wellness programme. This is the practice INSETA intends to maintain into the future.

Technology: Technology is disrupting the insurance companies and the sector. This disruption is referred to as the 4th Industrial Revolution and involves the increasing use of artificial intelligence, robotics, big data, digitisation, digital marketing, blockchain, predictive analytics and machine learning. For the Insurance Industry in particular, this is an environment that is volatile, uncertain, complex and often ambiguous.

Before the COVID-19 pandemic, a shift to digitisation was underway but current events have accelerated the shift and brought it into acute focus. COVID-19 pandemic necessitated the requirement for companies to be agile and adapt to new ways of conducting business that will take the safety of their staff and clients into consideration.

To remain competitive and differentiated in an increasingly fluid society and marketplace that has been majorly impacted by the effects of COVID-19 pandemic lockdown, Insurance companies need to be trailblazers in developing and launching innovative and responsive products that are easily accessible technologically. Because customers require seamless, quick and transparent interactions, this requires a new kind of salespersons with a tech-savvy skill set.

In addition, companies need to offer faster service and more affordable products; create online tools to increase their distribution channels; develop digital portals, customer self-service and automation of back-end processes. Financial institutions are looking to gain a competitive advantage while also trying to mitigate the threats posed by social media, like reputational risk from disgruntled previous stakeholders, and many companies are now using social media to revolutionise traditional business models.

INSETA is cognisant of social divide that may be increased through the offering of higher-level technological skills while leaving behind a large portion of the community that would benefit from basic computer skills. In addition, partnerships with Universities that provide internet data will be pursued in consideration of zero-rated websites that they provided to Youth for specific learning websites.

Environmental: Climate change is one of the most significant challenges facing the insurance sector and has immediate- to long-term impact. As climate change may be tied to the rise in frequency and severity of natural disasters, this appears to be a core issue for insurers. Climate changes do not only impact the environment but have recently caused the increase of Human-Wildlife Conflict, which necessitates new products and skills sets in the Insurance Sector.

The Short-Term Insurance is mainly affected by climate change, with resultant rise of premiums. The fires in Knysna for example, forced the Short-Term Insurance sub-sector to come up with training communities around vulnerable areas as Fire-Spotters to ensure early detection of fires.

Legislative: The Insurance Sector is highly regulated and Insurers are impacted by pieces of legislation, such as the Insurance Act, the FAIS Act, and Twin Peaks; to name a few. These impact on the way insurers conduct their business and usually necessitate the need to develop new skills that will help Insurance Companies to remain in business.

- The recent introduction of the NHI may have a negative impact on the Medical Insurance sub-sector. This, however, is a social imperative that has to be looked at with solutions that could benefit both the insurance sector and society.
- The Insurance Act took effect from 1 July 2018 and will eventually replace the Long-term and Short-term Insurance Acts.
- As of 1 April 2018, South Africa became the eighth country in the world to adopt a Twin Peaks regulatory model.

- Currently, there is a debate about whether the government should prescribe that a portion of retirement and pension funds should be invested in state projects.
- The CoFI Bill makes provision for FSPs (who are sole proprietors), key individuals and representatives develop and maintain professional competence for providing financial services.

All the above-mentioned challenges within the Insurance Sector necessitate increased research and constant consultations with the sector to respond appropriately and on time to address challenges before they have an irreversibly negative impact on the sector.

To ensure optimal performance in performing its mandate, INSETA will continue to monitor and improve on the plans it proposes to put in place in support of the Insurance sector and the government's transformation agenda.

4.1.5 Strategic priorities of the INSETA over the Five-year Planning Period

- Research
- Transformation and professionalisation of the Sector
- Support of SMEs and CFIs
- Strategic Partnerships
- Career Guidance for Youth and Career pathing for workers
- Linking Education to the Workplace
- Support of Public TVET & CET System
- Supporting Worker-Initiated Programmes
- 4IR- Digitilisation of insurance-specific learning programmes
- Economic Reconstruction and Recovery Plan (ERRP)

The above-mentioned strategic priorities will be aligned to the following five-year strategic plan outcomes of the DHET, including a high-level overview of how INSETA will address these:

I. Expanded Access to PSET Opportunities:

To provide diverse students population with access to a comprehensive and multifaceted range of PSET opportunities.

INSETA will provide laptops to learners to ensure off-site access to learning.

II. Improved Efficiency and Success of the PSET System:

To improve efficiency and success of the PSET system.

INSETA will establish partnerships with other SETAs, educations institutions and government organisations in implementing projects to share funding and intellectual property.

III. Improved Quality of PSET Provision:

To build the capacity of PSET institutions to provide quality education and Training.

INSETA will implement training of CET Managers and TVET lecturers.

IV. A Responsive PSET System:

To provide qualifications programmes and curricula that are responsive to the needs of the world of work, society and students.

INSETA will engage in consultation with the sector and TVETs regarding development of curriculum. This includes development of occupational qualifications implemented by TVETs that will allow for articulation into higher occupational qualifications.

V. Participation in Economic Reconstruction and Recovery Plan:

To support and/or partner with other institutions in programmes that support economic recovery in sectors identified as critical for ERRP. In addition, INSETA will support qualifications and skills programme (credit-bearing and non-credit-bearing) that have identified as critical in the ERRP.

4.1.6 Sectoral Occupations for 2021/2022

INSETA is continuing to research occupations in high demand and what impact the change drivers have affected on the make-up of such occupations. Although the names of occupations may remain unchanged, the skills that the people in these occupations must possess to be fully competent is what INSETA will continue to research and support the sector to implement.

The following is the list of top 10 sectoral occupations identified:

OFO CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	NQF LEVEL	NQF ALIGNED Y/N
332101	Insurance Agent	Insurance Client Services Agent Commercial Underwriter	NQF LEVEL 5	Y
212101	Actuary	Actuary Manager Average Adjuster	NQF LEVEL 7	Y
251201	Software Developer	Software Architect Software Designer	NQF LEVEL 6	Y
332102	Insurance Broker	Short Term Insurance Consultant	NQF LEVEL 6	Y
251203	Developer Programmer	ICT Programmer Applications Developer	NQF LEVEL 7	Y & N
331503	Insurance Loss Adjuster	Accident Claims Officer Insurance Loss Assessor	NQF LEVEL 4	
431204	Insurance Claims Administrator	Insurance Claims Clerk Claims Analyst	NQF LEVEL 6	Y
242207	Compliance Officer	Financial Markets Compliance Officer Compliance Officer (Financial Sector)	NQF LEVEL 6	Y
241301	Financial Investment Advisor	Financial Planner Financial Advisor Financial Analyst	NQF LEVEL 6	Y
122101	Sales and Marketing Manager	Insurance Sales and Marketing Manager Key Account Manager	NQF LEVEL 6	Y

4.1.7 INSETA Focus

4.1.7.1 Research

INSETA views research as the basis for the success of its stakeholder support strategy and decided to partner with public Higher Education Institution for in this regard. This is also done with a view that universities will start taking an interest in developing and offering insurance sector qualifications and programmes.

The INSETA has entered into research partnerships through the appointment of Research Chairs at three public Universities, i.e. Witwatersrand University to research and develop a body of knowledge for short-term insurance; the Durban University of Technology to research the Gig Economy and Job shifts; and the University of Cape Town to research the potential impact of COVID-19 pandemic and 4IR on the workforce in the insurance sector, the impact Study of INSETA Training Investments in the insurance sector, quality of jobs in the insurance sector and mapping of the top 10 priority occupations in the insurance sector.

Research coming out of these Universities will span over a period of three years and will be used to direct the development of qualifications, align them to occupations in the sector, assist INSETA to better understand how to support the sector during and post-COVID-19 pandemic and to invest in areas where impact can be maximised. In response to a request from DHET, INSETA plans to focus some of this research capacity on innovations to the national skills development system.

INSETA aims to conduct research on a smaller scale to identify established and emergent skills needs of cooperatives and of emerging small enterprises. Once the research is completed, INSETA will implement learning programmes addressing identified skills needs to support the cooperatives and emerging small enterprises.

Research will also be conducted on TVET curriculum to develop and register an insurance occupational qualification that will be offered through TVET Colleges as part of TVET courses that learners can choose from when applying to study through TVET Colleges.

In addition, INSETA aims to have an adaptive approach to Research, that will incorporate the entire eco-system, i.e., Higher education institutions and other research institutions to conduct research in partnership TVET Colleges to build the competency of TVETs in conducting research.

INSETA aims to conduct impact assessments on TVET WIL and Rural programmes that will be completed in 2022/23 to determine the impact of INSETA funding and programmes on the economic status of learners after completion of learning programmes.

4.1.7.2 Transformation and Professionalisation of the Sector

South Africa is challenged by low productivity in the workplace, as well as slow transformation of the labour market and a lack of upward mobility of the workforce, especially among Black Africans. INSETA plans to increase financial support towards development of future skills. This will be focused at, among others, increasing the number of Black employees receiving qualifications at higher levels and supporting them through Bursaries to obtain professional designations and position to access occupations at senior levels.

Worker programmes supported will include RPL, reskilling and upskilling of workers who are at risk of losing or have lost their employment in the Insurance Sector due to automation of processes and digitisation.

These interventions will be prioritised in the short- and medium-term to reposition workers or support the previously employed to become employable in other sub-sectors of the insurance sector or to start their own businesses.

New opportunities presented the increased need for new occupations like Fraud Examiners and Data Analysts as reflected in the latest sector priority occupations list.

INSETA will continue to fund RPL and Candidacy programmes that enable workers to obtain professional designations through Professional Bodies and bring about transformation of the sector with successful candidates progressing to higher levels in their occupations.

4.1.7.3 Support of SMEs and CFIs

Small and Micro Enterprises (SMEs) constitute the biggest part of the economy and have the potential to create a significant number of jobs in South Africa, which would help to reduce poverty, unemployment and inequality. Evidence worldwide shows that SMEs are the most significant source of new employment in a country. Under the right conditions, they can enhance competition, innovation and entrepreneurship.

Smaller businesses in South Africa contribute only 65 percent to employment, compared with a worldwide average of 95 percent, indicating the potential of sustainable black enterprise development to facilitate inclusive growth.

Thriving SMEs are a means of creating an inclusive economy and a transformed society. At a time when manufacturing and the primary sectors of the economy are under great stress and the economy remains concentrated in the hands of a few, small and medium local businesses and township economies have great potential to help grow and develop an inclusive economy.

The research conducted by BUSA in 2015 with support from the International Labour Organization, identified among others, the following as key obstacles to the development of small businesses and their incorporation into the formal economy:

- Underdeveloped entrepreneurship and business support services in South Africa
- Lack of relevant skills development in the workplace
- Lack of support regarding accessing finance and market opportunities
- Lack of coherent definition and legislative treatment for SME businesses that will ensure policy alignment across institutions
- Lack of support that targets the needs of specific kinds of small businesses
- Too many procedures to register a business or to access development support from government.
- Many SMEs do not know what support is available or how to navigate the bureaucracy around accessing it.

Because of the unique nature and challenges of the SME and CFI sector, it is important to research the specific skills needs of small businesses before implementing any skills development interventions to ensure alignment and relevance of interventions to the SMEs and CFIs skills needs. INSETA's consultations and partnerships with the various representative groups of SMEs and CFIs contribute towards the alignment of INSETA offerings with the requirements of the SMEs and CFIs, including offering them in order of their priority.

Research of suitable interventions and skills development support will include engagements with SMEs and CFIs regarding entrepreneurship and cooperative activities required to assist them to run sustainable businesses. SMEs and CFIs will be supported for workplace-based learning opportunities for their employees and for unemployed learners seeking learning opportunities and hosting in SME companies.

In partnerships with the FSCA, INSETA will conduct compliance information sessions that assist SME Brokers to remain compliant with their registration as Financial Services Providers. Information sessions will be offered to Cooperatives Financial Institutions (CFIs) to understand the requirements to become registered Financial Services Providers (FSP).

Guidelines or manuals that will guide the SMEs and CFIs regarding accessing skills development funding opportunities from INSETA will be made available. Basic computer skills and the use of technology to operate businesses and stay in contact with clients during COVID-19 pandemic has been identified as an urgent skill required for SMEs and CFIs.

Strict transformation targets on Executive Programmes for Women will be focused on; with emphasis on mentoring and transferring of skills by employees who are due for retirement. Closer alignment with business needs necessitates support of non-accredited programmes, including regulatory and Candidacy programmes.

Re-purposing “at risk” employees to become small businesses in support of our sector through training lay-off scheme and partnerships with other government organisations. Programme on how to build and sustain a small business is currently a high priority requirement of SMEs and CFIs as determined from consultations with various SMEs and CFIs in the Insurance sector.

Enterprise development and drawing informal enterprises into the formal economy are major opportunities to achieve the employment and growth objectives of the National Development Plan. INSETA will support SMEs and CFIs through programmes for business incubation, business growth plans and sustainability. Broker Development Programme has proven successful in the past and will be implemented again in the medium- and long-term.

4.1.7.4 Career Guidance and Career Pathing

To attract young entrants to the Insurance Sector and empower incumbents and already-employed people, INSETA will partner with the sector to give Career Guidance content that is accurate and that will align with Top 10 Occupations in the insurance sector. This will include giving guidance on career pathways and education institutions at which learners can study.

To measure impact of the above-mentioned interventions in the medium- and long-term, INSETA will invest in a system that will allow for tracking and updating of learner information post training (Alumni Portal), loading learner CVs, matching of work profiles to CV uploads. This will be done in partnership with Higher Education institutions and Employers through which learners are funded.

INSETA will make Career Guidance and development accessible to people in rural areas to promote Rural Development through skills development.

Technology will be used to evoke interest in learners by presenting Insurance careers through the use of animated career guidance series. In addition, INSETA will use easily accessible technology like radio and TV to reach all learners, especially in-outlying areas.

Youth who started their careers in insurance and are currently progressive and successful will be nominated as INSETA Ambassadors and invited to speak to learners and Career Guidance sessions.

Training of the TVET Career Guidance Practitioners to promote Insurance as a career in TVET Colleges and support TVET College learners on how to access programmes in the Insurance sector.

In partnership with UCT as our Research partner, work will be done on Worker Career Pathing in consultation with the sector to ensure progression of workers in their careers and ultimately, transformation of the sector.

4.1.7.5 Linking Education to the Workplace

The importance of focussing efforts on attracting Youth to the Insurance Sector and offering them appropriate support to encourage their retention and progression in the sector cannot be over-emphasised. INSETA continues to explore the impact of technology on employment and skills in the sector. Since many of these changes are employer-specific, INSETA is focusing on building the general foundational skills, then supporting the employer-specific training through other mechanisms.

With Youth unemployment at 55%, including unemployment even among graduates, INSETA will craft projects that will increase employability of youth to create a pipeline of new entrants into the Insurance Sector, from academic learning to professional designations.

In the medium- and long-term, INSETA will implement interventions nation-wide that will make Youth more employable. Through partnering with Public TVET Colleges and other government organisations, INSETA will support innovative programmes that will create business incubation hubs in support of TVET College graduates to start their own businesses.

PIVOTAL programmes will remain in place, with INSETA's commitment to long-term support of learners from Learnership to Internship to professional designation.

It is envisaged that supporting Youth learners to be FAIS compliant will give Insurance sector employers an incentive to employ these learners on completion of PIVOTAL programmes. Learners on TVET WIL programmes will be supported with skills programmes that are crafted from registered insurance qualifications. This will make learners more attractive to the employers to retain and give the former opportunities to complete insurance qualifications once in employment. Increase the development of insurance short courses and qualifications in partnership with public Higher Education Institution.

Bursary for Youth will be offered in collaboration with employers and will include upfront selection of bursary beneficiaries by employers and build in vacation work and mentorship. Wrap-around support will be offered to learners funded through Bursaries, aimed at increasing the pass rate of learners studying qualifications in high demand.

INSETA commits to funding learners that are in Learnerships for additional years after completion of the Learnerships for them to obtain workplace experience and FAIS compliance through preparation for and writing of regulatory examinations. This will increase the employability of learners on completion of their qualifications.

INSETA aims to support learners from the "Missing Middle" through Bursaries to avoid creating another group of learners without financial support for skills development. This means that INSETA will not fund learners under the same criteria for funding eligibility as used by the NSFAS.

INSETA will ring-fence a percentage of funds under this strategic focus area to support skills development interventions for sectors that have been identified as critical under the ERRP.

4.1.7.6 Support of Public TVET & CET System

The NDP positions TVET Colleges as critical pillars for social and economic development. Countries with strong Public TVET College system have good relationships between industry and the TVET Colleges. This is the model INSETA wants to copy and replicate though all provinces to support more than 3.3 million youth aged 15-24 years and 4.6 million aged 25-34 years who are not in education, employment or training (NEET).

In line with the call to supports public TVETs to take their place as preferred providers to employers, INSETA will support Public TVETs to become Centres of Excellence for the implementation of Insurance-specific

occupational programmes. INSETA has developed an occupational qualification (Insurance Protégé) that will be offered through Public TVET Colleges that are accredited by the QCTO.

INSETA will continue to support Public TVET Colleges in all provinces to obtain accreditation to offer insurance qualifications. In addition, TVET College Lecturers will be trained on Insurance-specific skill programmes and facilitate their placement in workplaces to get exposure to the insurance sector. This is done in preparation for TVET Colleges to offer the above-mentioned occupational qualification once it is registered.

Apart from supporting TVET College learners through placement in WIL programmes, INSETA-accredited Public TVET Colleges will be procured to offer skills programmes to small business and cooperatives located in communities where the TVETs are situated.

INSETA will be offering Management and Leadership training to public TVETs and CET Managers so that they are able to implement governance principles and improve financial management at their colleges. In response to an appeal by DHET, INSETA will be providing financial and risk training to staff employed at TVETs. INSETA proposes to do so by embedding the skills training in performance management and organisational development strategies, to improve the impact of the intervention.

Through partnerships with the insurance sector, INSETA intends to explore expanding CET provision that will benefit communities around the CET Colleges; for example, programmes that will include responses to climate mitigation efforts, innovation and closing the digital divide.

4.1.7.7 Supporting Worker-Initiated Programmes

INSETA will consult the trade unions in the insurance sector (e.g., SASBO & IBSA) to obtain input on identifying the required skills needs and to better understand the impact of automation on the insurance sectors and implement relevant interventions. This will include engaging on identifying areas of possible collaboration with Trade Unions for offering programmes such as Financial Literacy.

Because trade unions know what their workers want, they are more suited to influence skills planning and to verify skills requirement lists that are submitted from employers. Trade Unions can flag where there may be retrenchments to enable proactive reskilling programmes supported by INSETA.

In addition, INSETA intends supporting workers who have in the past not been able to complete their qualifications, to do so in light of the current legacy qualifications expiring shortly. This includes re-skilling workers who have been retrenched or are due to be retrenched, to obtain skills that enable them to be economically active, even in sectors other than insurance.

4.1.7.8 Quality Assurance

INSETA has been delegated by the QCTO to perform education and training-related quality assurance roles in support of the sector. INSETA will allocate human and financial resources in line with what has been agreed with the QCTO for the duration of the SLA signed between the two organisations.

Accreditation of Skills Development Providers is important for this purpose and INSETA has decided to increase the pool of accredited SDP through the capacitation of public TVET colleges and supporting them to offer insurance-specific qualifications. This capacitation includes training of TVET Lecturers on insurance programmes and providing them support in the implementation of learnerships that are quality-assured by INSETA.

INSETA QA division has also been delegated the role of approval of workplaces for implementation of occupational qualifications. This is to ensure that learners being offered training against occupational qualification get the benefit of workplace mentorship from the training offered.

Quality assurance of technical programmes is important to assist the sector with compliance with the FAIS requirements, progression in various insurance careers and transformation of the sector. This includes recommendation of assessment centres to QCTO and implementation of FISAs for legacy qualifications and EISAs and for occupational qualifications.

The development of occupational qualifications is important to ensure that the sector is not left with qualification vacuum. This entails close collaboration with the experts in the various sub-sectors to determine which qualifications are required and what the content of such qualifications should be to properly equip people in related occupations.

Certification of learners against historical qualifications is one of the roles delegated to INSETA under the SLA. Until such time that all the historical qualifications have been replaced by occupational qualifications, INSETA QA division will continue with the function of registering Assessors and Moderators to ensure ultimate certification of learners.

INSETA is exploring using a “light touch” approach to quality assurance of Continuous Professional Development in the sector, as a support intervention to respond to the rapidly evolving technology and pandemic-related impacts. INSETA recently adopted policies and procedures for the quality assurance of eLearning.

INSETA will continue to review registered occupational qualifications, together with their learning materials, to keep up to date with changes in the insurance sector. In partnership with the QCTO, INSETA supports the fast-tracking of accreditation of SDPs against registered occupational qualifications to ensure quick response to skills development interventions that support the ERRP.

INSETA-accredited SDPs will be supported together with SMEs through training and information sessions to promote sustainability of their training provision businesses. These will also be encouraged to partner with public TVETs that have been supported to obtain accreditation to offer insurance-specific qualifications. These partnerships will ensure national presence of accredited SDPs through the infrastructure of TVET and insurance sector experience and expertise of private SDPs and promote the ERRP objectives.

4.1.7.9 Monitoring & Evaluation

Monitoring and Evaluation of projects funded through Discretionary Grants assists INSETA to account for money spent, ensure that money is spent for the intended purpose and enhance the quality of the learning experience for learners. To increase impact, INSETA will be shaping our grant allocations and interventions in ways that embed skills development for employed workers in organisational development strategies.

INSETA will continue to monitor activities outlined in this Strategic Plan and align them to existing approved policies. The impact of the work done in alignment to this Strategic Plan will be evaluated, with adjustments and improvements made to mitigate all risks.

Though not in the DHET recommended SP structure, the following section is added to highlight where INSETA had performance challenges that will be monitored through the year.

Performance Challenges	Mechanisms to address Performance Challenges
High number of SME candidates <i>dropping out of</i> learning programmes before training is completed	<i>Further consultation</i> with SMEs to establish the cause of high drop-out rate and come up with customised solutions that meet the needs of SMEs Support SMEs with programmes that enable them to get FAIS compliance

<u>Low employment rate</u> of Youth learners completing Learning programmes	<u>Allowing employers to apply for</u> Bursaries for learners that are registered at Public Universities Provide multiple year funding from learnerships to Internships Include Insurance-related Work Readiness Programme and regulatory examinations in Learnerships programmes
Lack of Skills Development Providers accredited to offer insurance qualifications in areas outside the big Metropolitan areas	<u>Support TVET Colleges</u> to get accreditation to Skills Programmes linked to registered Insurance qualification; train TVET College Lecturers on basic insurance; promote the hosting of TVET College Lecturers in Insurance companies for them to gain exposure to insurance
Employers unable to host learners they initially applied for due to stringent COVID-19 pandemic safety requirements. Small and some medium companies giving up learners they wanted to host in their companies due to closure of their businesses as impacted by COVID-19 pandemic lockdown.	Decrease the number of learners allocated funding for workplace-based learning programmes. Reallocate funding to programmes that will be easier to implement, like Bursaries implemented through Public Education Institutions

4.2 Internal Environment Analysis

4.2.1 Organisational Structure

Our organisational structure is influenced by our legislative mandate, our vision, mission, values and Organisational Strategy. The structure itself is developed to supporting business processes and implementations of the organisation's mandate.

The INSETA is governed by an Accounting Authority comprising six constituent nominees who represent the interest of business, six constituent nominees who represent the interest of labour, one member representing Professional Bodies, one member representing Community Organisations and one Independent Chairperson.

The INSETA Accounting Authority provides strategic direction to Management and plays a crucial oversight role. The INSETA Accounting Authority has its sub-committees, i.e. EXCO, FINCO, HR & RemCo and ARC; each operating within their approved charters that respectively outline their functions, roles and responsibilities. These have been instrumental in informing the development and reviewed this Strategic Plan.

INSETA promotes appointment of women, youth and people with disabilities, although the latter group has not been well represented. This is evidenced by the appointment of two women at executive levels, i.e., CEO and COO. In addition, 72% of INSETA employees are women, 35% of staff complement represent Youth.

In response to financial instabilities, INSETA is expanding partnerships model to leverage sector resources and increase levels of investment in skills development. INSETA also intends to insource development capabilities to improve safety and deliver skills more cost-effectively during the pandemic.

INSETA has managed to obtain a Level 5 BBBEE status verified against the Financial Sector Code, in compliance with BBBEE Act. As a public entity charged with transformation in particular, INSETA is committed to obtaining higher levels of the BBBEE status through the application of more relevant assessments and as such, INSETA and other SETAs have engaged the DTI with a view to developing a SETA specific transformation code that will better challenge and reflect the status of the SETAs transformation initiatives.

In addition, INSETA has made a decision to contract companies with higher levels of BBBEE status, i.e., those owned by women and Black people, to promote transformation.

4.2.2 Relating Expenditure Trends to Strategic Outcomes

INSETA currently has four programmes, i.e., Administration, Skills Planning, Learning Programmes, and Quality Assurance. The four-month SDL payment awarded to levy-paying companies due to the COVID-19 pandemic National Lockdown had a negative impact on the funding and implementation of learning programmes in the sector. Below are the assumptions made in relation to the budget that will support the implementation of this Strategic Plan and APP.

To mitigate the impact of financial constraint caused by the 4 months SDL payment holiday and its related reputational risk, INSETA had to suspend the implementation of some work-based learning programmes. It is for this reason that targets have to be revised in this APP to align with the revised available budget, and to include the ERRP requirements.

4.2.2.1 Budget per programme structure 2021/22

Based on the projected levies for the 2021/22 budget, INSETA will be in a position to allocate to and raise commitments against Discretionary Grant projects to the maximum of R322 095 810. This amount includes 7% allocated to project administration for Learning Programmes 3 and 4. Because the DG projects straddle financial years, about 74.6% (R240 492 450) of this budget will be disbursed during 2021/22 period.

Programme	Admin Budget (10%)	Mandatory grant (20%)	Discretionary Grant budget / PIVOTAL (92%) (incl. 7% Project Admin)
Programme 1: Administration			
Corporate services	3 558 198		
Finance, SCM, Facilities	12 399 785		
Quality Council for Trades & Occupations levy (QCTO)	2 537 051		
Governance (Audit & Risk)	6 495 440		
Human Resources	36 835 448		
Information Technology	12 471 000		
	74 296 922		
Programme 2: Skills Planning			
Sector Skills Plan	1 757 800		
Mandatory Grants		108 927 000	
Programme 3: Learning Programmes			
Bursary grant funding			120 990 250
Learnerships, Skills Programmes, Internships and WIL grant funding			179 394 060
Adult Education and Special Projects			11 636 250
Promotion of insurance			4 350 750
Programme 4: Quality Assurance			
Development, Implementation & Assessment of occupational qualifications			5 724 500
Total budget per programme	R76 054 722	R108 927 000	R322 095 810.00

Budget and MTEF estimates

	Audited			Original Budget	Revised Budget	Medium Term expenditure		
	2017/18	2018/19	Submitted for audit 2019/20	2020/21	2020/21	2021/22	2022/23	2023/24
INCOME								
Levy income (80%)	459 298 000	502 345 000	536 789 000	558 000 000	404 448 831	484 120 000	499 611 840	521 594 761
Administration (10.5%)	60 340 000	65 927 000	70 363 000	73 237 500	53 083 909	63 540 750	65 574 054	68 459 312
QCTO Income (0.5%)	2 873 333	3 139 381	3 350 619	3 532 857	2 527 805	2 537 051	3 122 574	3 259 967
Admin income (10%)	57 466 667	62 787 619	67 012 381	69 704 643	50 556 104	61 003 699	62 451 480	65 199 345
Mandatory (20%)	110 567 000	125 877 000	133 981 000	139 500 000	101 112 208	121 030 000	124 902 960	130 398 690
Discretionary (49.5%)	288 391 000	310 541 000	332 445 000	345 262 500	250 252 714	299 549 250	309 134 826	322 736 758
Levy interest and penalties	6 465 000	4 910 000	10 906 000	4 634 126	-	3 372 901	3 480 834	3 633 991
Interest income	25 826 000	33 257 000	36 366 000	33 209 107	38 854 705	15 783 596	16 316 959	16 969 637
Other income	-	227 000	595 000	-	-	-	-	-
TOTAL INCOME	491 589 000	540 739 000	584 656 000	595 843 233	443 303 536	503 276 497	519 409 633	542 198 389
EXPENDITURE								
Administration expenditure	59 408 000	56 470 000	60 722 000	73 237 500	60 319 698	76 054 722	65 574 054	68 459 312
QCTO expenditure	2 422 000	3 221 000	3 354 000	3 532 857	3 532 857	2 537 051	3 122 574	3 259 967
Administration expenditure	56 986 000	53 249 000	57 368 000	69 704 643	56 786 841	73 517 671	62 451 480	65 199 345
Mandatory Grant Expenses	103 800 000	113 185 000	120 583 000	125 550 000	91 000 987	108 927 000	112 412 664	117 358 821
Discretionary expenditure	235 612 000	239 834 000	423 681 000	397 055 733	299 218 640	514 244 755	341 422 915	356 380 255
Pivotal				357 350 160	257 328 030	256 091 891	293 623 707	306 487 019
Catalytic				39 705 573	41 890 610	-	47 799 208	49 893 236
Prior period commitments						258 152 864		
TOTAL EXPENDITURE	398 820 000	409 489 000	604 986 000	595 843 233	450 539 325	699 226 477	519 409 633	542 198 389
Surplus/ (Deficit)	92 769 000	131 250 000	-20 330 000	-	-7 235 789,00	-195 949 980	-	-

Deficit breakdown

	Administration	Discretionary	Total
Levies / income	63 540 750	330 808 747	394 349 497
Expenditure - Current	-76 054 722	-256 091 891	- 332 146 613
In year results (current operations)	-12 513 972	74 716 857	62 202 885
Expenditure - prior period commitment	-	-258 152 864	- 258 152 864
Deficit due prior period expenditure	-12 513 972	-183 436 008	- 195 949 980
% of total levies payable to SARS	-12,6%		

1.2.5 2021/ 22 BUDGET ASSUMPTIONS

REVENUE

The insurance industry is under pressure that came about due to the worldwide COVID 19 pandemic and the resultant insurance claims that followed. In general, the world economy is subdued, and the South Africa economy is no exception. The 2021/22 budget follows a difficult 2020/21 financial year where the actual levies were almost at an average of nine percent below the budget. It is in the light of these uncertainties that this 2021/22 budget was developed.

It is against this background that the budget for 2021/22 is being prepared with the following assumptions:

1. Actual levies will be at an average of 9% below what INSETA usually receives under normal economic conditions
2. The interest rate on investments has been estimated at 4% per annum.
3. The economic activity will be done remotely through use of “teams” for engagements with stakeholders and there will still be no contact meetings and as such no travelling or accommodation expenses have been budgeted for.
4. Except for the positions in the IT section, INSETA will continue to operate with its current staff complement.

EXPENDITURE

Discretionary and Mandatory Grant expenditure

Both Discretionary and Mandatory grant payments will be restricted to the amounts that are determined as a percentage of levies as guided by the Grants Regulations.

Administration Expenditure

INSETA has used the current budget for 2020/21 as a base for 2021/22 budgeting and projections. To operate within this projected budget, the following will happen:

1. Salary increases will be strictly linked to CPI and affordability.
2. Except for new position in the IT section, no recruitment of additional staff is being planned for
3. INSETA has applied stringent activity-based costing to ensure that only essential and unavoidable items are budgeted for and procured.
4. Online measures for stakeholder engagements will help to reduce expense items like travelling, accommodation and subsistence allowances.
5. INSETA will avoid the use of consultants and temporary staff until the levy income has recovered.
6. There will be a planned and cost-effective placement of advertisement of bids.
7. Controlled use of lawyers and stringent authorization of referral of matters will be implemented.
8. Board and its sub-committee meetings will be kept to the minimum and in line with the Constitution. The use of cost-effective methods on engaging with Board members who stay outside the Gauteng province will be implemented.

1.2.6 2021/22 MATERIALITY FRAMEWORK

1. BACKGROUND

Treasury Regulation Section 28.3.1 – “For purposes of material [sections 55(2) of the Public Finance Management Act (PFMA)] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

The purpose of this document is to record the level and reasoning for the suggested levels of materiality and significance for consideration by the governance structures of the Seta and for submission to and approval by the executive authority.

Guidance:

International Standard on Auditing (ISA) 320, paragraph .02 and the statement of Generally Recognised Accounting Practice (GRAP) 1, paragraph .05 define materiality as follows: omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements.

In terms of GRAP1, materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Accordingly, materiality will be determined based on qualitative as well as quantitative factors.

As a guideline, National Treasury’s Practice Note on Application under Section 54 of the PFMA, suggests that all transactions be deemed “significant” where the rand value exceeds any of the following in relation to the entity’s audited annual financial statements:

Element	% range to be applied against R-Value
Total Assets	1% - 2%
Total Revenue	0.5% - 1%
Profit after tax	2% - 5%

Materiality has been conservatively set at 0.5% of total revenue, being the lower end of the total revenue per the guidance above. The following factors have been considered:

Nature of business

Funding is from levies collected by the Department of Higher Education and Training’s through SARS as well as interest earned on investments in call deposits. Approximately 89.5% of levies received are channeled back to the sector through mandatory and discretionary grants. The SETA can therefore be seen as a conduit for the redistribution of funds received for learning needs back into the sector. INSETA’s activities are therefore driven by revenue hence the selection of total revenue as a basis for materiality.

Regulatory environment

INSETA was formed to give effect to the Skills Development and Skills Development Levies Act and has been listed as a Public Finance Management Act (PFMA) Schedule 3A public entity. As the entity is governed by various pieces of legislation, the lower end of the materiality basis (Total revenue) has been preferred in order to reduce the acceptable level of misstatement in financial information to the lowest acceptable level.

2. QUANTITATIVE ASPECTS

The overall materiality figure for 2021/22 is as per below calculations and has been determined by using an average of audited figures for 2019/20 and the 2021/22 budgeted figures, respectively.

Although the guidance referred to in the previous page requires the use of audited financial statements, the budget for 2021/22 has also been considered as the materiality figure to be determined in this document will be applied in the 2021/22 financial year.

As each class of transactions is susceptible to different risks, each class of transactions will have a different materiality figure as shown in the calculations below.

Administrative levy income including QCTO
 $(R70\,363\,000 + R63\,540\,750)/2 \times 0.5\% = R\,334\,759$

Mandatory levy income
 $(R133\,981\,000 + R121\,030\,000)/2 \times 0.5\% = R\,637\,528$

Discretionary levy income
 $(R332\,445\,000 + R299\,549\,250)/2 \times 0.5\% = R\,1\,579\,986$

3. QUALITATIVE ASPECTS

Materiality is not merely related to the size of the entity and the elements of its financial statements. Misstatements may also be qualitatively material. Qualitative factors include amongst others:

- Changes in legislation affecting operations,
- Significant relationships entered,
- Unusual, non-recurring transactions entered that may affect decisions taken by users of the financial statements,
- Litigation and claims that may affect the entity,
- Matters that create reputational risk of the entity.

4. STATUTORY APPLICATION

Section 55 (2)	<p>The annual report and financial statements ... must -</p> <p>(b) include particulars of –</p> <p>(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.</p>	<p>Both quantitative and qualitative aspects as referred to in sections 2.1 and 3 define materiality for purposes of losses through criminal conduct. All losses relating to irregular and fruitless and wasteful expenditure are regarded as material due to the application of the nature of these losses (qualitative aspects).</p>
Section 54 (2)	<p>Information to be submitted by accounting authorities.</p> <p>(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction</p> <p>(a) establishment or participation in the establishment of a company.</p> <p>(b) participation in a significant partnership, trust, unincorporated joint venture, or similar arrangement</p> <p>(c) acquisition or disposal of a significant shareholding in a company</p> <p>(d) acquisition or disposal of a significant asset</p> <p>(e) commencement or cessation of a significant business activity; and</p> <p>(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement.</p>	<p>Specific level of significance defined per subsection:</p> <p>Any transaction to establish a company</p> <p>Where participation exceeds 20% of voting rights</p> <p>Any transaction to acquire or dispose of shareholding in a company</p> <p>The cost of the asset acquired or disposed exceeds 15% of the total cost of assets</p> <p>Any transaction where the income from or the investment in the business activity exceeds the amount determined in section 2.1 and section 3.</p> <p>Where the change in the interest results in a change in the accounting treatment of the arrangement</p>

4.2.3 SWOT ANALYSIS

This SWOT was done to analyse INSETA's ability to leverage and build on its strengths in support of this strategy; optimize the opportunities identified; to remedy or manage its weaknesses and to mitigate risks brought about by the threats. This exercise has contributed to the success of INSETA in implementing its mandate in line with its Organisational Strategy, meet set targets and maintaining a clean audit for three years in succession.

Strengths <ol style="list-style-type: none"> 1. A mature and stable organisation 2. Strong leadership at Board, Executive and Management levels 3. A strong internal control environment in terms of financial control, governance and risk management. 4. Strong financial management able to respond and support strategy during COVID-19 pandemic. 5. Improved engagement with the sector during Lockdowns through the use of technology 6. Good working relationships with stakeholders within the insurance and other sectors 7. Clean audits for three consecutive years 8. High performance (over 90%) for three consecutive years 	Weaknesses <ol style="list-style-type: none"> 1. Lack of national footprint 2. Inadequate data analytics 3. Insufficient impact assessments 4. Possibility of INSETA offering interventions that do not meet the needs of sector, specifically, SMEs 5. Lack of owned, integrated ICT systems 6. Inability to innovate and respond on time to change drivers 7. Lack of eLearning policies that include online assessments 8. Budget constraints
Opportunities <ol style="list-style-type: none"> 1. Drafting of an ambitious Strategic Plan, APP and SLA with DHET 2. Willingness of Insurance Sector to partner with and support INSETA plans 3. Improve employee satisfaction and productivity through staff consultation, relationship management and training 4. Develop and maintain seamless ICT interface 5. Institutionalise data analytics 6. Increase pool of accredited SDPs through accreditation of TVETs 7. Revise online learning platform that will include online assessments 8. Increase national presence 9. Improve INSETA Public Relations 10. Promote innovation through Strategic Partnerships 11. Improve presence through shared regional offices 12. Strengthen research through partnerships with public universities 13. Develop occupational qualifications that support transformation in the sector (e.g. Professional qualifications that articulate into higher education qualifications) 	Threat <ol style="list-style-type: none"> 1. COVID-19 Pandemic (exposure/ loss of life) 2. Decline in skills levies due to 4 months SDL payment holiday 3. Rapid change in technology exacerbated by COVID-19 pandemic lockdown leading to reactionary responses in support of the sector 4. Constantly changing legislation in the insurance sector 5. Cyberattacks to organisations 6. Perceived irrelevance of SETAs 7. Reduction in the number of companies able to host unemployed Youth due to the impact of COVID-19 pandemic 8. Lack of sufficient financial resources to support all the skills development needs in the sector due to the 4-months SDL payment holiday 9. Low number of accredited SDPs outside the major metropolitan areas to support the sector nationally 10. Exacerbating the digital and social divide by not providing articulated programmes or lack of wrap around support for youth programmes 11. Requirement for strict compliance with POPIA may pose a litigation threat to INSETA if not fully complied with.

4.2.4 Decisions based on the SWOT

Based on its Strengths, INSETA decided the following:

- i. Multi-year funding of learners based on the stable organisation and SETA landscape.
- ii. Leverage on strong leadership at Board, Executive and Management levels to give strategic direction, exercise oversight, ensure good governance and effective management of risk.
- iii. Revision of Strategy and adjustment of targets to ensure that critical skills development needs of the sector are catered for under constrained financial resources as affected by COVID-19 pandemic.
- iv. INSETA's good working relationships with stakeholders within the insurance- and across sectors allows for partnerships in the implementation of projects that have heightened impact.
- v. The Clean audits INSETA maintained for three consecutive years have increased the confidence of the stakeholders on INSETA's capability to meet the sector's skills development needs.

To manage its Weaknesses, INSETA decided to:

- i. Developed SMEs Strategy to assist INSETA with placement of learners in outlying areas.
- ii. Partnered with Public Universities to establish Research Chairs and include analysis of data their scope.
- iii. Appointed a Data Analyst as full-time employee and have the same resource participate in Research Projects Steering Committees
- iv. Implement learner Tracer Studies every two years to ensure that learners are reachable by the researchers.
- v. Developed an SME Strategy that includes extensive consultation with SMEs across insurance sub-sectors to ensure relevance and appropriateness of offered support.
- vi. Consulted with other SETAs to consider partnering on acquisition of ICT system.
- vii. Partnered with Public Universities to establish Research Chairs to identify the impact of advanced technology on skills and to consults with the sector on innovative ideas that will enhance current occupations in high demand.
- viii. eLearning policy that includes online assessments to be work shopped with the sector.
- ix. Skills in high demand prioritised and delivery models revised to ensure maximum impact from minimum budget.

Continuous improvement of processes and building the competency of INSETA Staff is critical for sustained high performance and value offerings by INSETA. The INSETA intends to strengthen the role of Monitoring and Evaluation function to align the organisation's performance with the NSDP outcomes to maximise impact.

Mitigating the Threats identified:

- i. Relevant workplace policies and employee attendance schedules have been aligned to the requirements of the Disaster Management Act to curb the spread of COVID-19 and avoid loss of human lives.
- ii. Prioritise funding skills in high demand and programmes that do not have a high learner drop-out rate.
- iii. Consultation with the sector regarding challenges caused by COVID-19 pandemic national lockdown to respond appropriately to sector needs that relate to technology.
- iv. Partnerships with the Regulator in the insurance sector to apprise the sector of the coming changes and the impact of changes on their businesses.
- v. Constant communication with INSETA Staff on the importance of implementing processes and policies that will mitigate the risk of Cyberattack.
- vi. Ensuring that access to drives is only possible from INSETA offices to minimize Cyberattacks to the organisation.

- vii. INSETA will require companies to sign a disclaimer that absolves INSETA from any liability for the electronic submission of information and documents that contain personal and company information. INSETA will take responsibility for such information and documents once they are on the INSETA server.
- viii. Increase awareness of INSETA offerings and how these can be accessed, including creating awareness of INSETA's accomplishments.
- ix. Constant communication with prospective employers regarding their availability to host Youth, including accommodating their changing training schedules.
- x. To mitigate impact of rapid change in technology that was exacerbated by COVID-19 pandemic lockdown, INSETA decided to:
 - Provide laptops and remote internet access to INSETA Staff to ensure continued work in support of stakeholders.
 - Provide laptops to learners in INSETA-funded Bursary programmes to ensure their access to learning.
 - Use technology to hold information sessions with stakeholders.
- xi. Support public TVETs with INSETA accreditation processes to ensure increase of accredited Skills Development Providers who can offer insurance-specific programmes.
- xii. Provide learners and SMEs with programmes that will enable them to use technology effectively for learning and for conducting their businesses.
- xiii. A disclaimer that advises the submitting company that INSETA cannot take liability for the electronic submission and only accept liability once it reaches INSETA servers.
- xiv. To mitigate the impact of financial constraint caused by the 4 months SDL payment holiday and its related reputational risk, INSETA had to suspend the implementation of some work-based learning programmes due to lack of funds. It is for this reason that targets have to be revised in this APP to align with the revised available budget, and to include the ERRP requirements and targets.

4.2.5 Staff Complement

The INSETA is based in Johannesburg. Core Units within the INSETA are Skills Planning and Research, Learning and Quality Assurance. Support divisions comprise Human Resources, Project Management, Supply Chain Management, Finance, PR & Marketing and IT.

Below is a summary of the structure of the INSETA and its organogram depicting its configuration to deliver its mandate. Once all the vacant positions are filled, INSETA will be able to operate efficiently.

INSETA has currently no people living with disabilities and will work towards specifying such in its recruitment advertisements.

INSETA has a permanent Staff complement of 64 as at the end of February 2021, excluding the 2 interns. The breakdown of designations are :

- 3 Executives
- 10 Managers
- 25 Specialists
- 25 Administrators
- 1 House Keeper

INSETA employs approximately 5 fixed term contractors at various times during the financial year to assist with the implementation of various projects and to reach stakeholders in other provinces. In addition, INSETA contracts human resources at Specialist level to provide core functions of Monitoring and Verification of learning.

The number of fixed term human resource will from time to time, decrease depending on completion of projects for which additional human resources were required; or increase to ensure capacity to deliver on this ambitious Strategic Plan and to improve on the organisation's impact on the offerings to the Insurance Sector.

The Organogram below was approved by the Accounting Authority and depicts human resources who are responsible for the implementation of this Strategy.

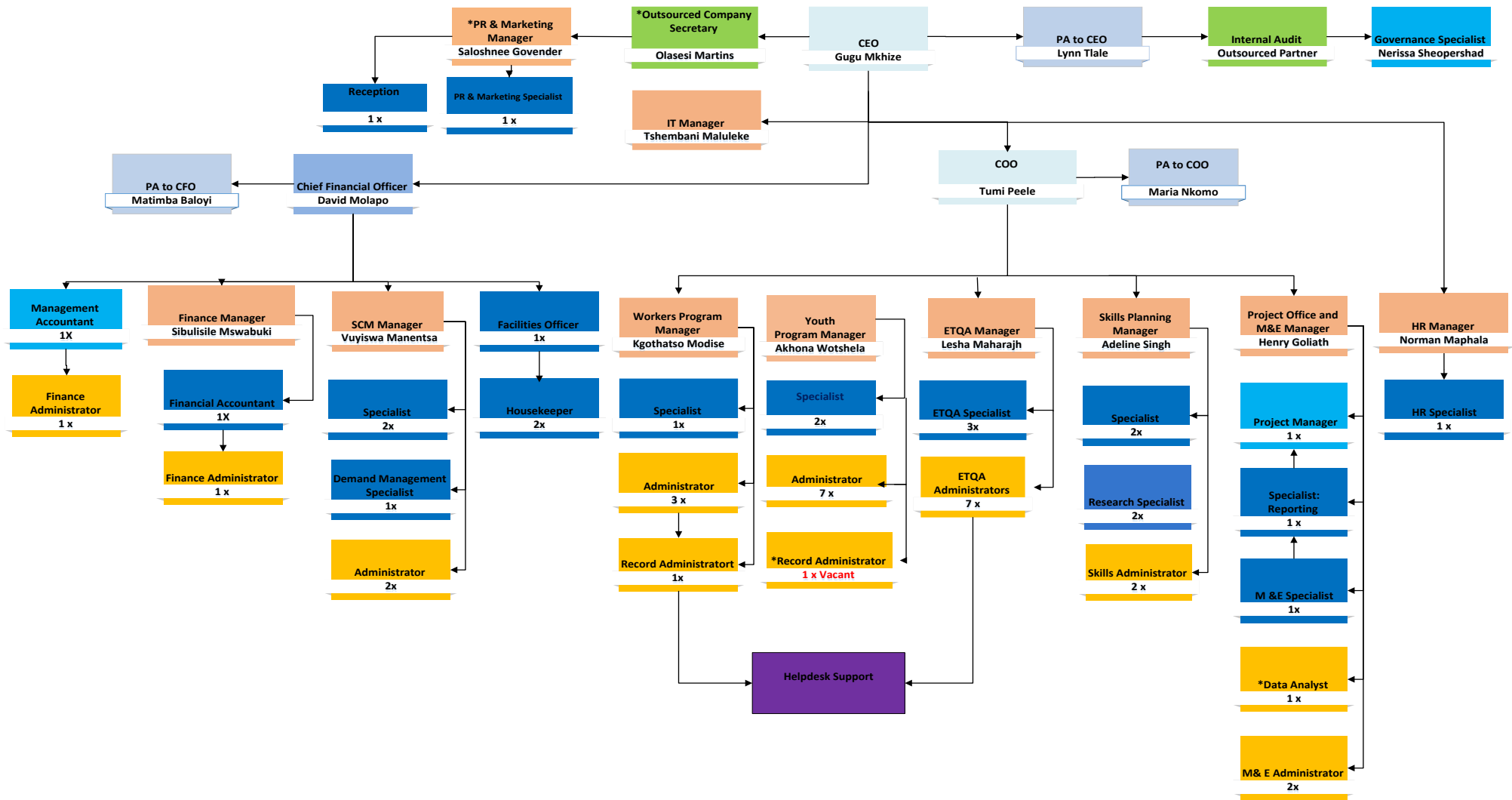
INSETA has made a decision to annually host as Interns, learners from TVET Colleges who completed their N6 theoretical component of their qualification. This Interns are hosted for 18 months to enable them to meet the workplace requirement of their qualification in order to be awarded National Diplomas.

Once the Internships programmes are completed, INSETA encourages the Interns to apply for available positions at Administrator levels when adverts are placed internally, i.e. before adverts are published outside INSETA. This is a way of INSETA obtaining return on its investment on the Interns trained.

To make the TVET Interns tractive to the sector for employment on completion of the WIL programmes, INSETA is funding short skills programmes based on a registered insurance qualification to give the interns insight into the insurance sector.

INSETA has managed to obtain a Level 5 BBBEE status verified against the Financial Sector Code, in compliance with BBBEE Act. As a public entity charged with transformation in particular, INSETA is committed to obtaining higher levels of the BBBEE status through the application of more relevant assessments and as such, INSETA and other SETAs have engaged the DTI with a view to developing a SETA specific transformation code that will better challenge and reflect the status of the SETAs transformation initiatives.

4.2.6 INSETA ORGANOGRAM



PART C: Measuring our Performance

1. Institutional Performance Information

1.1 Measuring Impact

Impact Statement	Providing service to stakeholders in line with Batho Pele principles
Impact Statement	Responsive Skills Planning system
Impact Statement	Responsive PSET System
Impact Statement	Improved Transformation and Professionalisation in the Sector

1.2 Measuring Outcomes

Impact	Outcomes	Outcome Indicator	Baseline	5-year target
Providing service to stakeholders in line with Batho Pele principles	Effective Governance maintained	Obtain a clean audit opinion	Clean Audit	Clean Audit Opinion
	Number of significant SCM Audit findings kept at zero	Number of significant SCM Audit findings	0	0
	Number of significant adjustments to unaudited Financial Statements kept at zero	Number of significant adjustments to unaudited Financial Statements	0	0
	All INSETA Management Team, Specialists and SCM division personnel received SCM-related training	Percentage of INSETA Management Team, Specialists and SCM division personnel receiving SCM-related training	100%	100%
Responsive Planning System	Skills Occupations in high demand identified and their production increased	Percentage of DG budget allocated at developing high level skills through bursary grant funding	42%	38%
		Percentage of DG budget allocated at developing intermediate skills through Learnerships, Skills Programmes, Work Experience/ Internships and WIL grant funding	52%	56%
		Percentage of DG budget allocated at developing elementary skills through adult education and training grant funding	1%	4%
		Number of WSPs and ATRs approved for Small firms	New Indicator	1625
		Number of WSPs and ATRs approved for Medium firms	New Indicator	318
		Number of WSPs and ATRs approved for Large firms	New Indicator	357

Impact	Outcomes	Outcome Indicator	Baseline	5-year target
Responsive System	PSET Access to occupationally directed programmes increased	Number of Unemployed learners granted Bursaries (new enrolments)	4692	2800
		Number of Unemployed learners granted Bursaries (continuing)	New Indicator	800
		Number of Unemployed learners granted Bursaries completed their studies	3876	1200
		Number of TVET partnerships established	38	16
		Number of HET partnerships established	New Indicator	12
		Number of CET partnerships established	New Indicator	4
		Number of partnerships established with Employer Professional Bodies & Trade Associations in the Insurance Sector	New Indicator	8
	Skills development for entrepreneurship and cooperative development supported	Number of Small companies and Co-operatives funded for skills that enhance enterprise growth and development	2545	40
	Worker-initiated training supported	Number of Trade Unions supported through relevant skills training interventions	New Indicator	8

Impact	Outcomes	Outcome Indicator	Baseline	5-year target
Responsive System	PSET Education and workplace linked	Number of TVET Students enrolled for WIL programmes to complete their qualifications	2614	2520
		Number of TVET Students completed their WIL programmes	1689	1764
		Number of unemployed learners enrolled for Internships	5353	3320
		Number of unemployed learners completed Internships	2918	2324
		Number of unemployed learners enrolled for Learnerships programmes	6852	3760
		Number of unemployed learners completed Learnerships programmes	5135	2632
		Number of Unemployed learners certificated for Learnerships programmes	2822	1842
		Number of learners placed in employment on completion of Internships & Learnerships	1400	2083
		Number of unemployed learners enrolled for Skills programmes	3839	2520
		Number of unemployed learners completed Skills programmes	3997	1764
	Growth of the public TVET/CET College system supported	Number of TVET colleges lecturers awarded bursaries	New Indicator	100
		Number of CET College Lecturers awarded skills development programmes	20	50
	SETA TVET offices maintained	Number of SETA offices established and maintained in TVET colleges	2	8
	Career development services Supported	Number of career development events conducted for urban areas on occupations in high demand	102	16
		Number of career development events conducted for rural areas on occupations in high demand		16

Impact	Outcomes	Outcome Indicator	Baseline	5-year target
Improved Transformation in the sector	Access to occupationally directed programmes increased	Number of workers enrolled for RPL	100	520
		Number of workers completed RPL	0	364
		Number of public TVET Colleges accredited to offer insurance learning programmes directed at addressing occupations in high demand	0	8
	Skills level of the South African workforce increased	Number of workers enrolled for Candidacy programmes	100	520
		Number of Workers completed candidacy programmes	0	364
		Number of workers granted Bursaries (new entries)	6373	2520
		Number of workers granted Bursaries (continuing)	New Indicator	1520
		Number of workers granted Bursaries completed their studies	2609	2424
		Number of workers enrolled on Skills programmes	7756	8700
		Number of workers completed Skills programmes	12085	6090
		Number of workers enrolled for Learnerships programmes	9120	2520
		Number of workers completed Learnerships programmes	6013	1764
		Number of workers certificated for Learnerships programmes	3496	1233

1.2 Explanation of Planned Performance over the Medium-Term Period

- 1.3.1 The outputs selected by the INSETA will contribute towards achieving the outcomes and impact in the Strategic Plan aligned to the Mandate of INSETA; through increasing employability of Youth and ensuring sustainability of the businesses of SMEs in the Insurance Sector. People with Disabilities will benefit from skills that allow them to be employed nation-wide.
- 1.3.2 INSETA's planned performance in relation to envisaged outputs is aligned to budgets approved by the INSETA Accounting Authority. The choice of the outcome indicators relevant to the respective outcomes stems from consultation with the sector and what has been identified by the sector as the need to be addressed in the medium term.
- 1.3.3 INSETA's contribution of outcomes towards the achievement of the NDP Five-Year Implementation Plan, the Monitoring Framework for the NDP Five-Year Implementation Plan and its mandate prioritises Women, Youth, SMEs in the Insurance Sector and People with Disabilities nation-wide. INSETA plans to support the above-mentioned beneficiaries is as indicated below and which will include in these percentages SMEs and learners in Rural areas:
- 60% of beneficiaries will be Women (Youth and Workers)
 - 4% will be People living with Disabilities.
- 1.3.4 The following outcomes in this Strategic Plan will contribute towards the national imperatives:
- Occupations in high demand identified and their production increased – will support research and more accurate skills planning and career pathing.
 - Linked education and the workplace – will support Youth, Rural beneficiaries and People living with Disabilities.
 - Access to occupationally directed programmes increased – will support qualification development for better articulation and transformation within the sector.
 - Skills development for entrepreneurship and cooperative development supported – will support SMEs, Cooperatives and People living with Disabilities.
 - Worker-initiated training supported - will support SMEs, Workers reskilling and People living with Disabilities.
 - Career development services supported – will support Youth, Workers reskilling and People living with Disabilities.
 - Learners in Rural areas will be supported in collaboration with other SETAs due to the scarcity of insurance companies in rural areas – will support Youth and SMEs under ERRP.
 - Growth of the public TVET/CET College system supported – will support Youth, People living with Disabilities and Women.

- Skills level of the South African workforce increased – will support SMEs, Women and People living with Disabilities.

- 1.3.5 Planned performance will be adapted in content and/or quantity over the 5 years to be made relevant to the sector, in line with the change drivers that will be prevailing at the time and in line with INSETA's available resources.
- 1.3.6 Research budget is not reflected in the current APP budget as INSETA has committed R20 400 334.00 to three Public Universities, i.e. (Wits, UCT, DUT) that have been appointed as Research Chairs for INSETA in 2020. These universities have been given topics to research for the benefit of the insurance sector. The research projects are currently in progress and will run over the next two years.
- 1.3.7 The chosen outputs are aligned to the INSETA mandate of enabling Skills Development to alleviate unemployment and poverty and support Youth and employers at risk of losing their jobs to Technological advancement. In addition, the chosen outputs support SMEs to meet FSCA compliance requirements, continue to operate businesses in the Insurance sector and run sustainable businesses.
- 1.3.8 The planned outputs are envisaged to enable INSETA in the short- and medium term; address the challenges identified in the insurance sector and bring about verifiable change and measurable positive impact that can be attributed directly to the planned outcomes.
- 1.3.9 Planned targets are severely affected by the decreased DG budget and the inability of employers to host learners in large numbers due to the requirements to comply with COVID-19 pandemic safety regulations.
- 1.3.10 Targets will be revised annually as the effects of COVID-19 pandemic diminish and the INSETA funding recovers.

2. Key Risks

Outcomes	Key Risk	Risk Mitigation
Effective Governance maintained	<ul style="list-style-type: none"> . Failure to adhere to the PFMA as a result of insufficient SCM Staff to conduct validations . Reputational disrepute of INSETA due to insufficient monitoring of contracted Service Providers . Failure to adhere to internal policies due to lack of training on policies 	<ul style="list-style-type: none"> . Bolstering of the SCM Division with suitably qualified and experienced Staff . Bolstering of M & E Unit with suitably qualified and experienced Staff . Developing processes and plans for implementation of impactful Monitoring & Evaluation . Regular training of Staff on policies . Bi-monthly validation of processes
Occupations in high demand identified and their production increased	<ul style="list-style-type: none"> . Opening of DG funding window sometimes not aligned with periods when employers can host learners due to requirements of DG Regulations . Inadequate number of SDPs nation-wide to support delivery of learning programmes 	<ul style="list-style-type: none"> . Opening of Funding Window application period aligned to when applicant companies can host learners . Increase the number of accredited TVETs to offer training in areas where there are no Private SDPs
Education and the workplace linked	<ul style="list-style-type: none"> . Poor uptake of TVET College Learners on WIL by insurance employers . Poor uptake of learners in areas outside the larger metropolitan areas . Poor intake of learners due to the impact of COVID-19 lockdown 	<ul style="list-style-type: none"> . Holding information sessions with employers to encourage uptake of TVET College learners . Support SMEs to host learners in their companies in areas outside major metropolitan areas . Accommodate changing schedule of training implementation by employers to ensure increase in the number of learners hosted
Improved the level of skills in the South African workforce	<ul style="list-style-type: none"> . Public Education Institutions do not offer programmes required by the sector . Insufficient research on programmes required for occupations in the sector 	<ul style="list-style-type: none"> . Funding support to be aligned with the qualifications that support occupations in high demand . Bolster the Research Division and enter into partnerships with public universities for relevant and up-to-date research

	. insufficient budget to accommodate all sectoral skills needs	. Reprioritise programmes offered through public institutions
Outcomes	Key Risk	Risk Mitigation
Increased access to Occupationally-Directed Programmes	. INSETA Bursary funding not confirmed to cover learners for the duration of the degree	. INSETA DG Policy reviewed to ensure INSETA's long term funding commitment
Skills development for entrepreneurship and cooperative development supported	. Poor uptake due to misalignment between INSETA-planned interventions and the requirements of the sub-sector	. Consultations and research to identify suitable interventions per sub-sector to increase enrolments and completions of programmes . Consultations and partnerships with Professional Bodies, Trade Associations and Trade Unions to align offerings to identified skills needs.
Career Development Services supported	. Apparent poor interest in the Insurance Sector displayed by Youth . Undeterminable impact of Career Guidance Services	. Method of communication Career Guidance to be appropriate for the Target Audience. . Develop Career pathing with Research partners . Design a tool that will assist INSETA measure the impact of Career Guidance interventions
Rural Development supported	. Lack of Insurance Companies to host learners in Rural areas	. Support the provision of non-insurance specific learning programmes that support the Insurance Sector to ensure long-term placement in the Insurance Sector while ensuring that the learners are economically active in line with the ERRP. . Support of SMEs in Rural Areas to host learners . Promote partnerships between TVETs and private SDPs.
The number Occupationally-Directed Programmes increased	. Registration of developed qualification outside the control of INSETA	. Continued communication with the QCTO regarding the registration of qualifications . Re-registration of Legacy qualifications till 2023.
Growth of the Public TVET/CET College system supported	. Lack of Insurance experience in Public TVET College . Insurance Sector's poor perception of quality of learning by TVET Colleges . Lack of interest by TVET College Lecturers to sacrifice their holidays for sector work-experience	. Foster Private-Public Partnerships with Private SDPs in the insurance sector . Encourage transference of skills to Public TVETs during contracts with sector Subject Matter Experts . Support of TVET Colleges by the INSETA QA Unit to increase the level of learning delivery quality. . Consultation with the TVET Colleges to offer Lecturers CPD points for work-based experience.

