



F A S S E T

Make the future count



ANNUAL INTEGRATED REPORT 2020/2021



F A S S E T

Make the future count

Financial and Accounting Services Sector Education and Training Authority
Annual Integrated Report for the period 1 April 2020 to 31 March 2021



FUTURE SKILLS



Make the future count

Rethinking skills development and training for the future

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

The highlight for this financial year has been about overcoming obstacles and challenges fuelled by the Covid-19 global pandemic. This pandemic has affected all industries and as a SETA we faced our own challenges, around how we innovatively make quality education and training available to our stakeholders. The unexpected spin-off of the pandemic is that it catapulted us into embracing the Fourth Industrial Revolution (4IR) and future thinking. We learned very quickly to operate and deliver services through on-line and digital systems.

FASSET's focus remains enabling training that is relevant, futuristic and accessible to ordinary people and through this year's annual report theme we hope to bring this thought across while we subconsciously instil our key message and mandate of enabling skills development and training under challenging times. In this report FASSET demonstrates why it is important to think ahead and invest

in skills development and training today, with the view of making an impact in the future. Under this theme, we address the following:

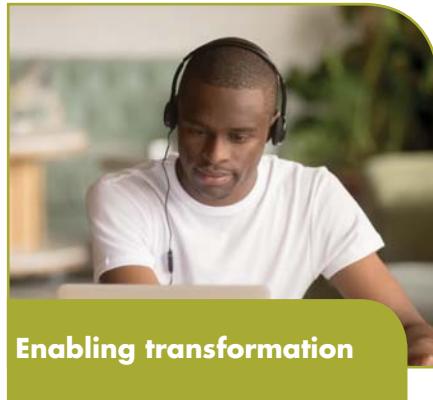
- New ways of learning and teaching;
- Tertiary education going online even in the most remote institutions;
- Expanded curriculum to ensure future efficiency;
- Collaborative thinking;
- Coaching and mentoring during Covid-19;
- Progressive skills development and training landscape and facing the challenges – with a focus on achieving our targets.

From an operational point of view, we talk about adapting to the online environment; and re-imagining the future of the financial and accounting services sector in South Africa. Mindful of previous concerns around slow progress in launching programmes that are responsive to the 4IR, and with the lessons of the year under review in this report; FASSET stands poised to face the future with a true recognition of what is needed to close the skills gap in the technological and financial services area.

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Enabling transformation



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GENERAL INFORMATION

Registered Name	Financial and Accounting Services Sector Education and Training Authority (FASSET)
Registration Number	01/Fasset/1/04/11
Registered Office Address	1st Floor 296 Kent Avenue Ferndale, Randburg 2194
Postal Address	PO Box 6801 Cresta 2118
Contact Telephone Number	Switchboard: 011 476 8570 Call Centre: 086 101 0001 Fasset Tip-off Hotline: 0800 472 637
Email Address	fassetcallcentre@fasset.org.za
Website Address	www.fasset.org.za
External Auditor's Information	4 Daventry Street, Aurecon Centre Lynnwood Bridge Office Park Lynnwood Manor Pretoria 0001
Banker's Information	First National Bank 4 First Place, Third Floor, Bankcity, Johannesburg PO Box 1153, Johannesburg, 2000 Tel: 011 352 5601
Corporation for Public Deposits	PO Box 427 Pretoria 0001 Tel: 012 313 4137
Company Secretary	William Radcliffe - Outsourced service E-mail info@williamradcliffe.co.za Tel: +27 (0)61 585 6906
Publisher	Fasset Chief Executive Officer PO Box 6801 Cresta 2118
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Dr. Blade Nzimande
Minister of Higher Education,
Science and Technology



Mr. Buti Manamela
Deputy Minister of Higher
Education, Science and Technology



Ms. Lynette Ntuli
Chairperson



Ms. Ayanda Mafuleka
CA(SA)
Chief Executive Officer

Letter to the Minister

Honourable Minister, it is our privilege to present the Financial and Accounting Services Sector Education and Training Authority (FASSET) Annual Integrated Report for the period 1 April 2020 to 31 March 2021.

This report provides an account of FASSET's financial and non-financial performance for the year under review. It includes detail on the manner in which we created value for stakeholders and contributed to the facilitation of skills development across the Post-School Education and Training (PSET) pipeline. We remain committed to continuing to partner with our stakeholders, and various delivery partners to change the personal and professional lives of thousands of South Africans.

Combined assurance was provided by the Auditor-General of South Africa (AGSA) who audited the Annual Financial Statements and performance information, as well as Internal Audit and management, taking into account critical risk areas.

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

Lynette Ntuli

Lynette Ntuli
Chairperson

Ayanda Mafuleka CA(SA)
Chief Executive Officer

PART A

GENERAL INFORMATION



ABOUT THIS REPORT

Principles

We have pleasure in presenting the 2020/21 Annual Integrated Report (AIR) for the Financial and Accounting Services Sector Education and Training Authority (FASSET). The purpose of this report demonstrates how effectively we have delivered on our skills development mandate, providing our stakeholders with a complete overview of FASSET, including how we work towards achieving the SETA's purpose of adding value to our beneficiaries' lives and worth to our skills development partners, while caring for the communities and environment in which we operate. The report also includes all statutory reporting specifically required, relating to financial and performance information.

Scope

This report provides a consolidated view of the SETA's performance for the 52-week period ended 31 March 2021. We have adopted the National Treasury Annual Report Guidelines for Public Entities to align ourselves with the prescribed standard in the public sector. This report aligns with the requirements of the King IV Report on Corporate Governance for South Africa (2016).

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



Lynette Ntuli

Chairperson

Assurance

The Accounting Authority is satisfied with the integrity of the report and the level of assurance applied. The SETA's consolidated annual financial statements have been audited by the independent external auditor, Auditor-General of South Africa (AGSA). Their unmodified report can be found on pages 84 to 88. The audited financial statements presented in this Annual Integrated Report were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board and in accordance with the Skills Development Act (SDA) and the Skills Development Levy Act (Act No. 9 of 1999), as amended (SDLA). The Accounting Authority is satisfied with the level of assurance on the AIR and does not believe that it should be subject to further external assurance at this point.

Approval

The Audit and Risk Committee has reviewed this AIR (including the full Annual Financial Statements) and recommended these to the Accounting Authority for approval. The Accounting Authority has applied its mind to AIR and believes that it addresses all material issues, and fairly presents the integrated performance of the SETA. The 2020/2021 AIR was approved by the Accounting Authority.



Ayanda Mafuleka CA(SA)

Chief Executive Officer

Statement of Responsibility and Confirmation of Accuracy

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

- All information and amounts disclosed in the Annual Integrated Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa.
- The Annual Integrated Report is complete, accurate and is free from any omissions.
- It has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (on page 83 of Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to the public entity.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgments made on this information.

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

The external auditor, the AGSA, has expressed an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Integrated Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2021.

Yours faithfully,



Lynette Ntuli

Chairperson



Ayanda Mafuleka CA(SA)

Chief Executive Officer

Chairperson's Foreword



Lynette Ntuli
Chairperson

The start of the FASSET Accounting Authority's term took place at the best and the worst of times. April 2020 coincided with the SETA's coming of age and 21st year of operation but also the first week of the Level 5 COVID-19 pandemic lockdown in South Africa.

Much of the work and service delivery of FASSET relies on the ability to operate in physical spaces. In many ways this coming of age, coupled with a global crisis and a brand new way of work presented critical and immediate dynamics, dimensions and challenges for this new Board to navigate. In an ideal and pre-pandemic world, inductions and handovers would have taken place in spaces that would have allowed us to interact and immerse ourselves in new relationships and environments.

Therefore, our focus in this financial year was to enable

our people within the teams to function and process decisions virtually, while building new resilience into the organisation. Every member of the Board, Executive and Operational team has tapped into our ability to adapt, agility and how to better use our capacity, and capabilities to extend our reach in a new normal.

In addition to these facets, the Board and Executive have had to consider responsive solutions to take the SETA into the future during this increasingly pressing time on several macro and micro, and socio-economic fronts. As inequality gaps in access to education and skills widen, we have to see ourselves as a pivotal respondent in a larger ecosystem seeking to address national challenges. Therefore, we do not take lightly the responsibility and the opportunity to contribute to the deep work of making skills development a priority in South Africa.

Some of these responsive solutions have included ensuring students have been capacitated to continue learning online, in spite of the prolonged closures of educational institutions. Such initiatives have alerted us to the need to intensify as opposed to diversify the value FASSET delivers, and this will call for deepened cooperation and collaboration with all our stakeholders, internally and externally.

As we look forward and understand the continued need for increased speed of transformation, the impact of automated and digitalised functions and the growth of new disciplines, skills and environments – we need to be geared to support these transitions with fresh knowledge, research and skills.

Further, FASSET will continue to invest in means to address emerging challenges such as financial acumen and skills in the SME sector, and leveraging partnerships in complementary sectors to support the broader economic recovery of the FAS sector.

Reinvention, re-alignment and regeneration will mark

FASSET's 21st year of existence, and many of the decisions and value driven initiatives this Accounting Authority will deliver on as we move further in this five-year term.

I wish to extend my gratitude and appreciation to:

- The previous Accounting Authority and Board Chair, Mr. Njabulo Ngwenya in particular, for enabling a smooth transition in spite of the circumstances of the time;
- The FASSET Executive Team who had to guide and teach us the ropes as we all navigated new ways of engagement. We deeply appreciate the work they had to do in extraordinary circumstances; and
- My fellow Board members who have attended to their duties and responsibilities with the greatest commitment and diligence;

Thank you,



Lynette Ntuli
Chairperson

Chief Executive Officer's Overview



Ayanda Mafuleka CA(SA)

Chief Executive Officer

The global COVID-19 pandemic was detected in South Africa just days ahead of the start of the financial year under review - 1 April 2020 to 31 March 2021, in unprecedented challenges and uncertain times. The central challenge of the year has been about overcoming the multifaceted obstacles fuelled by the pandemic and navigating the various levels of lockdown.

Despite this unprecedented situation, the impacts of the pandemic and lockdown in South Africa forced a reckoning and transformation at every level. The Finance and Accounting Services SETA (FASSET) was no exception, and from the outset, we soon realised the importance of setting our sights on future impact through our skills development training investments today. Thus, on reflection of the year that was, we came to a profound **Rethinking of skills development and training for the future** which is

the overarching theme of this AIR.

In recent years, our slow progress towards launching programmes that are responsive to the Fourth Industrial Revolution (4IR) has been a cause for concern. Recognising this, the year saw real progress in our endeavour to close the technological and financial services skills gap due to the shift from manual systems to digital platforms. This transition was made not only at the operational level, but across the skills pipeline as envisioned in the National Skills Development Plan (NSDP) 2020. As one international training provider put it:

"The pandemic has accelerated the digital transformation of learning, increased our talent challenges and revealed the need to provide personalised, digitally aided programmes designed to help deliver high-value transformational projects."¹

While education, training and skills development have been moving towards online learning processes, the lockdowns in response to the pandemic ensured our fast transition and adaptation to digital operating systems and online work.

We thus faced our own long-term challenge as to how we innovate to make quality education and training accessible to our stakeholders. We are charged with re-imagining the future of the Finance and Accounting Services sector. In the foreseeable future, FASSET will focus on the following areas in improving skills development:

- Digital transformation;
- New ways of learning and teaching;
- Online education delivery;
- Transforming the FASSET sector;
- Imparting financial skill to small and medium business contributing to economic reconstruction and recovery; and
- Enterprise development.

¹ Source: Desire2Learn digital learning platform for business

FASSET welcomed its new board, chaired by Ms Lynette Ntuli, who started their five-year term on 1 April 2020 under hard lockdown in which the sector was initially closed for business as it does not fall within the ambit of essential services. Despite this, we adapted quickly to have full operational and governance structures working through online platforms throughout the year. Aligned with the board's term, I was reappointed as the FASSET CEO for the next five years with the term ending in 31 March 2025.

The pandemic, coupled with the restrictions on operations affected the roll-out of FASSET's planned programmes for training interventions. We found ourselves having to urgently review our processes (most of which were manual) and swiftly migrate to digital, remote, and automated systems. As an organisation we did not meet a number of strategic indicators as reflected in our Performance Report (Part B of this report). Our overall annual performance for the year 2020/21 was 43% down from the annual performance for the year 2019/20 of 70%.

FASSET's Corporate Services unit seized the opportunity presented by the lockdown to focus internally on the workforce, achieving 83% of its targets in the area of employee training and development. The SETA soon adapted to the 'new normal' with a Covid-19 task team established to implement and respond to the risks, ensuring compliance with the Covid-19 regulations and protocols. In addition, nine key positions were recruited and filled as detailed in the Part D Human Resources of this report. An intensive wellness programme provided staff and their dependants with support and counselling in the face of the far-reaching personal impacts of the pandemic. In this, we saw the power and the resilience of the human spirit.

Early in the financial year, the President, Mr. Cyril Ramaphosa declared a four-month 'payment holiday' on the Skills Development Levy (SDL) for employers across all 21 SETAs. This caused a 27% reduction in revenue; FASSET had estimated receiving R550 million from SDL

revenue, but received only R400 million (less by R150 million). FASSET drew on its reserves to cover the shortfall.

FASSET's grant expenditure of R408 million was R114 million less than anticipated, having expected to pay out R522 million in grants. The lower spending on discretionary grants is linked to unmet performance targets due to the delays in the awarding of the discretionary grants.

FASSET approved to fund the following special projects in response to the Economic Reconstruction and Recovery Plan (ERRP), in the upcoming financial year:

- i. R45 million was made available through the Universities of South Africa Forum (USAf), the body made up of the vice chancellors of all 26 public universities, to students needing to settle their historic debts for qualification completion so that students are able to graduate.
- ii. R25 million towards training interventions for employed and unemployed learners and Small and Medium businesses.
- iii. R5 million towards a collaboration between the Education, Training and Development Practices (ETDP) SETA and the University of Johannesburg (UJ) in a capacity building intervention for finance and supply chain management (SCM) practitioners at Technical and Vocational Education and Training (TVET) colleges.

At the close of the financial year, FASSET remains financially viable and resilient with the 2020/21 Annual Financial Statements (AFS) in Part E of this report, reflecting a going concern. Sound governance remains the cornerstone of Fasset's operations. We have, and still continue to improve governance practices thought the organisation.

FASSET has eradicated all fruitless and wasteful expenditure matters raised in the 2017/18 financial year audit. In the period under review, FASSET identified irregular expenditure of about R8 million that occurred during 2018/19 and identified through an SCM investigation.

Consequence management measures are in progress alongside training interventions and recruitment of new staff with solid SCM skills and experience.

At the projects and operational level, the shift to online environments improved our reach in terms of stakeholder engagement previously done through roadshows or location-based training, because more people could access these events online. Going forward, these platforms will be used for awareness building programmes to improve the uptake of grants and other interventions to invigorate the skills pipeline.

As a result of Covid-19, FASSET's future planning in the next 5-year cycle will aim at economic reconstruction and recovery with a broader view on providing accessible financial services and assistance to SMME's. To this end the SETA will foster collaborative strategic partnerships to bring much needed skills into the sector with structures within the TVET colleges, employers, professional bodies, trade unions, government entities and other SETAs. The focus will be on strategic partnerships that will fast-track transformation in the sector.

Having completed our Strategic Planning for the 2025 horizon at the beginning of the 2021/22 financial year which embraces the Economic Reconstruction and Recovery Plan (ERRP), at the time of compiling this AIR, the country has regressed into Level 4 lockdown with the onset of the third Covid-19 wave. However, Fasset endeavours to ensure that this has a lesser impact on Fasset's implementation of strategic priorities in the year to come.

My acknowledgement and appreciation go to the Minister of Higher Education Science and Technology, Dr. Blade Nzimande, the Deputy-Minister, Buti Manamela; and the Director-General Gwebinkundla Qonde for their invaluable guidance and policy direction.

I would like to thank our new Chairperson, Ms Lynette Ntuli and the members of the Accounting Authority, who were appointed at the time Covid-19 was ravaging the lives

of South Africans, for their sterling support and guidance.

Appreciation also goes to all assurance partners: the internal audit; external audit, Risk Management committee and the ICT steering committee.

I thank our various FASSET stakeholders including our labour partner: NEHAWU for their engagements and commitment in working with the employer in strengthening FASSET.

I would like to express a word of gratitude to the Executive management team and FASSET staff for their commitment and dedication throughout the period under review.

Lastly, I would like to remember our departed Director of Corporate Services Ms. Maria Matlosa; and everyone in the FASSET sector that succumbed to Covid-19.



Ayanda Mafuleka CA(SA)

Chief Executive Officer

ABOUT US

Fasset, the Sector Education and Training Authority SETA for the Finance, Accounting, Management Consulting and other Financial Services sector is a schedule 3A public entity reporting to the Minister of the Department of Higher Education Science and Technology (DHEST), Dr Blade Nzimande as its Executive Authority.

We are accountable to Parliament and are subject to the oversight of National Treasury in terms of performance management and financial administration. We engage with a broad range of stakeholders to fulfil our mandate, which requires us to uphold principles of good governance to make a meaningful contribution in skills development for the benefit of the FASSET sector and the country. We

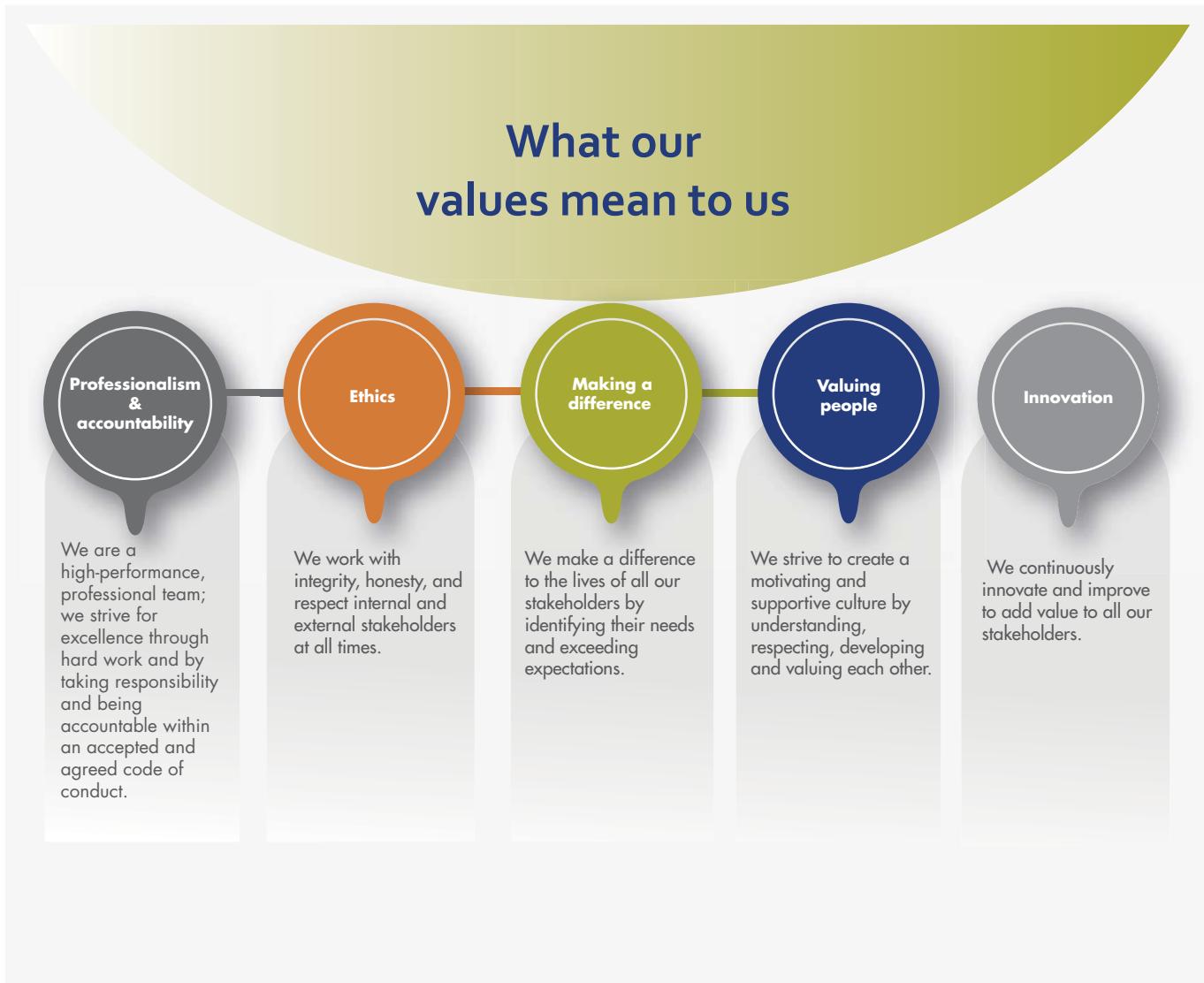
are currently licensed until 31 March 2030 in line with the National Skills Development Plan (NSDP).

The NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development. The plan derives from the broader plan of government, namely the National Development Plan, which aims to put in place the framework of building the capabilities of our citizens to make our future work. The NSDP outlines the scope of the SETA's and crucially highlights the institutional arrangements of the SETA's.

Figure 1: Strategic Overview



Figure 2: Our Values



FASSET's Mandate

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

Figure 3: NSDP Vision

Vision of the National Skills Development Plan (NSDP)

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

FASSET Strategic Plan 2020 - 2025

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

Impact Statement

Facilitating the timeous and relevant upskilling of the sector

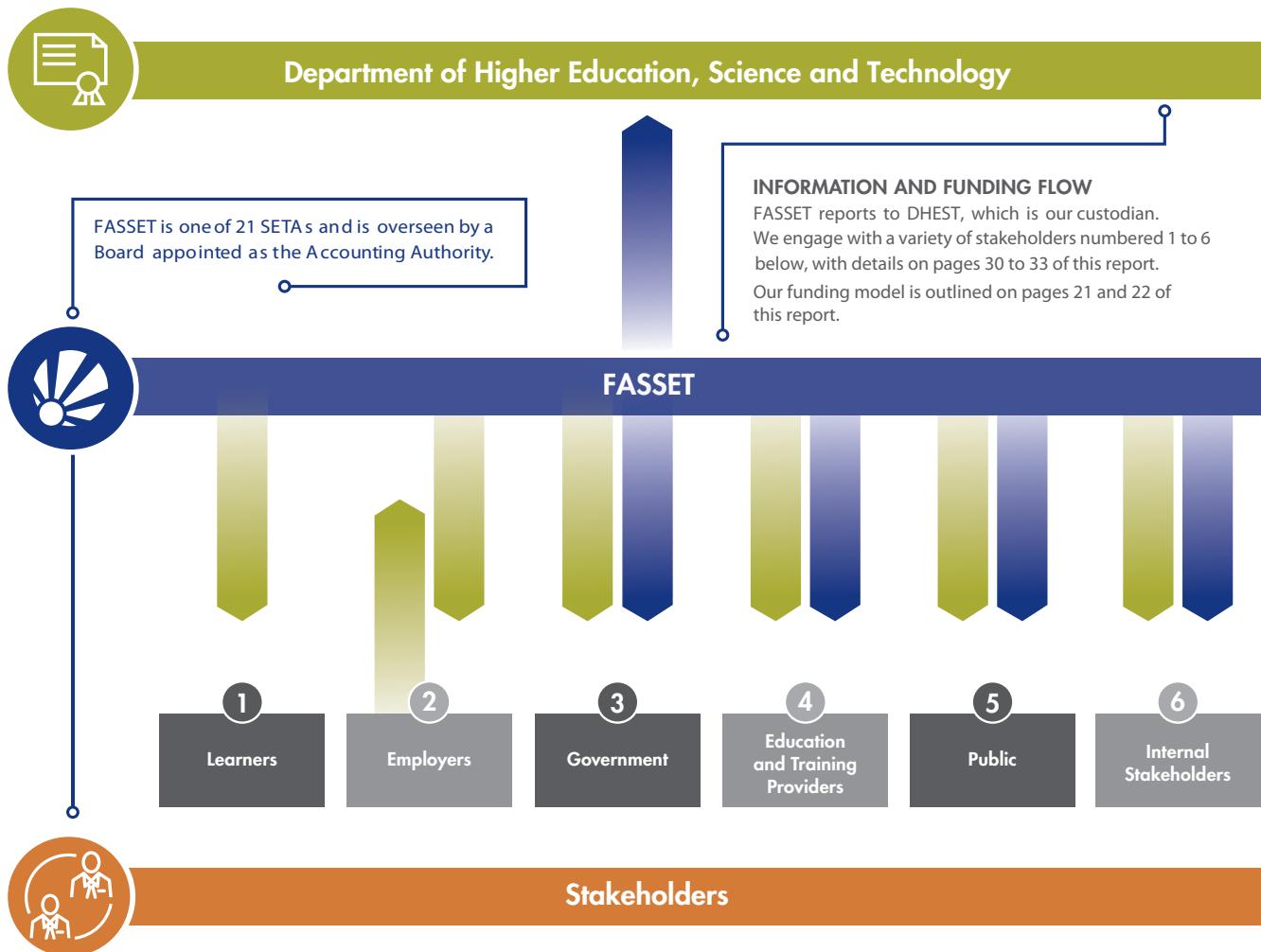
Impact statement links to four outcomes:

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

Table 1: NSDP outcomes linked to FASSET outcomes and programmes

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

Figure 4: FASSET Operating Environment



Source: FASSET Sector Skills Plan of 2021

Operating context

While our strategies and skills development initiatives were aligned to national imperatives, including the Human Resources Development Strategy for South Africa (HRDSSA), the Medium-Term Strategic Framework (MTSF), the National Skills Development Plan (NSDP) and the White Paper for Post-School Education and Training; the pandemic brought operations to a standstill providing the opportunity for reflection to determine the best response in the present, and rethinking our approach to the future.

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

Figure 5: FASSET Sector Profile



Source: FASSET Sector Skills Plan of 2021

The sector consists of 172 387 employees, according to data reported in the 2021 Workplace Skills Plan and Annual Training Report (WSP/ATR) submissions. Demographically, the FAS workforce comprises 50% Black African, 11% Coloured, 9% Indian and 29% White. The sector comprises a female majority of 58%. About 50% of workers are in the youth category (aged 35 and younger).

The sector is dominated by small organisations, with the Accounting, Auditing, Bookkeeping and Tax services sub-sectors identified as the most prominent sub-sectors. The organisations belonging to the sector are largely concentrated in the metropolitan provinces, including Gauteng, the Western Cape and KwaZulu-Natal. This means there is an opportunity for Fasset to reach out to smaller provinces and areas to broaden skills development interventions toward increasing the supply of South Africans into the sector. The sector is also composed of a relatively youthful and well-qualified working population. This may positively impact the sector's response to the effects of the pandemic and national developmental imperatives.

The environment is also inhabited by several professional associations whose roles have become ingrained in the sector's qualification structure, in the organisation of education and training, and in the professional designations used. The professional bodies play an important role in skills development and are closely involved in our initiatives and activities.

Covid-19 and lockdown impacts

The ravages of the pandemic hindered implementation of a number of FASSET's plans for the year under review. The 2020 lockdowns resulted in many businesses closing or temporarily ceasing activity; tax revenue shortfalls; rising unemployment; and changes seen in workforce capacity and productivity across sectors, amongst other effects on business, income and employment. Despite its continued positive economic growth in the years prior to 2020, the broader finance sector has demonstrated resilience following the major disruption caused by the pandemic.

Following the pandemic, the labour force is rushed to upskill, re-skill and acquire new skills sets to be

employable in a new world of work dominated by remote and digitalised employment. Accordingly, the skills development environment in SA needs to adapt to labour demand influenced by these changes and trends.

The persistent challenges experienced in the sector are underscored by the impact of the Covid-19 pandemic and the advent of the 4IR. The sector is plagued by persistently low numbers of learners obtaining the NSC with Mathematics and Accounting at school level, which is a major impediment to supply in the sector. Output from the TVET colleges is still relatively small and pass rates remain low. Following the pandemic, matters such as remote learning and online training highlight the lack of infrastructural resources, such as access to the internet and technological devices, for many in the country.

Equity and transformation in the FAS sector

The FASSET Transformation Report of 2020 provides clear evidence that the sector has transformed over the years.

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

The transformation agenda in the FAS sector is propelled by legislation such as the EEA and B-BBEE. Added to this, the efforts of professional institutes such as SAICA and SAIPA, business and employers are enabling transformation.

FASSET's strategy

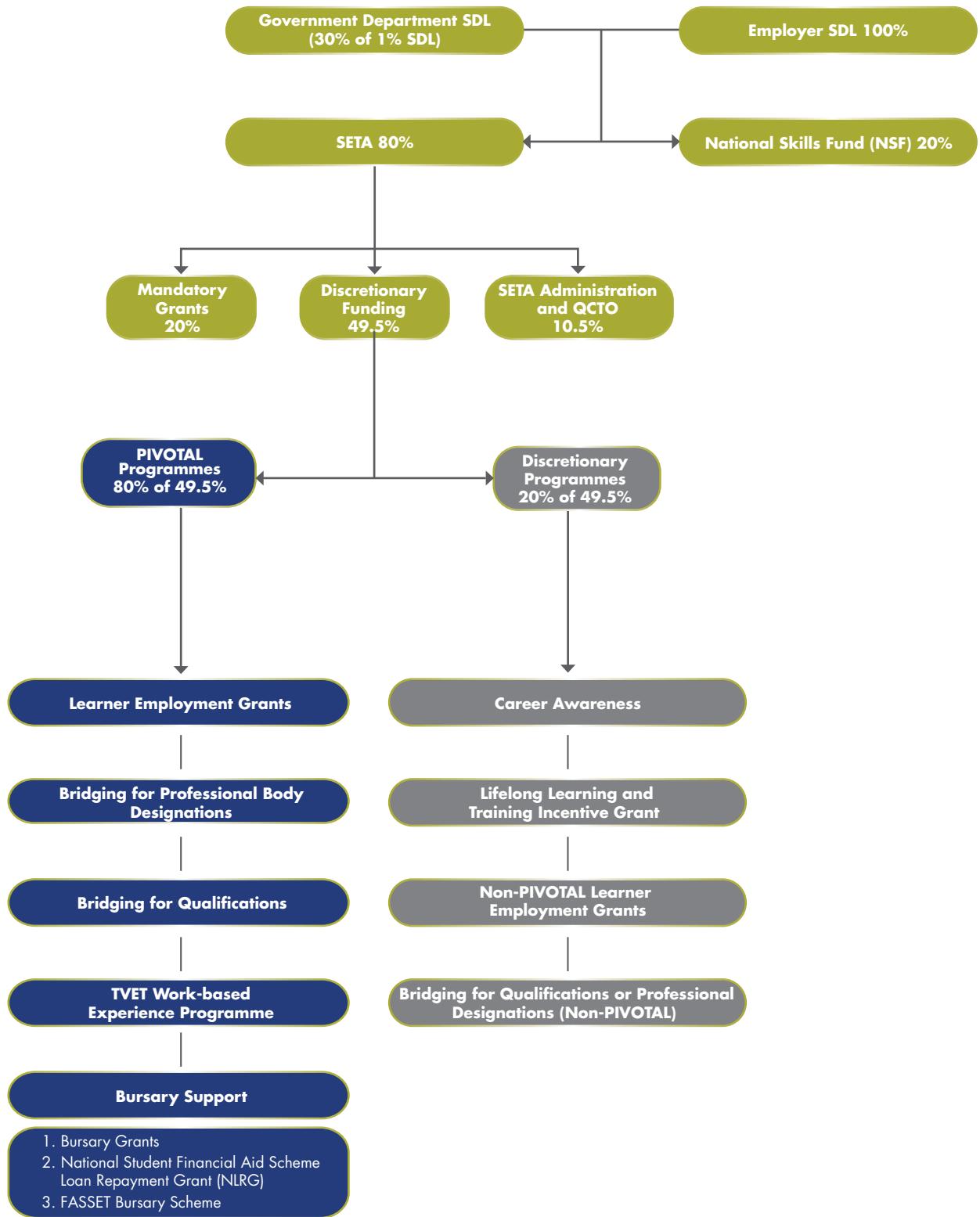
FASSET's strategy aims to maximise the enduring impact of its work on the lives of individuals and the wellbeing of society. Its ultimate goal is to enable skills development in the financial and accounting services sector hinging on two pillars: placement (direct placement into employment, including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

The drivers of value in the SETA's are performance areas that benefit employers or learners and include mandatory grants, discretionary grants, research, learner professional development programmes and lifelong learning interventions. Our business enablers include our people, intellectual capital, systems and processes, information technology (IT), and partnerships with a range of stakeholders.

Our funding model

In the year under review the skills development levy income stream was disrupted a four-month period (May 2020 to August 2020) due to a payment holiday granted to employers to alleviate the economic effects of the Level 5 Lockdown of 'non-essential' skills based economic activity.

Figure 6: Funding Structure



FASSET's material issues

We have provided material disclosure on governance and strategic risks and opportunities in relation to our financial and social performance. For the purpose of our reporting we have defined material issues as those issues which can

influence our stakeholders' decisions in relation to our mandate as a SETA or which can impact on our ability to deliver against NSDP targets. The table below sets out how the risks associated with these issues are viewed and addressed.

Table 2: Material Issues and Risks

Material issues	Risk and potential impact	Managing the risk	Section and page reference
Income reduction due to Covid-19 payment holiday	Inability to meet operational commitments and objectives	We maintain a budget for administrative expenditure in case levies drop below the budgeted amount. We review shortfalls within programmes and re-allocate surplus funds	Financial Statements on page 89 and Revenue Collection on page 57
Poor performance 40% attainment (down from 70% in previous financial year)	Failure to deliver on our SETA mandate could result in shortages of skills in the FASSET sector and the economy	We sign an annual SLA with DHEST, which commits us to delivering against NSDP outcomes as well as plans to improve performance	Performance overview on page 42
Compliance with general regulatory and SETA-specific legislative frameworks to ensure good governance delivering on SETA mandate	Failure to comply with regulatory and SETA-specific legislative framework could result in the loss of our operating licence, legal breach or failure to meet objectives	We ensure compliance and good governance through relevant legislative and strong governance structures	Legislative and other mandates on page 24, and Corporate governance report page 58
Governance around information and communications technology (ICT) driving transformation in the FAS sector	Interruption in FASSET business due to migration to new ICT environment, including the Accounting system	To ensure business continuity during the migration of ICT systems to the new ICT landscape, FASSET has developed a mechanism to migrate its ICT systems to the cloud platform to position the organisation and take advantage of the 4IR	Performance overview on page 42

Material issues	Risk and potential impact	Managing the risk	Section and page reference
The sector does not transform and does not meet the country's demographic profile	Ability to attract and retain appropriate skills (human capital, and intellectual capital)	We use discretionary funding to support African Black and Coloured learners, a need having been identified for skills in these demographic groups	Facilitating transformation in Operating context on page 19, Research on page 31 and Learner Interventions on pages 39 to 41.
Ability to attract and retain appropriate skills (human capital, and intellectual capital)	Lack of requisite skills, knowledge, competence, experience or intellectual capital to deliver on our mandate	We rely on our employees' knowledge and training to fulfill our mandate. The education and training policy ensures that staff are upskilled and capacitated to deliver against our strategic objectives	FASSET organogram on page 26 and Part D on page 74
Effective stakeholder engagement	This could negatively impact our social license to operate and misallocation of resources	A stakeholder engagement plan is in place and being implemented	Servicing our stakeholders page 30 to 33

LEGISLATIVE AND OTHER MANDATES

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

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

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

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

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

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

We support the aims and objectives of the HRDS-SA, which outlines the human resources development strategy for the country; the MTSF, a broad government framework that indicates economic growth drivers, and the National Skills Development Plan that serves as our roadmap.

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

Imperatives identified by the MHEST and the Portfolio Committee on Higher Education and Training are incorporated into the programmes and interventions that allow us to realise our NSDP goals and outcomes.

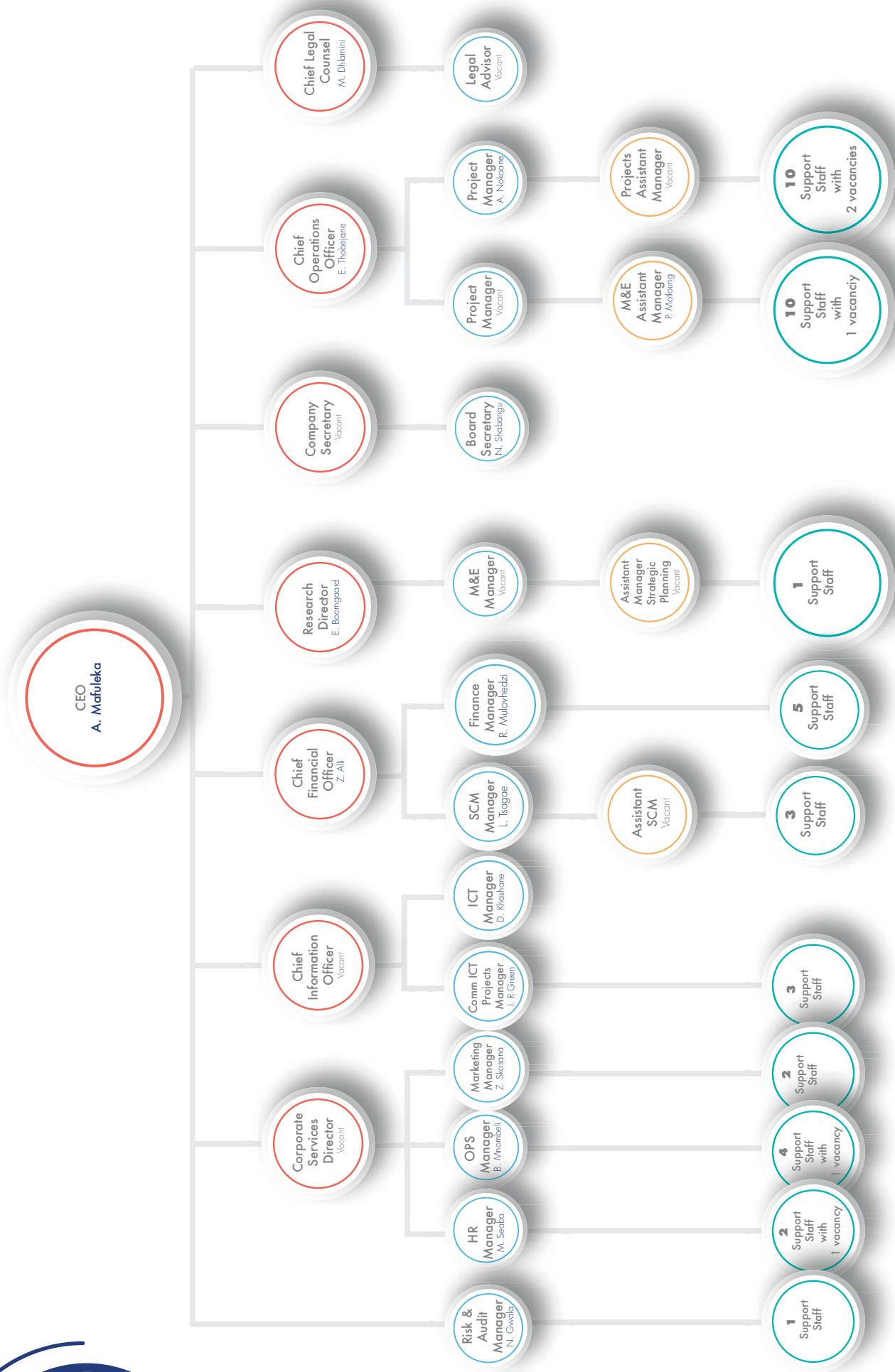
KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

With the exception of the temporary four-month SDL payment holiday in response to the Covid-19 pandemic under the Disaster Management Act, there were no external policy or legislative changes that affected FASSET in the period under review and all the cycles remained the same.

In the year to come, the government's new Economic Reconstruction and Recovery Plan (ERRP), which is the guiding policy framework in response to the impact of the COVID-19 pandemic in the South African economy will also be taken into account in sector skills planning.

Internally, and in response to findings raised by the Auditor-General in the 2019/20 financial year, FASSET's internal policies were reviewed and revised across the organisation to ensure the integrity of governance processes and adherence to FASSET's strategic objectives.

Figure 7: Organisational Structure



PART B

PERFORMANCE INFORMATION



Statement Of Responsibility

for Performance Information for the year ended 31 March 2021

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

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

In my opinion as the CEO of FASSET, the Annual Integrated Report fairly reflects FASSET's operations, performance and financial affairs for the financial year ended 31 March 2021.

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

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

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



Ayanda Mafuleka CA(SA)

Chief Executive Officer

SITUATIONAL ANALYSIS

Service delivery environment

FASSET plays a crucial role in identifying sector skills needs and addressing them through FASSET programmes. On the demand side FASSET does the following:

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

On the supply side FASSET does the following:

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

The role of research

FASSET conducts research relevant to skills development in the sector, allowing for the implementation of appropriate interventions to meet scarce skills, education and training needs. The research team successfully updated the SSP for the 2020/21 period and completed a number of additional research assignments including one pertaining to Covid-19 impacts. This strong performance in terms of research outputs will stand FASSET in good stead for its new strategic planning cycle. What is noteworthy is that the SSP identified a number of new digital and ICT-based

skills and professions emerging in the sector. This updated SSP provided essential knowledge for the SETA's Board to make decisions concerning the allocation of funding and interventions needed to meet both sectoral and national priorities in an unprecedented situation.

Sectoral Priority Occupations and Interventions (SPOI) skills list was decided on by the FASSET Board during its engagements in Q2 of 2020. This includes discretionary grants enabling the graduation of a number of students with historical debt, and a project: that addresses scarce and SPOI skills.

Flowing from its 5-year SSP (2020–2025) FASSET identified the following four strategic focus priorities for which relevant projects are to be implemented in the 2021/22 financial year and beyond:

- The need for a long-term and holistic view of the skills pipeline;
- Ensuring that new entrants to the sector reach professional status in the sector;
- Strengthening the capacity of the Technical Vocational Education and Training (TVET) colleges and improving the absorption of TVET learners into the labour market; and
- Supporting population group transformation of the sector.

These four priority areas are intrinsically linked to FASSET's strategic impact statement which is to facilitate the timeous and relevant upskilling of the sector.

As we face a pandemic with significant consequences not only for the health of the population but also for economies across the world; we believe that Government will have a role to play. It must ensure that the adoption of advanced technologies in SA is inclusive by making provision for tools, infrastructure and on-boarding of new systems in schools and HEIs. Small, medium and micro enterprises (SMMEs)

will also require government assistance to remain relevant and competitive. Similarly, companies will be tasked to invest in remote work capability including infrastructure, tools of trade, digital skills, soft skills, workload distribution, etc. to enable the continuation of remote work and training for personnel, trainees and new entrants in the workplace.

In this period, partnerships have become a crucial component of the FASSET's interventions. Individual projects were monitored throughout the period enabling FASSET to adapt its funding criteria to support the most successful interventions.

FASSET participated in the initial surveys for the ERRP that was tabled by government in response to Covid-19. In the coming year, targets will be revised as needed, to align with emerging priorities.

In 2020/21 we adjusted our scarce skills identification process to better cluster industry requirements to the top 10 hard-to-fill vacancies. This entailed a different process from previous years and involved formal engagement with the sector, rather than pure reliance on desktop Workplace Skills Plan: (WSP) information alone.

In the 2020/21 financial year, FASSET conducted a Learner Tracer Study with specific focus on learners who dropped out of the FASSET learnership programme. This study intended to explore the nuanced reasons that learners drop out of learnerships before completion. In addition, a TVET curriculum study was conducted to investigate the lack of absorption of Business Studies students after completion of their 18-month theory courses. The study on emerging technologies was also conducted to understand the implications for 4IR in skills development and planning. Findings of these studies were shared with our sector.

Plans have been made to adopt a more collaborative approach to research in future, with greater involvement of professional bodies and educational institutions, to ensure more effective planning.

Servicing our stakeholders

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

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

We engage with a broad range of stakeholders in the FASSET sector in our quest to make the future count, we engage with a broad range of stakeholders in the FASSET sector, to understand their needs and expectations, and how these can be addressed. Our stakeholders are defined as entities and individuals that are significantly affected by our activities, and those who have the capacity to affect our ability to implement strategies, and achieve strategic objectives.

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

- Openness and transparency;
- Mutual respect;
- Supportive and responsive interaction;
- Regular and structured engagements that are constructive and co-operative;
- Recognition that all stakeholders are also existing or potential employers or skills development partners; and

- Well defined measurement of stakeholder management.

The SETA has modified its approach over the last year to strengthen relationships with stakeholders by creating more platforms to listen to their needs and views. During the 2020/2021 financial year, we continued to host the Circle of Influence round-table discussions, which are meant to shape the sector that we operate in.

The SETA also introduced a new working committee for Skills Planning, Learnerships and Circle of Influence in the 2020/21 financial year, and ran a call for participation and called for applications from suitably qualified individuals in the financial and accounting services sector and other strategic partners such as institutions of higher learning as well as the NYDA to serve in the committee. The appointments of the working committee members were however, not concluded by the end of the reporting period. The aim of this working committee is to increase stakeholder involvement and engagement on pertinent

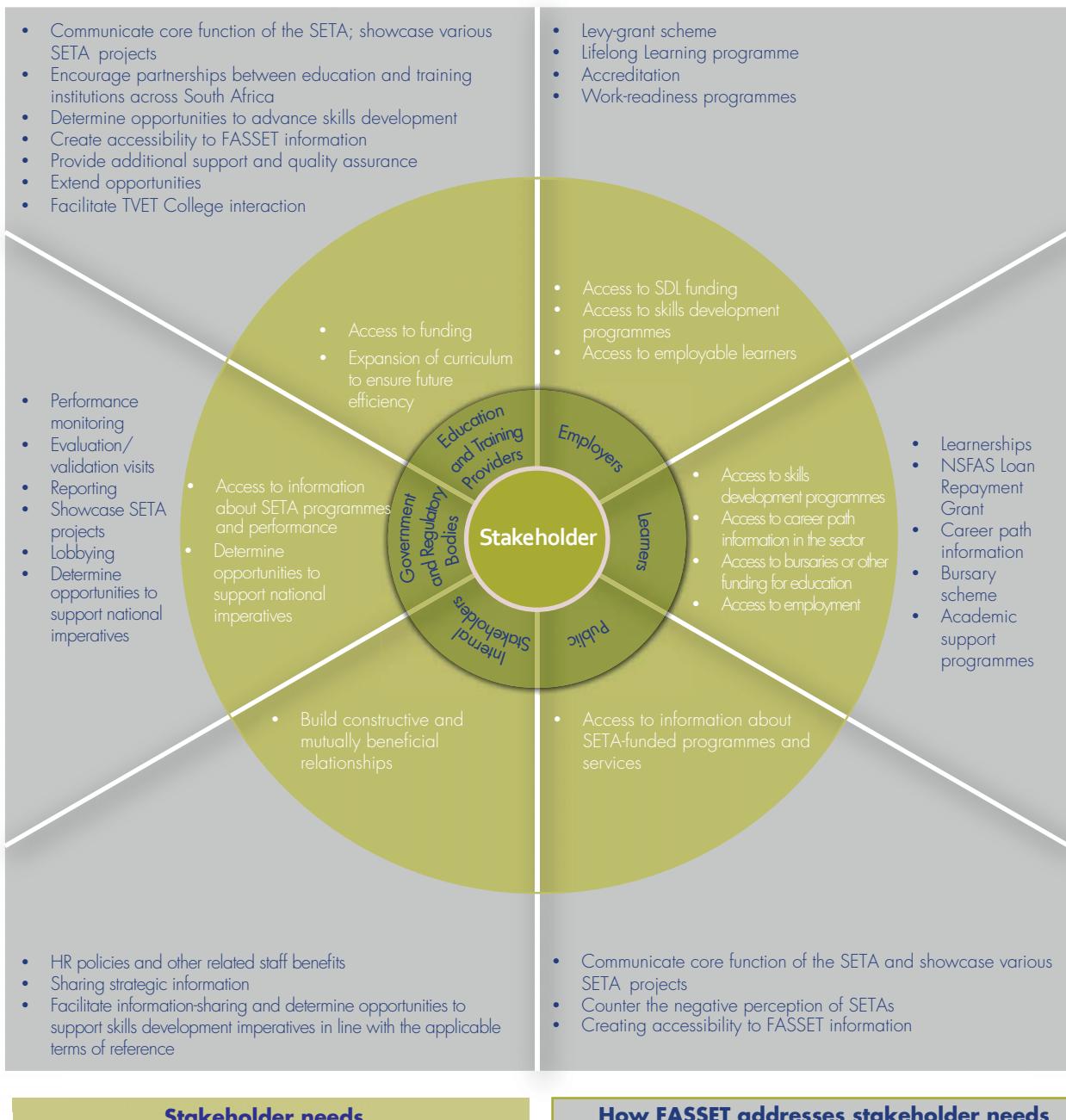
skills development and training needs of the sector. This working committee was created to listen to stakeholders on the demand side of skills development, education and training providers as well as professional bodies who are suppliers in this value chain. These platforms provide stakeholders with the opportunity to voice their views on various aspects of their interaction with us; as well as share best practice in the skills development and training landscape.

The necessary action required across the SETA as a response to stakeholder feedback was firmed up in the form of a comprehensive 5-year stakeholder engagement strategy and framework, which was approved by the FASSET Board in December 2020.

We engage with our stakeholders at various levels and on various issues. We have identified six broad groups of stakeholders and have developed strategies for engaging with each group and all interventions are monitored.



Figure 8: Stakeholder Engagement



Working with government entities

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

Education and training providers and professional bodies

Our education and training stakeholders include professional bodies, private education and training providers, universities, universities of technology and TVET colleges. Refer to Figure 8 on page 32 of this AIR for details of engagements with these stakeholders during the year under review. High schools are also included in this group of stakeholders. We engage with schools through our career awareness, and the Maths and Accounting support programmes.

Engaging with the general public

Despite incessant efforts, there still is a low level of awareness of the FASSET brand in the public eye. However, the public has been identified as an important target audience in communicating the FASSET story and creating awareness of the good work being done in this vital sector.

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

Working with suppliers

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

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following?		
Criteria	Response Yes / No	Discussion (include a comment on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Fasset does not issue licenses,concessions or authorizations
Developing and implementing a preferential procurement policy?	Yes	The Supply Chain Management policy is in place and covers the preferential procurement requirements.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to Fasset
Developing criteria for entering into partnerships with the private sector?	No	Fasset is currently working on the criteria
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	51% Black owned businesses criteria is used in awarding funding to providers in terms of discretionary grants

Engagements with the Board and committees

Details on the effectiveness of the Board and committee engagements are provided under Part C from page 59.

Quality assurance

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

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

FASSET has constantly received "green" status for the uploading of data according to SAQA requirements. This means all data submitted by FASSET to the NLRD is accurate and has been approved as per the requirements. To date, FASSET has issued the following certificates:

- Learnerships – 226
- Qualifications - 1 927
- Skills Programmes – 1 916

Figure 9: Quality Assurance Partners



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

Organisational environment

From an organisational perspective, the 2020/21 financial year was one of strengthening operational efficiencies and capacitation of the FASSET team in addition to making a quick and agile transition to remote, online work due to the Covid-19 lockdown measures which initially halted normal operations.

While our strategies and skills development initiatives were aligned to national imperatives, the pandemic brought operations to a standstill providing the opportunity for reflection to determine the best response in the present, and rethinking our approach to the future.

All our work teams, management and governance structures were able to reorganise themselves to be able to function virtually, enabling the organisation to move forward, albeit with some budget cuts and adjustments to plans reducing targets, objectives and corresponding outcomes to feasible levels under the circumstances.

In response to findings raised by the Auditor-General in the 2019/20 financial year, much work was done in the 2020/21 review period towards establishing fully functioning departments as an alternative to outsourcing work. In this regard, key positions were recruited, and all our internal departments are functioning to capacity.

Coupled with this, the HR division ramped up training and development offerings to staff achieving 84% of their original targets. In addition, a critical wellness programme was introduced to support the physical and psychosocial health needs of staff and their families, many of whom suffered ill-health and losses due to Covid-19.

Sadly, we lost our Director of Corporate Services who led the Covid-19 task team which enabled FASSET to make the necessary health and safety and operational adjustments rapidly. The incumbent succumbed to Covid-19 in January 2021 and at the close of the reporting period, a new incumbent was appointed to the position.

Key performance information

We entered into an annual SLA with the DHEST and targets were set for specific learning programmes linked to NSDP outputs effective up to 31 March 2021. on performance in accordance with the skills pipeline approach. The indicators and targets achieved

and/or reasons for deviation are provided in the Performance Information section on pages 42 to 56 of this AIR.

Learner interventions

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

Skills pipeline

We have adopted a pipeline approach to address skills development across the skills formation pipeline. These skills development priorities form the basis of our strategic goals, objectives and programmes which we undertake in response to the needs of our sector. FASSET maintained the skills pipeline approach throughout the reporting period, providing support to learners at school level, through to university or professional body studies, current employees and grants towards Lifelong Learning.

Figure 10: Skills Pipeline

School level	Post-school education level	Entry into labour market	Continuous Professional Development (CPD)
FASSET interventions			
Interventions for unemployed learners	Interventions for post-school learners	Interventions for employed learners	
Career awareness interventions at high school and post-school levels.	Academic support programmes, which lead to the completion of qualifications (including TVET college qualifications) and/or professional designations.	Learner professional development to ensure that employed graduates are equipped with the necessary skills required to enable them to deliver on their work outputs.	Continuous professional development of the sector through the Lifelong Learning programme for those currently employed in our sector, ensuring that their skills remain current.

FASSET interventions for unemployed learners

Career awareness

Choosing a career can be a daunting process for youngsters preparing for life beyond the classroom, especially at a time where the world is evolving at a rapid pace and in 2020 this pace was increased even further by the pandemic. There are so many options that, often, youngsters don't even know where to start.

That is why, since inception, FASSET has put such great emphasis on career awareness initiatives and events. In 2019/20 an even greater importance was placed on this initiative with an increase of its target to 260 events compared to the 40 in 2018/19. The decision to increase the target came about as an effort to reach a wider audience and ensure that as many of South Africa's youth are better equipped for making career decisions. However, with the lockdown measures effected by President Cyril Ramaphosa on 27 March 2020 to curb the spread of Covid-19, the implementation and achievement of this target became a challenge; schools were closed and learners in the rural areas were at a disadvantage due to lack of connectivity.

FASSET continued to make use of its online presence on platforms such as Facebook, Twitter, LinkedIn and Instagram, with a combined following of over 20 808, to spread awareness on career path options in the finance and accounting sector. Daily posts during this period aimed at not only sharing relevant career building information but also motivate learners during a time of uncertainty.

Exhibitions

FASSET supported and participated in 127 interventions against our target of 260. These included different format initiatives such as virtual exhibitions hosted in partnership with Nzalo Media, UNISA and our SETA family. FASSET also explored the career awareness toolkit bag drop initiative to reach those learners in the rural areas with no access to connectivity.

These initiatives, which took us as far as Gezubuso in KwaZulu Natal to Itsoseng in the Free State, achieved great interaction and career guidance dialogue with school pupils in the different levels of academia.

FASSET also hosted its first Facebook Live Career Talk attracting a total number of 2 200 views with plans to continue with an installment of these in the 2021/22 financial year. Through the new formats of interventions, FASSET interacted with over 20 000 learners ranging from grade 9 all the way up to postgraduate level.

Fasset Campus Brand Ambassador

The Campus Brand Ambassador campaign was launched after a national recruitment drive. The successful candidates were trained and equipped with the necessary tools to share career awareness information as well as growing the visibility of Fasset in their communities. The very passionate team hailing from different parts of the country contributed positively towards the career awareness initiative. Some of our high performing Campus Brand Ambassadors include Candy Madonsela of South West Gauteng College, Mpoetsi Masitha of Motheo TVET College as well as Patrick Radebe of Vaal University of Technology.

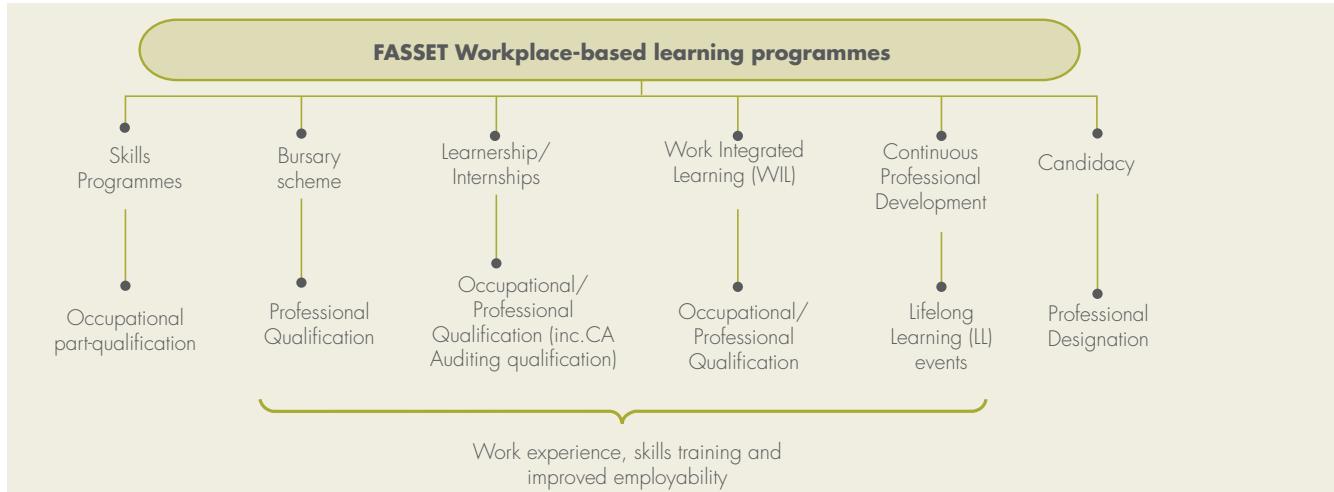


Meet our top 3 Ambassadors

Candy Madonsela (29 years old)	 Born in Soweto, Meadowlands, Candy Madonsela was raised by her grandmother in the small town of Ladybrand in the Free State. She is currently completing her studies in Business Management at South West Gauteng TVET College, Meadowlands Campus. "I have always been keen to assist others and be a better version of myself by being involved in educational programmes, organisations and committees and through this I have been able to teach others to better themselves. Yes there are huge challenges which I have had to overcome but I never give up! Despite falling and failing many times, I still believe in an African child's dream."
Mpoetsi Masitha (25 years old)	A Financial Management graduate and Accounting Technician student at Motheo TVET College, Mpoetsi was born and bred in Thaba Nchu, in the Free State. She hopes to one day be able to use her entrepreneurial skills to better the lives of those in her community. "As a Fasset Brand Ambassador, I have to challenge myself to create awareness about Financial and Accounting education and opportunities that come with this career choice. To be honest, comparing the accounting field to other professions is difficult as they all need accounting expertise to function. Thus, we can say accounting is the heart of the economy."
Patrick (Macho) Radebe (23 years old)	"Mr Macho", as fondly known on campus, is a BCom Economics and Risk Management student at North West University, Vanderbijlpark campus. He was born and raised in Orange Farm. "As an ambassador I reiterate the FASSET mandate to increase the flow of new finance and accountancy entrants to employment and the development of relevant skills required in the sector. This will subsequently lead to more young people choosing a career in accounting, filling the skills shortage in this sector as well as bridging the unemployment gap."

FASSET interventions for post-school learners

Figure 11: FASSET workplace-based learning programmes



TVET Work-Based Experience programme

This programme, in its eighth year, places TVET graduates as interns at companies that will expose them to the work environment, while bridging the gap between their studies and the demands of the workplace to make them better employee prospects. We have seen an encouraging increase in the number of learners absorbed by employers into the labour market after the candidates have successfully completed their 18-months training. Employers such as Intellecto, HR Ignite, Northplan Chartered Accountants, Duja Consulting, Outsourced Experts and the like continue to assist learners to find part-time employment and at times these employers offer candidates permanent employment.

FASSET continued to show support during alert Level 5 of the lockdown by extending employer contracts by an additional three months; which helped those interns who missed their work-based training due to hard lockdowns.

The target was not met because some employers reduced their allocations to host learners because they did not have the capacity to implement the model in a remote environment.

Bursary Scheme

Although it is a relatively new programme in the FASSET portfolio, the Bursary Scheme ran its fourth year in 2020/21, with more than 2 600 learners having benefitted from the programme. It has distinguished itself by providing much-needed support for learners who fall between the funding of National Student Financial Aid Scheme (NSFAS) and that of the banks, and those are households with an income of up to R600 000 per annum. The bursary provides comprehensive funding for tuition, accommodation, academic support courses, living allowance and coaching/mentorship; all of which is designed to support the learner fully and to provide an enabling environment for the learner to successfully complete their studies.

Due to Covid-19, many institutions administering bursaries on behalf of FASSET extended their academic year to allow learners to complete their curricula. FASSET continued funding those extra months.

Professional Body programmes

The Professional Body programmes funded by FASSET are aimed at providing learners with support to complete their professional body qualifications or their designation requirements. FASSET has partnered with various Professional Bodies and Service Providers accredited by these Professional Bodies who offer interventions that assist learners to achieve this.

Academic Support

The Academic Support programme has been designed to assist predominantly unemployed learners to complete academic qualifications to fully access work opportunities in the FASSET sector. Additional classes for technical modules, examination support courses, transport allowances and soft skills interventions were part of the funding. In the year under review, FASSET partnered with universities to provide funded students with online learning facilities due to the Covid-19 disruptions.

FASSET interventions for the employed

What we do for employers

FASSET shares with the employers in its sector the belief that high value should be placed on skills development. Firstly, skills are among the most important enablers of economic growth for the country, and of productivity and profitability for individual companies. In essence, the SETAs exist to invest significant funds into training and development towards the future wellbeing of the country and its companies.

With unemployment averaging around 32.6%, there is a huge pool of unemployed graduates who could fill the skills needs that have been identified, and finance and accounting services is no exception.

Although the FASSET suite of initiatives includes those aimed at upskilling employed individuals, the greatest emphasis is on the unemployed – equipping them with both skills and workplace experience, a combination that makes for a well-rounded potential team member. Employer incentives are varied and include the following:

- Learner Employment Grant (LEG), which places learners with a minimum of a NQF 6 qualification in a scarce skill on a learnership.
- Non-PIVOTAL Learner Employment Grant (NLEG), which places unemployed learners with an NQF 6 or

higher qualification on internships or in permanent employment; and

- NSFAS Loan Repayment Grant (NLRG) for learners who have completed a three-year qualification aligned to a scarce skill and contributes to the repayment of the learner's outstanding NSFAS study loan.

Employer grants

This grant is a vehicle that assists in facilitating the achievement of FASSET's mission; and it has been popular over the years. We have witnessed the contribution of employers to our sector in assisting skills development in our country. Our grants mechanism incentivises employers in the sector to implement skills development initiatives and allows large and medium levy-paying members to claim back a portion of their SDL contributions. Small levy-paying and non-levy paying members also have access to grants with no limitation imposed according to SDL contributions. The policy introduced in the previous year to extend funding from Black African learners primarily to 'Coloured' learners, and learners with disabilities furthered our strategic objective of transformation. Another important focus is ongoing funding of scarce skills development.

Table 3: Approved Employer Discretionary Grants

Grant	Funds allocated	
	2020/2021	2019/2020
LEG	R71 547 000	R73 667 500
NLEG	R18 934 000	R13 670 000
Bursary Grant	R21 000 000	R23 447 934
NSFAS Loan Repayment Grant	R25 000 000	R9 398 256

Learnerships

The uptake of learnerships has fluctuated during the past three years, possibly due to the grant criteria being changed at times and ineligibility of certain employers to apply, denting interest in registering learners. However, there has been an increase in the number of employers taking on learners for non-FASSET learnerships such as business management and IT learnerships.

We have a yearly target of learners entered on learnerships and learners completing learnerships. Our targets were reduced due to FASSET anticipating fewer registrations and completions. We believe the reduced registrations were due to some employers not being ready with online training, leading to extensions of learnerships.

This affected some learners who were supposed to complete in 2020 and will be completing in 2021. Some learners, who are registered on other SETA learnerships were also affected by delays in setting dates for external moderation with the different training providers.

Lifelong Learning (LL) programme and Training Incentive Grant (TIG)

Lifelong Learning refers broadly to the free training offered by the SETA which assists its members in remaining upskilled in a range of subject areas and does not claim or intend to meet the professional body Continuous Professional Development (CPD)/Continuous Professional Education (CPE) requirements. Over the years, LL was delivered across cities and towns in all nine provinces by different

appointed service providers. However, in recent years LL did not yield the same results that it had in previous years. This necessitated an adjustment in the approach and delivery of LL. To this end, the TIG was introduced as an additional delivery method to foster Lifelong Learning.

Training Incentive Grant

TIG is a reimbursement grant to employers on training provided to its employees in line with established criteria. Differently put, TIG is a LL-Subsidised programme that allows employers to train employees and claim back training costs incurred from FASSET. In the midst of a tight economy and the Covid-19 pandemic, employers experienced budget cuts to their training. The FASSET TIG is an innovative solution ensuring that employees are continuously trained to maintain the sector's high standards, skills levels and professionalism. In the year under review, over 10 000 individuals benefitted from the TIG.

NSFAS Loan Repayment Grant (NLRG)

The main purpose of this grant is to assist learners embarking on learnerships in our sector to pay off their current NSFAS loan, where up to R100 000 can be paid on behalf of the learner to settle their NSFAS loan. We are happy to report that the grant has been met with overwhelming appreciation from learners. Most of these learners come from challenging backgrounds and must often take care of their own families while paying off their study loans.

Learner Employment Grant (LEG)

This popular grant has strengthened FASSET's mission in recent years and we have witnessed employers in our sector contribute to skills development in our country. The target of 1 216 could not be met unfortunately, due to the fact that most learners were registered on a learnership outside the reporting period that will make them eligible to apply for the grant.

Non-PIVOTAL Learner Employment Grant (NLRG)

This grant aims to assist employers by providing opportunities in areas of FASSET's scarce skills list where we don't have learnerships available. Through this grant, FASSET incentivises the placement of learners into internships or permanent employment. Unfortunately we fell short of our target in the 2020/21 year, due to interns recruited not linked to scarce or critical skills in our sector; and will look at ways of improving up-take in the foreseeable future.

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

FASSET signs the Annual Performance Plan with DHEST every year, committing us to deliver outputs in line with the NSDP. During the 2020/21 financial year, we had 75 targets, 32 of which were achieved.

Programme 1

Programme 1	Administration
Purpose	The purpose of this programme is to enable effective and efficient capabilities for core and supporting functions. These capabilities include governance, leadership, organisational, process and system components. Supporting functions include Finance, Operations, Human Resources, Information Technology, Communications and Supply Chain Management. This programme also integrated core and supporting systems, as well as ensure a capacitated, capable workforce, empowered by an enabling culture.
Sub-Programmes	<ol style="list-style-type: none"> 1. Corporate Services 2. Finance and Supply Chain Management 3. Governance (Audit and Risk) 4. Human Resources 5. Information Technology 6. Operations 7. Marketing and Communications

Programme 1/ Sub-programme 1: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Until date of re-tabling	Deviation from planned target of actual achievement 2020/21	Reasons for deviations	Reasons for revision to the Outputs / Output indicators / Annual Targets
Efficient and effective organisational support system with an enabling culture	Developed stakeholder strategy	1.1 Develop the stakeholder strategy	N/A	N/A	1	1		0		N/A
	Joint processes with other SETAs facilitated	1.2 Number of programmes facilitated annually	N/A	N/A	2	4		+2	TARGET OVER-ACHIEVED FASSET received additional requests of collaborations from other SETAs to deliver on impactful skills development and training interventions.	N/A

Programme 1/ Sub-programme 1: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Until date of re-tableting	Deviation from planned target of actual achievement 2020/21	Reasons for deviations	Reasons for revision to the Outputs / Output indicators / Annual Targets
Efficient and effective organisational support system within an enabling culture	Internal skills development strategy developed and implemented	1.3 Percentage of internal skills strategy implemented on an annual basis	N/A	N/A	80%	84%		+4%	TARGET OVER-ACHIEVED, more training sessions were conducted in the current financial year	N/A
	Improved business processes	1.4 Percentage of business processes identified that have been reviewed annually	N/A	N/A	50%	64%		+14%	TARGET OVER-ACHIEVED, due to a higher number of reviews than was anticipated	N/A
	Improved organisational culture	1.5 Percentage improvement of organisational climate on an annual basis	N/A	N/A	60%	61%		+1%	TARGET OVER-ACHIEVED, more employees are satisfied at FASSET	N/A
	Policies reviewed	1.6 Percentage of policies reviewed annually	N/A	N/A	100%	100%	0			N/A
	Unqualified audit outcome obtained	1.7 Number of unqualified audit outcomes obtained annually	N/A	N/A	1	1	0			N/A
	Management reports submitted to DHET	1.8 Number of quarterly management reports submitted to DHET annually	4	4	4	4	0			N/A
	Reports to National Treasury submitted	1.9 Number of quarterly reports submitted to National Treasury (Exempted Micro Enterprises reports) annually	4	4	4	4	0			N/A
	Implemented operationalisation strategy	1.10 Percentage of operationalisation strategy implemented on an annual basis	N/A	N/A	20%	0%	-20%	TARGET NOT ACHIEVED; the operationalisation strategy has not been finalised.	N/A	
	Working committee meetings held	1.11 Number of working committees' meetings held annually	N/A	N/A	3	0	-3	TARGET NOT ACHIEVED; the working committee members were approved for appointment after 31 March 2021.	N/A	

Programme 2

Programme 2	Skills Planning
Purpose	The purpose of this programme is to establish an effective mechanism for skills planning and research. It is responsible for researching skills needs within the sector and developing the SSP that guides skills development priorities for the finance and accounting sector; as well as informing the SETA's SP and APP.
Sub-Programmes	1. Research (Chairs) 2. Sector Skills Plan 3. WSPs and ATRs

Programme 2 / Sub-programme 2: Skills Planning

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Outputs / Output indicators / Annual Targets
Appropriate skills interventions determined as informed by research	Report on TVET curriculum development research produced	2.1 Number of research reports produced on TVET curriculum development annually	N/A	N/A	1	1	0			N/A
	Detailed SSP which identifies skills requirements and adapts accordingly produced	2.2 Number of Sector Skills Plans developed and submitted	1	1	1	1	0			N/A
	FASSET Sector Trends report produced	2.3 Number of FASSET Sector trend reports produced annually	1	1	1	1	0			N/A
	Training Benchmarks report produced	2.4 Number of SETA Benchmarking reports produced annually	0	1	1	1	0			N/A
	FASSET Project Beneficiary Tracer Study report produced	2.5 Number of research reports on FASSET-funded Project Beneficiaries produced annually	N/A	N/A	1	1	0			N/A
	Transformation Research report produced	2.6 Number of research reports on transformation in the FASSET sector produced annually	0	1	1	1	0			N/A

Programme 2 / Sub-programme 2: Skills Planning

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Until date of re-tableting	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Outputs / Output indicators / Annual Targets
Appropriate skills intervention determined as informed by research	Position papers on 4IR and impact on professions produced	2.7 No. of position papers developed	N/A	N/A	1	1		0		N/A
	Monitoring and Evaluation Impact Report produced	2.8 Number of updates per annum, to the FASSET monitoring and Evaluation Report based on research	1	1	1	1		0		N/A
	Investments in critical areas for thought leadership made	2.9 Number of circulars of influence forums hosted by FASSET annually	N/A	N/A	3	3		0		N/A
	Approved WSPs and ATRs for large firms	2.10 Number of large firms WSPs/ATRs approved and Mandatory Grants paid annually	68	73	65	78		+13	TARGET OVERACHIEVED the number of large firms that submitted WSPs increased more than anticipated.	N/A
	Approved WSPs and ATRs for medium firms	2.11 Number of medium firms WSPs/ATRs approved and Mandatory Grant paid annually	118	117	100	108		+8	TARGET OVERACHIEVED, the number of medium firms that submitted WSPs increased more than anticipated.	N/A
	Approved WSPs and ATRs for small firms	2.12 Number of small firms WSPs/ATRs approved and Mandatory Grants paid annually	732	722	600	759		+159	TARGET OVERACHIEVED, the number of small firms that submitted WSPs increased more than anticipated.	N/A
	Approved WSPs and ATRs for government departments	2.13 Number of government departments WSPs/ATRs approved annually	6	5	5	5		0		N/A

Programme 3

Programme 3	Learning Programmes and Projects
Purpose	<p>This is the programme in which the SETA invests the bulk of its resources and energy, and is most aligned to the goals, objectives and performance indicators of the NSDP as well as to the SETA's vision and mission as articulated in the SETA's SP.</p> <p>Learning Programmes and Projects is focused on enabling and enhancing skills development in and for the finance and accounting sector in partnership with relevant stakeholders. It also aims to promote the finance and accounting sector as a preferred career choice for new entrants into the labour market. Through targeted funding of skills interventions, the SETA expects to transform the finance and accounting profession and sector. This programme needs to ensure that delivery of skills interventions meets with compliance requirements. Ultimately this programme is expected to deliver the requisite value and impact through the SETA's funded interventions.</p>
Sub-Programmes	<ol style="list-style-type: none"> 1. Implementation of Programmes as per NSDP Outcomes 2. Special Projects 3. Monitoring, Evaluation and Reporting 4. Career and Vocational Guidance 5. Project Admin

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Output indicators / Annual Targets
Injection of relevant critical skills and reduction of skills shortages	High number of learners attending relevant LL/LPD events provided	3.1 Number of employed learners who attend Life long Learning events and Learner Professional Development events annually	30596	12010	14500	11 308	-3 192	TARGET NOT ACHIEVED due to not receiving all the supporting evidence required to approve the learners on or before 31 March 2021.	Reduced the target. Due to restriction on number of people who can be in conference venues due to Covid restrictions
		3.2 Number of Life Long events attended by trade unions	N/A	N/A	2	0	-2	TARGET NOT ACHIEVED; no applications were received for the indicator to be achieved.	
	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc)	3.3 Number of unemployed learners processed for entry to learnerships annually	4833	4474	2810	4 677	+1 867	TARGET OVER-ACHIEVED, FASSET received more learnership agreements than anticipated.	Reduced the target. Due to restriction on number of people who could be in the workplaces due to Covid 19 restriction
		3.4 Number of unemployed learners processed for entry to learnership and approved for funding annually	2008	1593	1033	181	-852	TARGET NOT ACHIEVED, less than anticipated applications were received for learners who entered learnership in the 2020/2021 financial year.	Reduced the target Due to restriction on number of people who could be in the workplace due to Covid 19 restriction
		3.5 Number of unemployed learners approved for learnerships and approved for Public Sector Grants annually	N/A	66	10	0	-10	TARGET NOT ACHIEVED, FASSET received applications that did not meet the criteria.	Reduced the target Due to restriction on number of people who can be in the workplace due to Covid 19 restriction
		3.6 Number of unemployed learners receiving a bursary and approved for Public Sector Academic Support Grants annually	N/A	0	50	0	-50	TARGET NOT ACHIEVED, FASSET did not receive any application in the 2020/2021 financial year.	

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Output indicators / Annual Targets
		3.7 Number of unemployed learners entering an employer bursary programme annually	683	411	360	469	+109	TARGET OVER-ACHIEVED, the number of applications were received and approved in the 2020/2021 financial year.	Reduced the target Due to restriction on number of people who can be in the workplace due to Covid 19 restriction.
		3.8 Number of unemployed learners entering a FASSET Bursary Scheme annually	872	782	639	361	-278	TARGET NOT ACHIEVED, providers were approved in March 2021 and providers have not yet recruited learners to enable FASSET to report.	
		3.9 Number of unemployed learners entering an internship (Non-pivotal Learner Employment Grant) annually	384	176	300	169	-131	TARGET NOT ACHIEVED; not enough applications were received from employers.	Reduced the target because employers might not be able to fund learners' studies. Only if FASSET will change the funding model then we can leave the target
		3.10 Number of unemployed matriculants entering a YES programme annually	N/A	151	150	0	-150	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.	Reduced the target. Due to restriction on number of people who can be in the workplace due to Covid 19 restriction.
		3.11 Number of unemployed learners who enter an academic skills programme for progression at university annually	1433	1236	2500	925	-1575	TARGET NOT ACHIEVED, providers were approved in March 2021 and providers had not yet recruited learners to enable FASSET to report.	Number to be increased. More learners may require academic support as a result of not coping with online learning method imposed by covid 19 pandemic. Recruitment will not be affected. Though if academic year is affected recruitment might happen after March 2021.

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Outputs / Output indicators / Annual Targets
		3.12 Number of unemployed learners who enter a PIVOTAL professional body programme annually	221	214	365	279	-86	TARGET NOT ACHIEVED, providers were approved in March 2021 and providers have not yet recruited learners to enable FASSET to report.	
		3.13 Number of unemployed learners who enter a non-PIVOTAL professional body annually	2	253	330	656	+326	TARGET OVER-ACHIEVED, more learners were recruited in first quarter of 2020/2021 financial year	
		3.14 Number of unemployed learners entering a skills programme offered at a Community Education and Training college annually	N/A	30	100	0	-100	TARGET NOT ACHIEVED, providers were approved in March 2021 and providers have not yet recruited learners to enable FASSET to report.	
		3.15 Number of unemployed learners processed for completion of learnerhips annually	2918	3184	1450	3268	+1818	TARGET OVER-ACHIEVED, more than anticipated applications were received for learners who complete learnerhip in the 2020/2021 financial year.	Increased target. Recruitment will not be affected, though if academic year is affected recruitment might happen after March 2021.
		3.16 Number of unemployed learners who completed a qualification via the FASSET bursary scheme annually	745	591	438	92	-346	TARGET NOT ACHIEVED, the academic year for some universities was extended which affected completion targets	

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Output indicators / Annual Targets
		3.17 Number of unemployed learners who complete an academic support skills programme for progression at university annually	1338	487	1281	724	-557	TARGET NOT ACHIEVED, the academic year for some universities was extended which affected completion targets	Number to be increased due to increase of entries in 3.11. This happened so don't need to state expected extension of the 2020 academic year, results might be available after March 2021 which will impact our reporting. Learners that are unable to adjust to online training might fail and reduce the number of completions.
		3.18 Number of unemployed learners who complete a PIVOTAL professional body programme annually	0	0	231	32	-199	TARGET NOT ACHIEVED, the academic year for some professional bodies was extended which affected completion targets	
		3.19 Number of unemployed learners who complete a non-PIVOTAL professional body programme annually	0	35	175	23	-152	TARGET NOT ACHIEVED, the academic year for some professional bodies was extended which affected completion targets	
		3.20 Number of employed learners processed for entry on learnerships annually	465	289	155	319	+164	TARGET OVER-ACHIEVED, the number of applications received for learners who entered learnerships in the 2020/2021 financial year was higher than anticipated.	Reduced target. Employers may not have budgets available for stipend payments to learners on learnerships, leading to a decrease in learners entering learnership.

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Outputs / Output indicators / Annual Targets
		3.21 Number of employed learners processed for entry to learnerships and approved for funding annually	N/A	0	122	16	-106	TARGET NOT ACHIEVED; not enough applications were received from employers.	Employers may not have budgets available for stipend payments to learners on learnerships, leading to a decrease in learners entering learnership
		3.22 Number of employed learners entering an employer bursary programme annually	N/A	2	100	66	-34	TARGET NOT ACHIEVED; not enough applications were received from employers	
		3.23 Number of employed learners entering a bursary via the NLRG annually	353	377	400	164	-236	TARGET NOT ACHIEVED; not enough applications were received from employers	
		3.24 Number of employed learners processed for completion of learnerships annually	175	199	90	119	+29	TARGET OVER-ACHIEVED, the number of completions received for learners on learnerships in the 2020/2021 financial year was higher than anticipated.	Reduced target. Most companies provided the opportunity to permanent employees to return to work due to covid 19 protocol reducing the number of staff allowed in a workplaces. This change affected training and POEs of learners on learnership.
									Another point is the assessments for some qualifications could not be done due to covid-19 they were unable to complete manual assessment.

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Outputs / Output indicators / Annual Targets
		3.25 Number of TVET students who enter a National Diploma internship annually	312	338	240	18	-222	TARGET NOT ACHIEVED, providers were approved in March 2021 and providers have not yet recruited learners to enable FASSET to report.	Reduced target. Due to restriction on number of people who could be in workplaces due to Covid 19 restriction
		3.26 Number of TVET students who complete a National Diploma internship annually	276	130	150	195	+45	TARGET OVER-ACHIEVED, a higher number of learners completed the incomplete internships in 2020/21.	Reduced target. After severe lockdowns not all interns were allowed to return to their workplaces. Employers with gave priority to permanent staff to return. This will affect the completion timeline for interns.
		3.27 Number of unemployed learners entering internships and approved for funding via Public Sector Non-Pivotal Grants annually	N/A	10	10	0	-10	TARGET NOT ACHIEVED; no provider was approved for the target to be achieved.	
		3.28 Number of unemployed university graduates who receive placements at a FASSET employers annually	N/A	144	500	21	-479	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.	
		3.29 Number of unemployed university graduates placed at small businesses annually	N/A	10	33	2	-31	TARGET NOT ACHIEVED, providers were approved in March 2021 and providers had not yet recruited learners to enable FASSET to report.	
		3.30 Number of NLPs supported through discretionary funding annually	52	126	150	28	-122	TARGET NOT ACHIEVED; not enough NLPs were supported in 2020/2021 financial year.	

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Outputs / Output indicators / Annual Targets
		3.31 Number of TVET College lecturers enrolled in a development programme annually	N/A	0	30	0	-30	TARGET NOT ACHIEVED, providers were approved in March 2021 and providers had not yet recruited learners to enable FASSET to report.	
		3.32 Number of small businesses supported through discretionary funding annually	193	337	550	92	-458	TARGET NOT ACHIEVED; not enough small businesses were supported in 2020/2021 financial year.	
		3.33 Number of partnership agreements signed between FASSET and a public Higher Education Institution annually	12	8	8	0	-8	TARGET NOT ACHIEVED; the partnership agreements were not finalised in time	
		3.34 Number of partnership agreements signed between FASSET and a public TVET college annually	15	2	5	0	-5	TARGET NOT ACHIEVED; the partnership agreements were not finalised in time	
		3.35 Number of partnership agreements signed between FASSET and an employer for placement of TVET learners annually	16	25	20	15	-5	TARGET NOT ACHIEVED; the partnership agreements were not finalised in time	

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Output indicators / Annual Targets
		3.36 Number of career guidance events supported annually	46	71	560	162	-398	TARGET NOT ACHIEVED, due to covid 19 restrictions at schools and in regions where visits were planned.	Increased target. Lockdowns affected events/career guidance, but FASSET was able to roll out online programmes.
		3.37 Number of times FASSET career guide is updated annually	1	1	1	1	0		
Unemployed learners enrolled for WIL programmes	3.38 Number of unemployed learners enrolled for WIL programmes from HETs	N/A	N/A	20	0	-20	TARGET NOT ACHIEVED, providers were approved in March 2021 and providers have not yet recruited learners to enable FASSET to report.		
Unemployed learners completed WIL programmes	3.39 Number of unemployed learners completed WIL programme from HETs	N/A	N/A	5	0	-5	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.		
Learners enrolled for AET programmes	3.40 Number of AET programmes for which learners enrolled	N/A	N/A	50	0	-50	TARGET NOT ACHIEVED; no provider was approved for the target to be achieved		
Learners completed AET programmes	3.41 Number of AET programmes completed	N/A	N/A	35	0	-35	TARGET NOT ACHIEVED; no provider was approved for the target to be achieved		
Partnerships established with CET	3.42 Number of CET partnerships established	N/A	N/A	1	0	-1	TARGET NOT ACHIEVED; the partnership agreements were not finalised on time		
Bursaries awarded to TVET lecturers	3.43 Number of TVET college lecturers awarded bursaries	N/A	N/A	10	0	-10	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.		

Programme 3 / Sub-programme 3: Learning programmes and projects

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision of the Output indicators / Annual Targets
	Training conducted on entrepreneurial skills	3.44 Number of people to be trained on entrepreneurial skills	N/A	N/A	1200	0		-1200	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.	Increased the target as part of supporting rising unemployment as a result of the Covid-19 pandemic.
	Upskilled and informed English, Maths and Accounting educators	3.45 Number of educator-programmes conducted for English, Maths, Accounting	N/A	N/A	3	0		-3	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.	
	Upskilling of English, Maths, and Accounting offered to learners	3.46 Number of learners upskilled (Grade 8-12) Maths, Accounting and English	N/A	N/A	600	0		-600	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.	
	Targets of injecting supply of designated groups as per DHET and sector needs met	3.47 Number of Black females entering a senior management development programmes (Executive Development Programmes)	N/A	N/A	10	0		-10	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.	Changed the indicator and target from percentage to a number to improve measurability.
	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc)	3.48 Number of workers entering a bursary programme (continuing)	N/A	N/A	120	0		-120	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.	
		3.49 Number of unemployed learners entering a bursaries programme (continuing)	N/A	N/A	433	0		-433	TARGET NOT ACHIEVED, providers were approved in March and providers have not yet recruited learners to enable FASSET to report.	

Programme 4

Programme 4:	Quality Assurance
Purpose:	This programme is focused on supporting the professional organisations to align their qualifications to the new dispensation (as introduced through QCTO) while ensuring quality. The support role assumed by the SETA in this regard acknowledges the key role played by professional organisations in the development and implementation of qualifications for the finance and accounting sector.
Sub-Programmes	1. Learning Programmes 2. Certification

Programme / Sub-programme 4: Quality Assurance

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to actual achievement 2020/21	Reasons for deviations	Reasons for revision to the Outputs / Output indicators / Annual Targets
Improved quality assurance system for sector learning programmes	Quality assured sector aligned learning programmes	4.1 Number of discretionary funded learning programmes monitoring reports produced annually	N/A	4	4	4	0		N/A
		4.2 Number of qualifications and learnership certification reports produced annually	N/A	4	4	4	0		N/A

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

REVENUE COLLECTION

The revenues of all 21 SETAs were constrained in terms of President Cyril Ramaphosa's announcement of the four-month payment holiday on the SDL that employers contribute to their respective SETAs. This measure was taken as a form of economic relief to employers in the wake of the economic impact of the Covid-19 lockdown. The result was that FASSET received 33% less revenue than was expected. In Rand terms FASSET had estimated receiving R550m in SDL revenue but actually received R400m, i.e. R150m less than anticipated.

For employers, the payment holiday applied to the months of May, June, July and August while it affected the SETA's revenues in July, August, September and October. FASSET

was left with a net deficit for 2020/21 which was then funded by the reserve. Since the four-month payment holiday, we have seen that the sector is stable, and our revenue has returned to previous monthly levels of R45 million.

From a strategic financial perspective, FASSET needs to continually monitor the levy income as there might be a post-Covid economic impact as employment changes do not take place immediately. Fortunately, the financial services sector has been less affected than other sectors that lost whole workforces. We will however continue to monitor the sector and the country as a whole. There may be a delayed knock-on effect where companies affected by the pandemic close down, or where there is a further economic downturn or reduction in workforce numbers which could further impact revenue.

Table 4: Revenue Collection

	2021 R,000	2020 R,000
Revenue from exchange transactions		
Other income	-	47
Investment income	29 798	54 534
Total revenue from exchange transaction	29 798	54 581
Revenue from non-exchange transactions		
Levies	401 421	552, 506
Other income	155	5, 703
Total revenue from non-exchange transactions	401 576	558, 209
Total revenue	431 374	612, 790

CAPITAL INVESTMENT

Fasset keeps its assets, the majority of which are in the form of excess cash in the CPD account with the Reserve Bank. The SETA also has measures in place to maintain its asset register mostly comprising furniture and some installations. This is kept up to date on an ongoing basis

PART C

CORPORATE GOVERNANCE



INTRODUCTION

The Financial and Accounting Services Sector Education and Training Authority (FASSET) is a public entity established in terms of the Skills Development Act No. 97 of 1998; and listed as a schedule 3A entity as per the Public Finance Management Act No. 29 of 1999 (PFMA).

FASSET is governed in accordance with the FASSET Constitution as drawn up in accordance with the requirements of the Skills Development Act No. 97 of 1998, Skills Development Levies Act No. 9 of 1999, and the PFMA. FASSET complies with all applicable regulations, standards and frameworks. In addition to legislative requirements based on FASSET's enabling legislation and the Companies Act, corporate governance is applied through the precepts of the Public Finance Management Act (PFMA) in tandem with the principles contained in the King Report on Corporate Governance.

The Accounting Authority relies on the support of the Executive Committee as well as its established Board Committees which include the Audit and Risk Committee, Finance Committee, Human Resources and Remuneration Committee, and the Governance & Strategy Committee.

The Accounting Authority is responsible for providing strategic direction to FASSET and ensuring that the organisation achieves its objectives and implements its strategy and SSP as approved by the Executive Authority. The Accounting Authority is accountable to the Executive Authority and Parliament.

Parliament, the Executive (the Minister of Higher Education and Training) and the Board of FASSET are responsible for corporate governance.

FASSET's commitments to internal controls include a code of conduct, service level agreements, declarations of conflict of interest, and a gifts and hospitality register.

Corporate governance embodies the processes and

systems by which public entities are directed, controlled and held to account.

Good corporate governance is key to achieving the SETA's vision of facilitating the achievement of world-class finance and accounting skills and it also supports the SETA's values of good ethics, accountability and innovation.

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

King IV

Meaningful and SETA-wide application of the King IV corporate governance practices is a key starting point in ensuring desired governance outcomes. By aligning its practices with King IV, the principles of which apply to the reporting period, the SETA's approach and commitment to corporate governance has not changed. The Board and management continue to fully acknowledge the role of good governance across all aspects of the SETA as a vital component of sustainable value creation.

The shift to King IV was managed as a project, with responsibility for each principle assigned to appropriate functional business areas. The working committees that were put in place comprised senior representatives of the strategy and planning committee (including risk), human resources (including remuneration), finance, governance, IT, internal audit, and the executive management team with the Chief Executive Officer as project champion, and the Company Secretary as the head of governance. This

inclusive approach ensures a SETA-wide understanding of the principles and multi-function application of the practices. It also facilitates governance leadership and accountability. The working groups benchmarked existing governance practices against King IV practices to identify areas for improvement.

PORTFOLIO COMMITTEES

The Portfolio Committee on Higher Education, Science and Technology exercises its oversight role over the SETAs through evaluating the performance of the public entity by interrogating their annual financial statements, performance information and other strategies tabled from time to time.

The Standing Committee on Public Accounts (SCOPA) also reviews, from time to time, FASSET's service delivery performance, financial performance and the audit reports of the external auditor.

There were no engagements between FASSET and SCOPA in the current financial year.

EXECUTIVE AUTHORITY

The Executive Authority of FASSET is the Minister of Higher Education, Science and Technology.

FASSET reports on the financial and non-financial performance to the Minister of Higher Education and Training. The Sector Skills Plan, Strategic Plan, and Annual Performance Plan are submitted on an annual basis to the DHEST.

FASSET is also required to conclude annually a Service Level Agreement with the Executive Authority which encompasses deliverables on the performance and required reports on its activities.

THE ACCOUNTING AUTHORITY: THE BOARD

The FASSET Board is the Accounting Authority as required in terms of the FASSET constitution, and it fulfils certain duties and responsibilities as provided for in the PFMA and Skills Development Act, 97 of 1998, as amended.

The Minister of Higher Education and Training appointed a new Board for a 5-year period (2020 – 2025) during the year under review. The new board's term of office started on 1 April 2020 which coincided with the beginning of the year under review.

The Board performs oversight of the affairs of FASSET as well as retaining full and effective control and management of FASSET in accordance with applicable legislation. The Board is also responsible for the formulation and review of the strategic direction of FASSET. The Board ensures that FASSET delivers on the requirements of the Skills Development Act, 97 of 1998, amended; and adherence to the PFMA.

The role of the Board is as follows:

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

Induction and Board Development

The current Board was appointed shortly after the declaration of the Covid-19 state of disaster by the government, therefore the Board's induction was delayed by several weeks as FASSET adjusted its operations to the lockdown regulations.

Despite the delayed induction and the constraints the Board experienced in this particular financial year, the Board held all of its required meetings as well as those of its sub-committees and fulfilled all its responsibilities.

The Board Chairperson has prioritised professional development of members. Ongoing training and education programme enables the Board members to familiarise themselves with FASSET's operations, the business

environment, their fiduciary duties and responsibilities, FASSET's expectations of Board members in terms of commitment and behaviour, and regulatory changes and trends.

FASSET's Board members have full and unrestricted access to management, SETA information and property, and are entitled to seek independent professional advice in support of their duties.

In the year under review, FASSET's Board members attended key governance trainings with the Institute of Directors in South Africa (IoDSA) to enhance their skills and decision making. A detailed Board development and Training Programme will be rolled out in the 2021/22 financial year accordingly.

Board Charter

The King IV Code of Corporate Governance states that good governance starts with effective leadership. The Board Charter regulates the parameters within which the Accounting Authority will operate and ensure the application of sound corporate governance principles, and sets out the mandate, goals, roles and responsibilities of the Accounting Authority and also addresses the following:

- Accounting Authority powers and composition
- Authority of the Accounting authority
- Fiduciary responsibilities
- Mandate, goals, role and functions
- Role of the Chairperson
- Roles and responsibilities of the CEO
- Relationship with staff and other stakeholders
- Accounting Authority Committees, Committee meetings and frequency of meetings
- Accounting Authority evaluation of effectiveness
- Code of conduct
- Conflict of interest and handling of disputes
- Remuneration of Accounting Authority members

Composition of the Board

The Board of FASSET is appointed in line with Section 11(1) and (2) of the Skills Development Act 97 of 1998. As the highest governing structure, the Board retains full and effective control over FASSET and monitors the organisation's performance and ensures that decisions on material issues are addressed. The Board is comprised of 15 members. All Board members and the independent Chairperson are non-executive directors.

Their current term of office commenced on 1 April 2020. FASSET's Board is comprised from the following constituencies:

- An independent Chairperson
- Six members representing organised labour

- Six members representing Organised Business
- One member from Government Department; and
- One member from a Community Organisation.

Board and Board committee

The FASSET constitution provides for the establishment of the following Board Committees:

- The Executive Committee
- The Audit and Risk Committee
- The Finance Committee
- The Human Resources and Remuneration Committee
- The Governance and Strategy Committee.

Board Members



Ms Lynette Ntuli
Chairperson



**Ms Mamatshiliso
Nhlapo**
Government Department



Ms Rofhiwa Singo
Community Organisation



Mr James Maboa
Organised Labour



Mr Xola Lingani
Organised Labour



Mr Mbasa Metuse
Organised Labour



Ms Tlakale Phatlane
Organised Labour



**Mr Nthato
Mapiloko**
Organised Labour



Ms Thandi Masemola
Organised Labour



Ms Mopo Mushwana
Organised Business



**Ms Angela Nyathela- Mr Bongani Mathibela
Mahanjana**
Organised Business



Organised Business



Ms Malebo Magasa
Organised Business



Ms Pumla Ngwenya
Organised Business



Mr Peterson Khumalo
Organised Business

Table 5: Board and Committees Meeting Attendance

Name	Gender	Constituency	Chairperson	Total # of Meetings Attended
		Number of meetings		
Ms Lynette Ntuli	Female	Independent Chairperson	Board & Exco	12
Ms Mamatshiliso Nhlapo	Female	Government Department	Board & Exco	12
Ms Rofhiwa Singo	Female	Community Organisation	Board & Exco	12
Mr James Maloba	Male	Organised Labour	Board & Exco	-
Mr Xola Lingani	Male	Organised Labour	Board & Exco	-
Mr Metuse Mbasa	Male	Organised Labour	Board & Exco	-
Ms Thandi Masemola	Female	Organised Labour	Board & Exco	-
Mr Nhato Mapiloko	Male	Organised Labour	Board & Exco	-
Mr Tlakale Phatlane	Female	Organised Labour	Board & Exco	-
Mr Bongani Mathibela	Male	Organised Employer	GSC	12
Ms Malebo Magasa	Female	Organised Employer	GSC	10
Ms Mopo Mushwana	Female	Organised Employer	FINCO	12
Ms Angel Nyathela-Mahanjana	Female	Organised Employer	FINCO	12
Ms Pumla Ngwenya	Female	Organised Employer	SETCO	11
Mr Peterson Khumalo	Male	Organised Employer	SETCO	12
				4
				5
				7
				9
				1
				8
				8
				20/20
				-
				-
				18/19
				-
				0
				-
				15/17
				-
				-
				0
				7
				7
				18/21
				-
				-
				7
				9
				-
				7
				9
				-
				0
				7
				7
				23/25
				-
				-
				7
				28/28
				-
				7
				9
				-
				0
				7
				7
				28/28
				-
				1
				1
				1
				22/22
				-
				9
				1
				-
				22/22
				-
				8
				27/27
				-
				8
				30/31
				-
				8
				19/19
				-
				1
				1
				26/26
				-
				9
				1
				1
				22/23
				-
				1
				21/21

COMMITTEES

The Board is assisted by five committees, namely:

The Executive Committee (EXCO) is made up of five Board members and is comprised of the independent Chairperson, two representatives of organised business and two representatives of organised labour.

The Executive Committee oversees the management of all financial matters; monitors national policy issues and developments; makes recommendations regarding the adoption of policies by the Accounting Authority; oversees staff employment issues; determines budgets and business plans; monitors the relations and interactions of the SETA with other SETAs and other agencies on matters related to skills development; and performs any other function, delegated to it by the Board.

Table 6: Executive Committee

Name	Gender	Constituency
Ms Lynette Ntuli	Female	Independent Chairperson
Mr James Maboa	Male	Organised Labour
Mr Xola Lingani	Male	Organised Labour
Mr Bongani Mathibela	Male	Organised Employer
Ms Malebo Magasa	Female	Organised Employer

The primary responsibilities of the **Finance Committee (FINCO)** include monitoring and reporting on financial operations, internal financial policies and budget performance; consolidating and recommending the annual budget for presentation to the Board; providing guidelines for reporting on levy collections and grant disbursements; considering and recommending financial reports; and recommending plans for and monitoring the progress of major capital and infrastructure work.

Table 7: Finance Committee

Name	Gender	Constituency
Mr James Maboa	Male	Organised Labour
Ms Malebo Magasa	Female	Organised Employer
Ms Mopo Mushwana	Female	Organised Employer
Ms Angel Nyathela-Mahanjana	Female	Organised Employer
Mr Peterson Khumalo	Male	Organised Employer

The core role of the **Governance and Strategy Committee (GSC)** includes developing policies, principles, criteria and guidelines for governance and strategy; providing strategic direction to the skills development strategy of the sector; monitoring adherence to the codes of conduct/ethics; governing compliance with applicable laws; and setting the direction for FASSET's approach to corporate citizenship.

Table 8: Governance and Strategy Committee

Name	Gender	Constituency
Ms Mamatsiliso Nhlapo	Female	Government Department
Mr Metuse Mbasa	Male	Organised Labour
Ms Thandi Masemola	Female	Organised Labour
Mr Bongani Mathibela	Male	Organised Employer
Ms Malebo Magasa	Female	Organised Employer

The **Human Resources and Remuneration Committee (HREMCO)** advises and makes recommendations to the Board on establishing human resources and remuneration strategies and processes to ensure alignment with FASSET's functions and mandate;

ensures that the human resources organisational structure supports FASSET's vision, mission and activities to be undertaken by FASSET; establishes, maintains and implements human resources and remuneration strategies that ensure competitive, fair, equitable and market-related compensation policies (and which are also geared to attract, motivate and retain talented human capital); periodically reviews its the practice of diversity in the workplace and adherence to employment equity plans.

Table 9: Human Resources and Remuneration Committee

Name	Gender	Constituency
Mr Metuse Mbasa	Male	Organised Labour
Ms Thandi Masemola	Female	Organised Labour
Mr Nthato Mapiloko	Male	Organised Labour
Mr Tlakale Phatlane	Female	Organised Labour
Ms Pumla Ngwenya	Female	Organised Employer

The Audit and Risk Committee (ARC) is made up of four independent members and two Board representatives.

The collective skills and expertise of the members of this committee include extensive knowledge and expertise in public sector accounting, GRAP standards, the PFMA, National Treasury Regulations, ICT governance, King IV, etc.

The members also have exposure to the SETA environment. The Audit and Risk Committee has oversight responsibilities for financial management, internal controls, management of risks and monitoring of risk management policy and planning; compliance with laws, regulations, and ethics; accounting and financial reporting; internal and external audit functions; and IT governance.

Table 10: ARC Composition

Name	Gender	Constituency
Ms Rofhiwa Singo	Female	Community Organisation
Mr Peterson Khumalo	Male	Organised Employer
Ms. Malande Tonjeni	Female	Independent Chairperson
Mr Vernon Makaleni	Male	Independent Member
Adv. Matime Manasoe	Male	Independent Member
Mr. Thembelani Maphanga	Male	Independent Member (Resigned)

Information and Communication Technology (ICT) Steering Committee

The Organisation has established ICT Steering committee with an independent Chairperson, reporting to the Audit and Risk Committee.

The Committee is chaired by Dr Charles Modau and meets once a quarter. The Chairperson is remunerated in terms of the National Treasury Board Remuneration guidelines and was remunerated R 82 103.00 for the year under review.

The Committee's responsibilities are defined in terms of King IV under Principal 12 on Technology and Information and the ICT Governance Framework that is informed by the King Code, in support of the Audit and Risk Committee.

King IV emphasises that the Governing Body (a function delegated to the Audit and Risk Committee) should govern technology and information in a way that supports the organisation in defining core purpose and to set and achieve strategic objectives, organisational structure, relationships, frameworks and processes. The King IV Code (practices under principle 12) recommends that the governing body should;

- i. Assume responsibility by setting the direction for

- how the organisation should approach and address information technology (IT);
- ii. Oversee the management of IT, including overseeing that IT risks are integrated into organisation-wide risk management;
 - iii. Management responds to security and social media incidents with a breach coach;
 - iv. IT is used ethically and responsibly through an IT policy;
 - v. IT laws are complied with; vi. Information management sustains and enhances the intellectual property protection of the organisation;
 - vii. Data protection and information security law aspects are in place; viii. The risks pertaining to the sourcing of IT and IT contracts are managed;
 - ix. The organisation responds to disruptive technologies; and
 - x. Disclose the governance and management of IT by the organisation, including disclosing an overview, focus areas, actions taken and plans.

Remuneration of Board members

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

Table 11: Board Remuneration in 2020/21

Designation	Preparation fee/ meeting attendance
Chairperson	R 5 549
Member	R 4 317

RISK MANAGEMENT

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

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

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

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

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

RISK MANAGEMENT STEERING COMMITTEE

The organisation has established a Risk Management Steering Committee with an independent Chairperson, reporting to the Audit and Risk Committee.

The Committee is chaired by Mr Vernon Makani and meets once a quarter. The Chairperson is remunerated in terms of National Treasury Board Remuneration guidelines and was remunerated R418 337.00 for the year under review.

The main responsibilities of the committees include:

- i. Develop policies and procedures related to risk management;
- ii. Evaluate the effectiveness of mitigating strategies to address the material risks of FASSET;
- iii. Review processes in place or recommend processes to enable complete, timely, relevant, accurate and acceptable risk disclosure;
- iv. Report to the Audit and Risk Committee any material changes to the risk profile of FASSET;
- v. Review the Fraud Prevention Policy for review and recommendation to the Audit and Risk Committee and approval by the Board;
- vi. Evaluate the effectiveness of the implementation of the fraud prevention policy;
- vii. Reviewing policy documents which should incorporate compliance with laws, regulations, ethics, policies and procedures; and rules regarding conflict of interest; and
- viii. Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses.

INTERNAL CONTROL UNIT

The Audit and Risk Committee monitors audit reviews and all internal controls implemented by FASSET management. FASSET's systems and internal controls include a delegation

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

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

INTERNAL AUDIT AND AUDIT COMMITTEES

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

FRAUD AND CORRUPTION

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

MINIMISING CONFLICT OF INTEREST

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

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

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

CODE OF CONDUCT

FASSET is committed to a policy of fair dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that FASSET's affairs should be conducted honestly,

fairly, ethically and legally. FASSET expects all constituents, representatives and employees to share in its commitment to high moral, ethical and legal standards and be aware of and adhere to FASSET's Code of Conduct. Procedures are in place to deal with any breach of the Code of Conduct, but these are still to be tested.

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The pressing need to address growing pressure on resources, and rising emissions and global temperatures, is almost universally accepted. FASSET subscribes to the philosophy that small, sustainable actions make a big impact on the climate crisis and this belief forms the basis of the FASSET Environmental Policy and its implementation plan, enacted during the 2016/2017 financial year.

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

The year under review commenced just after South Africa went into a Level 5 lockdown as countries around the world faced the impacts of the global spread of Covid-19. FASSET acted swiftly, through procurement processes to secure and provide staff members with essential Personal Protective Equipment (PPE). All precautionary measures were taken throughout the year in accordance with the lockdown alert levels applicable - including work-from-home arrangements that would enable protection of staff from the pandemic.

Importantly, FASSET was cognisant of the personal impact of Covid-19 on its staff and families, as well as pressures experienced by staff while working at home

and/or adjusting to virtual functioning. Crucial in FASSET's response were the services of its outsourced Wellness Programme which actively assisted staff with mental health and other challenges linked to the pandemic.

These efforts are still in force and will continue in the 2021/22 financial year along with other initiatives identified in accordance with the State's response to the Covid-19 pandemic. They will also be taken into consideration during the annual review of FASSET's health and environmental policy.

COMPANY SECRETARY

The Board is cognisant of the duties of the Company Secretary and an environment exists in which the Company Secretary is able to ensure full adherence to Board procedures and relevant regulations. The main role of the Company Secretary is to provide guidance on Board members' fiduciary responsibilities and duties, as well as corporate governance procedures.

SOCIAL RESPONSIBILITY

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

AUDIT AND RISK COMMITTEE REPORT

Report of the Audit and Risk Committee in terms of Regulations 27 (1) (10) (b) and (b) of the Public Finance Management Act (PFMA).

We are pleased to present our report for the financial year ended 31 March 2021.

Audit and Risk Committee responsibility

The Audit and Risk Committee (ARC) reports that it has complied with its responsibilities arising from Section 51 (1)(a)(iii) and 76 (4)(d) of the Public Finance Management Act and Treasury Regulation 27.1.7 and 27.1.10(b) and (c).

The ARC also reports that it has adopted appropriate formal terms of reference as its ARC Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

The ARC also developed an annual work plan that assisted in carrying out its responsibilities and monitoring progress thereto.

The ARC is accountable to the Board and has reported to the Board every quarter on how the Audit and Risk Committee discharged responsibilities contained in its charter, which amongst others as an oversight function for:

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

Report on the activities of the Audit and Risk Committee

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

- Reviewed the ARC charter;
- Considered and approved the Strategic and operational risk registers as part of the risk management processes;
- Considered and approved the internal audit plan and monitored implementation thereof through the quarterly progress reports and made recommendations as appropriate;
- As part of the management of compliance with policies and applicable legislation, the Committee introduced a compliance checklist to assist the organisation to monitor compliance with the organisation's regulatory universe, statutory reporting, and organisational policies;
- Conducted separate informal meetings with management, internal and external audit;
- Considered reports from internal and external audit including audit plans, reports, and management's follow-up of matters requiring attention; and
- Provided guidance on the development of the IT governance framework and policies.

The effectiveness of internal control

In line with the PFMA, Internal Audit is expected to provide the Audit and Risk Committee and Management with the assurance that the internal controls are appropriate and effective. This is to be achieved through the risk management process, the identification of corrective actions, and suggested enhancements to controls and processes.

The internal audit function provided status progress reports every quarter to the Committee. The progress reports provided status updates on the implementation of the audit plan, some audit findings, and status updates on the implementation of recommendations.

Our review of the findings raised by Internal Audit, which was based on the risk assessments conducted by FASSET, revealed certain weaknesses, which were then raised with the SETA.

The Internal Audit Activity provided reasonable assurance on the effectiveness and efficiency of governance, risk management, and control processes. The Internal Audit function expressed a few concerns regarding the system of internal controls as partially adequate to cover strategic and operational risks.

Activities in the organisation are governed by written policies and procedures that are reviewed and approved by the relevant governance committee. Management and employees monitor these controls throughout the organization with the necessary delegation of authority and segregation of duties. The areas of concern relate to some practices that do not comply with set policies and, in some instances, policies were not adequate to address key risks.

The internal audit work conducted during the year focused on the following:

- Performance Information;
- Supply Chain Management;
- Project Management;
- Human Resources Management;
- Information and Communications Technology;
- Projects Site Visits; and
- Adhoc Tender Reviews.

Evaluation of financial statements

The Audit and Risk Committee has:

- Reviewed the report of the Auditor-General of South Africa (Auditor-General) on the audited financial statements to be included in the Annual Integrated Report;
- Reviewed the Auditor-General's Management letter and Management's response thereto;
- Reviewed significant adjustments resulting from the

external audit; and

- Reviewed and adopted the Auditor-General's report.

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

Table: 11 Audit and Risk Committee attendance and remuneration 2020/2021

ARC Member	Skalo Dikana (Chairperson) ³	'Romeshni Govender	'Juliet Tshoke	Nithato Mapiloko	'Nalini Maharaj
Position	Board Member	Independent Member	Independent Member	Board member	Independent Member
Meetings					
23-July-2020	x		✓	✓	✓
Meeting Attendance	0	1	1	0	1
Total Remuneration for financial year ending 31 March 2021	R0	R16 000	R8 000	R0	R23 8862
ARC Member	² Malande Tonjeni	² Vernon Makaleni	² Thembelani Maphangwa*	² Adv Matime Manasoë	⁴ Peterson Khumalo
Position	Independent Chairperson	Independent Member	Independent Member	Board Member	Board Member
23 September 2020	✓	✓	✓	✓	✓
24 November 2020	✓	✓	x	✓	✓
24 February 2021	✓	✓	x	✓	✓
Meeting Attendance	3	3	3	3	3
Total Remuneration for financial year ending 31 March 2021	R77 046	R 67 739	R 35 076	R52 344	R43 170

¹Term ended 31 July 2020, ²Appointed 1 September 2020, ³ Term ended 31 March 2020, ⁴ Appointed 01 April 2020
*Resigned as ARC member 19 February 2021

Malande Tonjeni

Ms. Malande Tonjeni

Chairperson of the Audit and Risk Committee
(Date)

PART D

HUMAN RESOURCES MANAGEMENT



INTRODUCTION

FASSET's human capital is the engine of its skills development activities and employees' knowledge, experience, expertise and commitment enable the SETA to meet its annual objectives. The FASSET team has remained relatively stable since the organisation's inception, with additional resources brought on board as new priorities and legislative requirements dictate.

FASSET's employee value proposition

FASSET offers an employee value proposition which encompasses recruitment, remuneration, training and wellness; this in turn ensures that individuals are presented with all the support they need to enhance their skills and become part of a high-performance culture. To ensure the FASSET team is well supported and taken care of especially during the Covid-19 pandemic, a wellness programme was promoted to staff at large to ensure their health and wellness.

Investing in people through training and development

FASSET's staff training was focused on core functions and on enabling its team members to enhance their proficiency in key functional areas. In a most difficult year, the FASSET Human Resources (HR) division achieved 83% of its employee learning and development targets. Ten employees registered for formal education and were able to utilise the lockdown time to further their studies.

Adapting to the online environment

With HR functioning disrupted by the Covid-19 pandemic, we had to find new ways of doing things outside of the office and run training with people working from home. It was an added challenge to shift HR processes previously done manually to an online environment. We had to quickly adapt to the 'new normal' and find the means to achieve our target, while ensuring that employees stayed committed and able to achieve their own targets. We worked hard to reinforce our values with employees working from home. An unexpected consequence of the shift to working from home is that many employees accumulated more leave days than usual, which had financial implications (refer to AFS in Part of this AIR on page 89).

Recruitment and selection

Capacitation of staff is integral to the SETA's ability to deliver on its mandate and skills development for staff has always been a priority. The year under review ended with a staff complement of 71 comprising 52 permanent employees, eight new permanent appointments, one fixed term contract and ten interns. In accordance with the Workforce Planning Framework, the new appointments reinforced the restructuring process implemented in recent years in which FASSET pivoted from outsourcing expertise, to having internal divisions with the requisite functions, skills and competencies within its own workforce, thereby meeting the SETA's key strategic targets as reflected in Table 12, below.

Table 12: New Appointments in 2020/21 FY

Division	Position	Type of contract	Race	Gender
COO's Office	Executive Assistant to COO and CFO	Permanent	Black	Female
Finance	Project Accountant	Permanent	Black	Male
HR	Human Resources Specialist	Permanent	Black	Female
PQA	Quality and Monitoring Specialist	Permanent	Black	Male
PQA	Project Specialist	Permanent	Black	Male
Finance	Finance Specialist	Permanent	Black	Male

Division	Position	Type of contract	Race	Gender
Executive	Executive Assistant	Permanent	Coloured	Female
CEO's Office	Audit, Risk and Compliance Manager	Permanent	Black	Female
IT	Project Manager Development ICT and Systems Governance	Contract	White	Male

Sadly, we lost the Director of Corporate Services who had been the convenor and facilitator of the Covid-19 support team, leaving the position vacant. At the close of the 2020/21 financial year, FASSET started recruiting to fill this key position again.

FASSET enhancing its work-from-home policy

Because of the Covid-19 lock-down measures, a Work-from-home policy was established to provide a framework for managing remote working arrangements. It provides for the allocation of resources such as network facilities, data, laptops etc. to enable working from home. The policy also instituted a system of permits from the office of the CEO to work in the office. By the end of the financial year, 75% of staff were working from home with a rotation system for working at the FASSET office premises in accordance with the various lockdown levels. Electricity load-shedding issues affected those staff who worked from home, from time to time.

FASSET's performance management system and approach

The roll-out of FASSET's Performance Management cycle was disrupted as a number of employees contracted Covid-19 prompting office closures and preventing completion of the process within the annual cycle. The process was further complicated as it required one-on-one engagement between employees and their managers. In addition, many programmes could not meet their targets because of the four-month 'payment holiday' affected all SETAs.

The health and wellness of staff during the pandemic

A highlight of the year under review was the comprehensive Wellness Programme offered to staff. The HR division contracted a service provider to deliver support services to employees and their dependants in relation to Covid-19. Their offerings included:

- Organisational consulting services;
- Employee wellbeing support and counselling in the areas of psychosocial, physical, mental, legal and financial health;
- Disease management involving adherence to treatment programmes;
- Advice and education on healthy lifestyles;
- HIV and AIDS education;
- An interactive online wellbeing programme; and
- Monthly reporting.

The programme was immensely successful in assisting staff and the whole organisation in dealing with the multiple impacts of the pandemic especially at the human level.

Workplace planning

In terms of the HR strategy and workplace planning going forward, the Work-from-home policy will be reviewed often to respond to the pandemic. Having embraced the 'new norm' coupled with 4IR, FASSET aspires to run a data-driven workplace, where, for example, some positions can permanently work from home with the requisite measures in place to ensure reporting, accountability and the achievement our strategic objectives.

HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by programme/activity/objective

Programme/ activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Administration	67 355	18 850	28	36	524
Skills Planning	57 221	7 434	13	10	743
Learning Programmes	351 350	9 972	3	22	453
Quality Assurance	5 725	3 657	64	3	1 219
TOTAL	481 651	39 913		71	2 939

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	9 405	24	3	3 135
Senior Management	1 497	4	3	499
Managers	8 483	21	10	848
Professional qualified	3 253	8	5	651
Skilled	8 531	21	17	502
Semi-skilled	8 085	20	20	404
Unskilled	659	2	13	51
TOTAL	39 913	100	71	6 090

Performance rewards

Level	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	Incentive rewards	669	33
Senior Management	Incentive rewards	86	4
Managers	Incentive rewards	476	23
Professional qualified	Incentive rewards	50	2
Skilled	Incentive rewards	360	17
Semi-skilled	Incentive rewards	383	19
Unskilled	Incentive rewards	34	2
TOTAL		2 058	100

Training costs

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Exp. as a % of Personnel Cost	No. of employees trained	Avg. training cost per employee
Administration	18 850	327	1.73	34	R9 618
Skills Planning	7 434	90	1.21	12	R7 500
Learning Programmes	9 972	207	2.10	29	R7 138
Quality Assurance	3 657	16	0.44	5	R3 200

FASSET stepped-up ongoing learning and development, providing training to all employees despite the pandemic resulting in 83% of targets met in this area.

Employment and vacancies by function

Programme/activity/objective	2019/20 No. of Employees	2020/21 Approved Posts	2020/21 No. of Employees	2020/21 Vacancies	% of vacancies
Administration	30	42	31	8	11
Skills Planning	8	13	10	3	3.6
Learning Programmes	19	27	19	7	7
Quality Assurance	2	6	3	3	3.6
TOTAL	59	88	63	21	25

Employment and vacancies by level

Level	2019/20 No. of Employees	2020/21 Approved Posts	2020/21 No. of Employees	2020/21 Vacancies	% of vacancies
Top Management	3	7	3	2	2.4
Senior Management	3	3	2	2	2.4
Managers	8	15	10	5	6
Professional qualified	5	6	5	0	0
Skilled	11	24	17	5	6
Semi-skilled	20	24	19	5	6
Unskilled	9	9	7	2	2.4
TOTAL	59	88	63	21	25

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	0	3
Senior Management	3	0	1	2
Managers	8	2	0	10
Professional qualified	5	1	0	5
Skilled	11	6	0	17
Semi-skilled	20	0	1	19
Unskilled	9	4	6	7
Total	59	13	8	63

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	1.6
Resignation	1	1.6
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other (Interns' term ended)	6	10
Total	8	13

Labour relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal warning	0
Written warning	1
Final written warning	0
Suspensions	2
Dismissal	0
Total	3

Equity target and employment equity status

	MALE							
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management		1			1			
Senior Management	1	1	1					1
Managers	4	1				1	1	1
Professional qualified	2							
Skilled	9			1				
Semi-skilled	7	1						
Unskilled	5							
TOTAL	28	4	1	1	1	1	1	2

	FEMALE							
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1		1					
Senior Management	1	1						
Manager	5	1		1		1		
Professional qualified	3							
Skilled	8		1			1		1
Semi-skilled	14	1						
Unskilled	3							
TOTAL	40	3	2	1		2		1

	PEOPLE WITH DISABILITIES			
	Male		Female	
Levels	Current	Target	Current	Target
Top Management				
Senior Management				
Professional qualified				1
Skilled		1		
Semi-skilled			1	
Unskilled			1	
TOTAL		1	2	1

PART E

FINANCIAL INFORMATION



Statement of Responsibility for the Annual Financial Statements

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

It is responsible for establishing and implementing a system of internal control to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In our opinion, the financial statements fairly reflect the operations of FASSET for the financial year ended 31 March 2021.

The external auditors have a statutory duty to express an independent opinion on FASSET's Annual Financial Statements for the financial year ended 31 March 2021.

The audited Annual Financial Statements set out on pages 89 to 136, which have been prepared on the going concern basis, were approved by the board of members on 31 July 2021 and were signed on its behalf by:



Lynette Ntuli

Chairperson



Ayanda Mafuleka CA(SA)

Chief Executive Officer

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

Report on the audit of the Financial Statements

Opinion

1. I have audited the Financial Statements of the Finance and Accounting Services Sector Education and Training Authority, set out on pages 89 to 136, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the Financial Statements, including a summary of significant accounting policies.
2. In my opinion, the Financial Statements present fairly, in all material respects, the financial position of the Finance and Accounting Services Sector Education and Training Authority as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 32 to the Financial Statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the Financial Statements of the public entity at, and for the year ended, 31 March 2021.

Responsibilities of the accounting authority for the Financial Statements

8. The accounting authority is responsible for the preparation and fair presentation of the Financial Statements in accordance with GRAP and the requirements of the PFMA and the SDA, and for such internal control as the accounting

authority determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the Financial Statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the Financial Statements

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

Report on the audit of the Annual Performance Report

Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the Annual Performance Report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's Annual Performance Report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 3 – Capitalise: Learning Programmes and Projects	46 – 55

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this program.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 42 to 56 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over-achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual Financial Statements

21. The Financial Statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.
22. Material misstatements of commitments identified by the auditors in the submitted financial statement were corrected, resulting in the Financial Statements receiving an unqualified audit opinion.

Other information

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the Financial Statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

24. My opinion on the Financial Statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
27. I have nothing to report in this regard.

Internal control deficiencies

28. I considered internal control relevant to my audit of the Financial Statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
29. The public entity did not prepare regular, accurate and complete Financial Statements and reports that are supported and evidenced by reliable information.

Auditor - General

Pretoria

31 July 2021



Auditing to build public confidence

Annexure – Auditor-General’s responsibility for the audit

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

Financial Statements

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

Communication with those charged with governance

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

Annual Financial Statements

for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 R '000	2020 Restated* R '000
Assets			
Current Assets			
Inventories		130	125
Receivables from exchange transactions	3	276	299
Receivables from non-exchange transactions	4	20 762	27 186
Cash and cash equivalents	5	851 432	787 582
Total current assets		872 600	815 192
Non-Current Assets			
Property, plant and equipment	6	3 879	4 685
Intangible assets	7	1 256	275
Total non-current assets		5 135	4 960
Total Assets		877 735	820 152
Liabilities			
Current Liabilities			
Operating lease liability	8	667	580
Payables from exchange transactions	9	6 652	2 350
Payables from non-exchange transactions	10	65 570	94 078
Provisions	11	175 354	43 373
Total current liabilities		248 243	140 381
Total Liabilities		248 243	140 381
Net Assets		629 492	679 771
Reserves			
Administration reserve		5 135	4 960
Mandatory reserve		561	1 288
Discretionary reserve		623 796	673 523
Net Assets		629 492	679 771

Statement of Financial Performance 31 March 2021

	Note(s)	2021 R '000	2020 Restated* R '000
Revenue			
Revenue from exchange transactions			
Other income		-	47
Investment income	13	29 798	54 534
Total revenue from exchange transactions		29 798	54 581
Revenue from non-exchange transactions			
Transfer revenue			
Levies	14	401 421	552 506
Other income	15	155	5 703
Total revenue from non-exchange transactions		401 576	558 209
Total revenue		431 374	612 790
Expenditure			
Employee related costs	16	(31 588)	(28 569)
Internal audit fees		(675)	(1 338)
External audit fees		(2 432)	(3 547)
Depreciation and amortisation		(1 646)	(1 250)
Lease rentals on operating lease		(3 195)	(3 043)
Impairment of receivables		-	(111)
Receivables written-off		-	(54)
Consulting and professional fees	17	(12 274)	(7 556)
Employer grant and project expenses	18	(408 571)	(553 632)
Loss on disposal of assets and liabilities		(5)	(20)
Other administration expenses	19	(21 265)	(20 399)
Total expenditure		(481 651)	(619 519)
Deficit for the year		(50 277)	(6 729)

Statement of Changes in Net Assets

	Administration reserve R '000	Mandatory reserve R '000	Discretionary reserve R '000	Total reserves R '000	Total net assets R '000
Opening balance as previously reported	2 069	401	677 934	680 404	680 404
Adjustments					
Correction of errors	-	-	6 099	6 099	6 099
Balance at 01 April 2019 as restated*	2 069	401	684 033	686 503	686 503
Changes in net assets					
Deficit for the year	-	-	-	-	(6 729)
Allocation of accumulated surplus Note 12	7 049	52 288	(66 066)	(6 729)	-
Excess reserves transferred to Discretionary reserve	(4 158)	(51 401)	55 556	(3)	(3)
Total Changes	2 891	887	(10 510)	(6 732)	(6 732)
Balance at 01 April 2020	4 960	1 288	673 523	679 771	679 771
Changes in net assets					
Surplus for year	-	-	-	-	(50 277)
Allocation of accumulated surplus Note 12	(20 577)	40 093	(69 793)	(50 277)	-
Excess reserves transferred to Discretionary reserve	20 752	(40 820)	20 066	(2)	(2)
Total changes	175	(727)	(49 727)	(50 279)	(50 279)
Balance at 31 March 2021	5 135	561	623 796	629 492	629 492

Cash Flow Statement

	Note(s)	2021 R '000	2020 Restated* R '000
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		408 054	561 342
Interest income		29 798	54 534
Other cash receipts		-	47
		437 852	615 923
Payments			
Grants and project payments		(303 333)	(553 731)
Compensation of employees		(32 750)	(28 207)
Payments to suppliers		(36 095)	(37 900)
		(372 178)	(619 838)
Net cash inflows from operating activities	20	65 674	(3 915)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(627)	(3 910)
Purchase of other intangible assets	7	(1 197)	(251)
Net cash outflows from investing activities		(1 824)	(4 161)
Net increase in cash and cash equivalents		63 850	(8 076)
Cash and cash equivalents at the beginning of the year		787 582	795 658
Cash and cash equivalents at the end of the year	5	851 432	787 582

Statement of Comparison of Budget and Actual Amounts Budget on Accrual Basis

	Approved budget R '000	Adjustments	Final Budget R '000	Actual amounts on comparable basis R '000	Difference between final budget and actual R '000	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Interest received - investment	45 000	(18 000)	27 000	29 798	2 798	Note no. 26.1
Revenue from non-exchange transactions						
Transfer revenue						
Levies	592 101	(236 840)	355 261	401 421	46 160	Note no. 26.9
Provision for bad debts adjustment	-	-	-	155	155	Note No. 26.7
Total revenue from non-exchange transactions	592 101	(236 840)	355 261	401 576	46 315	
Expenditure						
Employee related costs	(35 642)	-	(35 642)	(31 588)	4 054	Note no. 26.2
External audit fees	(3 119)	101	(3 018)	(2 432)	586	Note no. 26.3
Internal audit fees	(1 930)	1 000	(930)	(675)	255	Note no. 26.8
Depreciation and amortisation	-	-	-	(1 646)	(1 646)	Note no. 26.4
Consulting and professional fees	(10 906)	-	(10 906)	(12 274)	(1 368)	Note no. 26.5
Lease rentals on operating lease	(3 431)	12	(3 419)	(3 195)	224	
Employer grant and project expenses	(525 969)	2 895	(523 074)	(408 571)	114 503	Note no. 26.6
Administration expenses	(56 104)	31 385	(24 719)	(21 265)	3 454	Note no. 26.10
Total expenditure	(637 101)	35 393	(601 708)	(481 646)	120 062	
		-	(219 447)	(219 447)	(50 272)	169 175
Gain on disposal of assets	-	-	-	(5)	(5)	Note 26.4
Surplus for the year		-	(219 447)	(219 447)	(50 277)	169 170
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement		-	(219 447)	(219 447)	(50 277)	169 170

*The revised budget as indicated above had been amended due to the impact of the four-month payment holiday announced by the president of South Africa in April 2020. Other line item movements had also been revised in the update of the budget to accommodate actual expenditure requirements for the period.

Accounting Policies

1. Presentation of Audited Annual Financial Statements

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

These Audited Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

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

1.1 Presentation currency

These Audited Annual Financial Statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

In preparing the Audited Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results

in the future could differ from these estimates which may be material to the Audited Annual Financial Statements. Significant judgements include:

Receivables from exchange transactions

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

Receivables from non-exchange transactions

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

Payables from exchange transactions

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

Payables from non-exchange transactions

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

Provisions

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

Note 11 - Provisions.

1.4 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the

asset will flow to the entity; and

- the cost or fair value of the asset can be measured reliably.

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

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

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

Item	Useful life
Computer software, other	2 years
Intangible assets under development	over term of contract

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see Note 7).

Intangible asset under development will be amortised once completed and in-use.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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

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

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

1.6 Financial instruments

Financial assets

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Interest income is recognised by applying the effective interest rate.

Effective interest method

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

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

Financial liabilities

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

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

Class	Category
Trade and payables	Financial liability measured at amortised cost

Other financial liabilities

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

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

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

1.7 Statutory receivables

Identification

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

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

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

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

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

Recognition

The entity recognises statutory receivables as follows:

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

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Derecognition

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

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party

and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:

- derecognise the receivable; and
- recognise separately any rights and obligations created or retained in the transfer.

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

1.8 Tax

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

1.9 Leases

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for consumption in the production process of goods to be distributed at no charge or for a nominal charge. Inventories consist of consumables on hand at the reporting date and are measured at cost. An individual inventory item whose cost does not exceed R1 000 is recognised as an expense in their year of acquisition.

1.11 Employee benefits

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

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

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

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

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

1.12 Provisions and contingencies

Provisions are recognised when:

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

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

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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

A contingent liability is:

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

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

- Contracts should be non-cancellable or cancellable at a significant cost; and
- Contracts should relate to something other than the routine, steady, state business of the entity - therefore salary commitments relating to employment contracts are excluded.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 27.

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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

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

- It is probable that the economic benefits or service

- potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

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

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

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

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

1.14 Revenue from non-exchange transactions

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

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

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

The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition. Non-exchange revenue transactions include the receipt of levy income from the DHEST and contributions received from government departments for which FASSET qualifies

as the line function SETA.

Adjustments to revenue already recognised, arise from the completion of a South African Revenue Services (SARS) internal review process, and/or the outcome of an external appeal or objection process undertaken by employer companies. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenues by SARS, and the SETA recognises revenue on net basis as and when it becomes receivable. The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process are therefore accounted for as a change in an accounting estimate, and not as a correction of an error

Levy income

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

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

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

Revenue is adjusted for transfers between the SETAs due to employers changing SETAs. Such adjustments are

separately disclosed as inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the most recent Standard Operating Procedure issued by DHEST. SDL transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when the DHEST makes an allocation to the entity, as required by Section 8 of the SDLA, 1999 as amended.

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

Interest and penalties

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

1.15 Investment income

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

1.16 Comparative figures

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

1.17 Fruitless and wasteful expenditure

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

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

1.18 Irregular expenditure

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

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

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

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

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

Irregular expenditure that was incurred and identified during the current financial year and which was not

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

1.19 Events after reporting date

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

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

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

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

1.20 Reserves

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

- Administration reserve
- Mandatory reserve
- Discretionary reserve
- Accumulated surplus

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

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

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

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

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

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

1.21 Grants and Project Expenditure

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

Mandatory grants

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

1.22 Grants

Mandatory grant payments

A liability is recognised for mandatory grant payments once the specific criteria set out in the SETA Grant Regulation have been complied with by member companies and it is probable that the entity will approve the grant application for payment. The liability is measured at estimated cash outflow as determined in accordance with the SDA (1998). This measurement involves an estimate, based on the amount of levies received.

Discretionary grant payments

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

Discretionary projects

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

Commitments as per the SETA Regulations are defined as contractual obligations that exist at the end of the financial

year that oblige the SETA to make payments or agreement (written) with specific terms between a SETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which a SETA will be obliged to make a payment against the discretionary grant.

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

1.23 Related Parties

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

Notes to the Audited Annual Financial Statements for the year ended 31 March 2021

	2021	2020 Restated
	R '000	R '000

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IGRAP 20: Accounting for Adjustments to Revenue	01 April 2020	FASSET has considered the impact of IGRAP 20 and has adjusted the accounting policy Note 1.13 as well as disclosure Note 14
• GRAP 37: Joint Arrangements	01 April 2020	The impact of this standard is not material.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (amended): Employee Benefits	Effective date not yet gazetted	The impact of this standard is not material.
• GRAP 104 (amended): Financial Instruments	Effective date not yet gazetted	The impact of this standard is not material.

3. Receivables from exchange transactions

Pre-payments	256	250
Other receivables	20	48
Staff debtors	-	1
	276	299

	2021	2020 Restated
	R '000	R '000

4. Receivables from non-exchange transactions

Statutory receivables	3 320	4 581
Provision for impairment of statutory receivables	(670)	(825)
Inter-SETA Receivables	80	-
Project receivables*	17 727	23 075
Discretionary Grants Receivables	305	355
	20 762	27 186

R 3 320 000 (2020: R4 581 000) was recognised as a receivable relating to the overpayment to the levy paying-employers in prior periods, as a result of levy income reversals done by SARS after the grants had been paid. FASSET refunds amounts to employers in the form of grants, based on information from DHEST. Where information is retrospectively amended, it may result in grants that have been paid to certain employers that are in excess of the amount FASSET is permitted to have granted to employers. All of the amounts included in the receivable as a result of the overpayment are over 30 days and a provision has been raised per the analysis below.

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

*An amount of R 17 728 000 relating to the grants refundable from ISFAP for unutilised funds.

Reconciliation of provision for impairment of statutory receivables

Opening balance	(825)	(714)
Provision for impairment raised in the current period	-	(165)
Amounts written off as uncollectible	-	54
Amount reversed	155	-
	(670)	(825)

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

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances - FNB current account	99 674	24 790
Reserve Bank (CPD account)	751 758	762 792
	851 432	787 582

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. FASSET invests surplus funds in line with the Treasury Regulations 31.3.3. During the current year funds were invested with the Corporation for Public Deposits. The average interest rate on funds held at the Corporation for Public Deposits was 3.75% (2020: 6.07%).

6. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office furniture and fittings	2 087	(432)	1 655	2 238	(377)	1 861
Office equipment	919	(670)	249	1 026	(672)	354
Computer equipment	3 182	(2 134)	1 048	2 710	(1 533)	1 177
Leasehold improvements	1 711	(784)	927	1 681	(388)	1 293
Total	7 899	(4 020)	3 879	7 655	(2 970)	4 685

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and fittings	1 861	-	(5)	(201)	1 655
Office equipment	354	-	-	(105)	249
Computer equipment	1 177	597	-	(726)	1 048
Leasehold improvements	1 293	30	-	(396)	927
	4 685	627	(5)	(1 428)	3 879

Reconciliation of property, plant and equipment - 2020

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

Depreciation rates Item

	Depreciation method	Average useful life
Office furniture and fixtures	Straight-line	10
Office equipment	Straight-line	5
Computer equipment	Straight-line	3
Computer software	Straight-line	2
Leasehold improvements	Straight-line	Over the lease term
Intangible assets under development	Straight-line	Over the term of contract

7. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	574	(385)	189	445	(170)	275
Intangible assets under development	1 067	-	1 067	-	-	-
Total	1 641	(385)	1 256	445	(170)	275

Reconciliation of intangible assets - 2021

Opening balance	Additions	Amortisation	Total
275	130	(216)	189
-	1 067	-	1 067
275	1 197	(216)	1 256

Reconciliation of intangible assets - 2020

Opening balance	Additions	Amortisation	Total
157	251	(133)	275

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets

Computer software, internally generated	1 067	-
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FASSET is in the process of developing the cloud based system, All expenditure relating to system research phase has been expensed, All the cost incurred relating to development Phase has been capitalised according to GRAP 31.

	2021	2020 Restated
	R '000	R '000

8. Operating lease accrual

Current liabilities	667	580
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Lease payments under an operating lease was recognised as an expense in the statement of financial performance on a straight-line basis over the lease term in accordance with GRAP 13.

9. Payables from exchange transactions

Trade creditors	2 418	1 037
Accrued leave pay	1 748	1 090
Administration accruals	2 486	223
	6 652	2 350

10. Payables from non-exchange transactions

Skills development grants payable - mandatory	9 491	13 646
Project accruals	35 882	46 222
Project creditors	9 662	18 623
Levy creditors	10 535	7 647
Other payables -Economic Dev Dept	-	7 940
	65 570	94 078

11. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Provision for Discretionary grants - Employers	13 070	155 871	(13 070)	155 871
Provision for Discretionary grants - projects	14 610	5 555	(14 610)	5 555
Exempt employer provision	13 873	55	-	13 928
Bonus provision	1 820	-	(1 820)	-
	43 373	161 481	(29 500)	175 354

Reconciliation of provisions - 2020

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

Provision for Discretionary grants - Employers

An amount of R 155 871 000 (2020: R 13 070 000) relates to leaner Employer Grants. Applications for 2021 were received and evaluated during the current year and the final approval was after year end.

Provision for Discretionary grants - Projects

An amount of R 5 555 000 : (2020 R 14 610 000) relates to Discretionary grants for the Bursary projects, which are still subject to verification.

Exempt employer provision

An amount of R13 928 000 (2020: R13 873 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DHEST, after being exempted from contributing SDL due to legislation changes which came into effect from 1 August 2005. As SARS collects the levies on behalf of DHEST, the responsibility to refund the levies to the employers remains with SARS.

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

Bonus provision

An amount of R 0 (2020: R 1 820 000) relates to performance bonus which is payable to employees that are with FASSET for six months or more at year end and the company has achieved sixty percent or more on the Annual Performance Plan targets.

No provision in the current year as FASSET did not achieve sixty percent or more on the annual performance plan targets.

	2021	2020 Restated
	R '000	R '000

12. Allocation to accumulated surplus

Current year - 2021

	Administration reserve	Mandatory reserve	Discretionary reserve	Total
Levies	52 503	97 314	251 604	401 421
Interest received-investments	-	-	29 798	29 798
Other income	-	-	155	155
Administration expenses	(73 080)	-	-	(73 080)
Employer grants and projects expenses	-	(57 221)	(351 350)	(408 571)
	(20 577)	40 093	(69 793)	(50 277)

Prior year - 2020

	Administration reserve	Mandatory reserve	Discretionary reserve	Total
Levies	72 889	134 507	345 110	552 506
Interest received-investments	-	-	54 534	54 534
Other income	47	-	5 703	5 750
Administration expenses	(65 887)	-	-	(65 887)
Employer grants and projects expenses	-	(82 219)	(471 413)	(553 632)
	7 049	52 288	(66 066)	(6 729)

13. Investment income

Interest revenue

Reserve Bank (CPD account)	28 967	51 920
FNB Current account	831	2 614
	29 798	54 534

14. Levies

Levy transfer: Employer grants	97 314	134 507
Levy transfer: Discretionary grants	243 711	339 207
Levy transfer: Administration	52 503	72 889
Levy penalties and interest	7 893	5 903
	401 421	552 506

	2021	2020 Restated
	R '000	R '000

14. Levies (continued)

Levies analysis per IGRAP 20

Levies analysis per IGRAP 20

2021

	Mandatory	Discretionary	Administration	Pernalties and interest	Total
Levies	71 194	176 205	37 377	921	285 697
Inter-SETA transfers	20	50	10	-	80
Exempt employer provision movements	(14)	(34)	(7)	-	(55)
Government Grants	-	2 815	1 408	-	4 223
SARS adjustments	26 114	64 675	13 715	6 972	111 476
	97 314	243 711	52 503	7 893	401 421

2020

	Mandatory	Discretionary	Administration	Pernalties and interest	Total
Levies	112 873	279 361	59 259	1 107	452 600
Exempt employer provision movements	(468)	(1 124)	(140)	-	(1 732)
Government grants	-	3 463	1 732	-	5 195
SARS adjustments	22 102	57 506	12 039	4 795	96 442
	134 507	339 206	72 890	5 902	552 505

15. Other income

Discretionary grant recoceries-(non-exchange)	-	5 703
Provision for bad debts adjustments	155	-
	155	5 703

	2021	2020 Restated
	R '000	R '000

16. Employee related costs

Basic salaries	25 478	23 737
Performance bonus-current year provision	393	1 004
Medical aid - company contributions	917	694
UIF	76	65
Workmens compensation	45	53
SDL	213	239
Leave pay accrual	453	201
Group life benefits	594	515
Post-employment benefits: Defined Contribution Plans ***	3 018	1 719
Leave paid -out	401	342
	31 588	28 569

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

17. Consulting and professional fees

Consulting fees	849	514
Service provider fees	11 425	7 042
	12 274	7 556

18. Employer grant and project expenses

Mandatory grants	57 221	82 219
Discretionary grants	164 658	144 054
Project expenditure	186 692	327 359
	408 571	553 632

Amount of R 8 325 171 (2020 R 5 558 000) relating to the employee cost has been included under project expenditure. In the 2020 financial year the management has decided to account for employee cost that relates to running the project department under project expenditure going forward.

	2021	2020 Restated
	R '000	R '000

19. Other administration expenses

Advertising and stakeholders engagement costs	1 160	3 709
Bank charges	84	94
Cleaning	31	18
Catering and refreshments	18	105
Committee costs and related costs	657	822
Education and Training Quality Assurance (ETQA)	170	152
Insurance	478	582
IT expenses	4 368	220
Legal fees	158	2 077
Other expenses	637	658
Office maintenance	408	100
Postage and courier	-	13
Printing and stationery	398	897
Quality Council for Trades and Occupations (QCTO)	3 683	3 702
Recruitment costs	139	299
Repairs and maintenance	-	1
Research expenditure	2 042	2 775
Remuneration to members of the Accounting Authority	3 770	1 918
Small assets write-offs	-	1
Telephone	1 847	518
Training	640	611
Travel and accomodation	24	512
Water and electricity	394	615
Security services	159	-
	21 265	20 399

	2021	2020 Restated
	R '000	R '000
20. Cash generated from (used in) operations		
Deficit	(50 277)	(6 729)
Adjustments for:		
Depreciation and amortisation	1 646	1 250
Profit on disposal of assets	5	20
Impairment of receivables	-	111
Receivables written off	-	54
Movements in operating lease liability	87	295
Movements in provisions	131 981	4 464
Other non-cash items	-	(5 703)
Changes in working capital:		
Inventories	(5)	(8)
Receivables from exchange transactions	23	(140)
Receivables from non-exchange transactions	6 423	(4 498)
Payables from exchange transactions	4 302	(2 188)
Payables from non-exchange transactions	(28 511)	9 157
	65 674	(3 915)

	2021	2020 Restated
	R '000	R '000

21. Commitments

Admin commitments

Office rental	7 627	10 889
Labour services	490	-
Service provider fees	16 501	5 218
Tender evaluation	-	449
VIP security services	1 059	-
Printing services - course material	-	905
Water coolers	8	26
Printing machines	31	40
Storage	92	-
Infrastructure and connectivity	2 004	-
Audit services	2 018	-
Research projects	957	308
Travel agency	412	-
Business re-engineering	-	1 978
Investigations	-	500
Telephones	222	22
	31 421	20 335

Discretionary projects

2019/2020 Active Projects -Others

Small Business Learner Placement Grant (2020/2021)	446	1 636
YES NSC Projects (2020/2021)	-	9 147
Yes HET! Work Programme	762	18 440
Community Education and Training College Support (new project)	-	1 140
TVET Lecturer Development Workplace Exposure	-	800
	1 208	31 163

	2021	2020 Restated
	R '000	R '000

21. Commitments (continued)

2019/2020 Active Projects -Bursary and academic support

University of Free State (QwaQwa)	-	3 128
University of Free State	-	3 623
University of Pretoria	-	4 232
Cape Peninsula University	-	4 831
Walter Sisulu University	-	2 537
Thuthuka HDI bursaries	-	4 577
Central University of Technology	-	3 532
Rhodes University	-	4 590
Career Wise Empowerment Ventures	-	4 353
University of Cape Town (UCT)	-	3 476
UNISA	-	5 989
University of Johannesburg	-	3 600
ISAFAP (Old)	-	4 485
University of Witwatersrand	-	5 027
Trend Setters/Pul Kep Inves	-	1 173
Afro Bhan Hai	-	1 952
ISAFAP (New)	-	4 658
Thuthuka CTA	-	6 882
SAIT - Ithuba 2	377	1 032
Credo Business College	1 688	4 384
SAIT - TT in Academy	19	2 055
SAIT - IN Academy	74	1 969
SAIT - TTF Disability	-	898
Tax Faculty and SAIT - TP Disabilities	58	898
The Tax Faculty and SAIT and UWC TP	-	491
CIMA - CA Programme	7	968
CIMA - CCP Programme	-	1 408
CIMA - Certificate in Business Business Accounting	-	1 538
Spectrum - ICBA	-	2 131
Spectrum -CIMA	90	2 046
ACCA	1 148	3 636
IMAS - ACCA Qualification	83	1 285
IMAS - CIMA Qualification	-	1 638
SAIT - Kukhula 2	268	890
ISFAP	-	1 380

	2021	2020 Restated
	R '000	R '000

21. Commitments (continued)

Mahlasedi Educational Project	-	2 853
University of Free State	-	5 199
Rhodes University	-	970
University of Johannesburg	-	2 130
UNISA	-	11 017
Institute of Management Accounting and Strategy	-	2 211
South African Institute of Professional Accountants (SAIPA)	4 410	6 754
North West University	-	777
South African Institute of Chartered Accountants (SAICA-ITC)	684	3 343
South African Institute of Chartered Accountants (SAICA-APC)	-	1 962
Fort Hare University	-	28 286
National Treasury - 10 learners Thabo Mashamba	8 630	12 869
National Treasury - 65 learners Xolisa Dlanga	3 641	4 857
SAICA Undergraduate	-	11 017
	21 177	195 537

2016/2017 Projects - Implemented in 2017/18

Special projects - National Treasury	675	2 371
ISFAP	26 545	37 737
	27 220	40 108

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

Credo Business College	-	2 883
South African Institute of Tax Professionals (SAIT 1) -Intel 3	-	572
Association of Certified Chartered Accountants	-	6
SAIBA (Unemployed)	-	102
SAIBA (Employed)	-	16
SAICA (AT SA)	-	4 849
South African Institute of Tax Professionals (SAIT) Intel 3	-	245
SAIT 4 - Enterprises University of Pretoria	-	464
CIMA - Star Students	-	34
SAIT 3 - The Tax Faculty (Tax Professional)	-	465
SAIT 5 - The Tax Faculty (Tax Technician)	-	519

	2021	2020 Restated
	R '000	R '000
21. Commitments (continued)		
Association of Certified Chartered Accountants (ACCA) 2	-	1 790
ATSA	-	3 359
SAIPA	-	4 693
Ideahub Group - LLP, LPD	-	45
TVET Workplace-based Experience Project	633	15 641
TVET Workplace-based Experience Project-Surplus	11 802	43 816
	12 435	79 499
Total Discretionary Project Commitments	62 032	346 307

An amount of R 62 032 000 (2020: R346 307 000) was committed out of the total R 623 796 000 (2020: R 673 523 000) discretionary reserves. The percentage commitment as at 31 March 2021 is 10%. A request for accumulation of the discretionary surplus will be submitted to National Treasury.

Year 2020/2021 split between PIVOTAL and Non-PIVOTAL:

The grant regulations require at least a 80/20 split for discretionary projects between PIVOTAL and Non-PIVOTAL programmes. We have performed the calculation based on current year project allocations. During the current year FASSET has allocated 84% (2020: 91%) projects to PIVOTAL programmes and 16% (2020: 9%) to Non-PIVOTAL programme.

22. Related parties

Relationships	DHET
Controlling entity / Entities under common control	By virtue of the fact that FASSET is a National Public Entity controlled by DHEST, it is considered related to other SETAs, the QCTO and the NSF, public Universities,CET colleges and TVET colleges. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such. This will include any transactions that may occur during the period under review recognised in the statement of financial performance, and balance outstanding at the reporting period recorded in the statement of financial position as well as any committed balance at reporting date. At reporting date committed amounts related to Public Universities,CET colleges and TVET colleges included in the notes to the financial statements amounts to R 0 (R 89 126 181), R 0 (2020 R 1 140 000) and R 0 (2020 R640 000) respectively. Balances included in the statement of financial position relating to Public Universities and CET colleges amount to R3 920 227 (2020 R 2936 872) and R 270 000 (2020 R 0) at the reporting date.
Members of the Accounting Authority whose Entities are beneficiaries of FASSET Grants	Basamandla Consulting (HB. Mathibela): Amount included in commitment R 0 (2020 R 291 400) and amount included in the statement of financial position R 10 200 (2020 R 23 900) NERPO (NE. Nyathela-Mahanjana): Amount included in commitment R 0 (2020 R 156 800) and amount included in the statement of financial position R 17 200 (2020 R 0) LEDA (MF. Mushwana) : Amount included in commitment R 0 (2020 R 1 650 000) and amount included in statement of financial position R 492 849 (2020 R 0)
Members of Accounting Authority	L. Ntuli (Chairperson) R.I Singo HB. Mathibela NE. Nyathela-Mahanjana J. Maboa X. Lingani MF. Mushwana M. Metuse P. Ngwenya T. Phatlane P. Khumalo T. Masemola M. Magasa N. Mapiloko
Members of key management	A. Mafuleka (CEO) E. Thobejane (COO) Z. Alli (CFO) E. Boomgaard(Research Director) M. Matlosa (Director Corporate Services) MP Nhlapho

	2021	2020 Restated
	R '000	R '000

21. Related parties (continued)

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Services SETA

Amounts relates to the inter-SETA transfer receivables to FASSET.

Transactions with SETAs and other entities under common control

QCTO

80	-
3 683	3 702

23. Remuneration of Executive Management and Members of Accounting Authority

Remuneration of Executive

2021

	Basic	Allowances	Employee related benefits	Bonus	Leave Payout	Total
Ayanda Mafuleka - Chief Executive Officer	2 071	96	89	267	-	2 523
Elizabeth Thobejane - Chief Operations Officer	1 679	-	259	193	-	2 131
Ebrahim Boomgaard - Research Director	1 262	-	179	144	-	1 585
Zakariya Alli - Cheif Financial Officer	1 385	-	197	-	-	1 582
Maria Matlosa - Director Corporate Services	1 172	-	133	65	89	1 459
	7 569	96	857	669	89	9 280

23. Remuneration of Executive Management and Members of Accounting Authority (continued)
2020

	Basic	Allowances	Employee related benefits	Bonus	Termination Payout	Total
Ayanda Mafuleka - Chief Executive Officer - Appointed 01 January 2019)	2 149	104	70	-	-	2 323
Elizabeth Thobejane - Chief Operating Officer	1 605	-	192	144	-	1 941
Zanoxolo Koyana - Cheif Financial Officer	182	-	8	-	319	509
Solomzi Maye - Acting Chief Financial Officer (Appointed 01 March 2019)	565	-	-	-	-	565
Lauren Derman - Research Director	107	2	7	-	661	777
Ebrahim Boomgaard - PQA Director	1 196	-	160	87	-	1 443
Zakariya Alli - Chief Financial Officer (Appointed November 2019)	522	-	104	-	-	626
Maria Matlosa-Director Corporate Services (Appointed September 2019)	665	-	70	-	-	735
	6 991	106	611	231	980	8 919

	2021	2020 Restated
	R '000	R '000

23. Remuneration of Executive Management and Members of Accounting Authority (continued)

Remuneration - Members of the Accounting Authority (excludes travel)

2021

L. Ntuli (Chairperson)	486	-
RI. Singo	166	-
J. Maboa	227	-
X. Lingani	203	-
N. Mapiloko	289	176
P. Khumalo	222	-
T. Masemola	279	-
M. Magasa	307	-
HB. Mathibela	347	219
M. Metuse	288	-
MF. Mushwana	194	272
P. Ngwenya	148	-
NE. Nyathela-Mahanjana	222	101
TC. Phatlane	235	286
GE. Mthombeni	-	121
M.P. Nhlapo	175	-
NE. Ngwenya (Chairman)	10	248
MHR. Bussin	-	77
HD. Jacobs	-	152
KJ. Dikana*	-	204
TN. Macanda	-	26
NA. Kater*	-	107
MP. Semenya	-	199
	3 798	2 188

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

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

24. Risk management

Liquidity risk

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

2021

	Carrying amount	6 months or less	6-12 months	1-2 years
Payables from exchange transactions	(6 652)	(6 652)	-	-
Project accruals	(35 882)	(35 882)	-	-
Project creditors	(9 662)	(9 662)	-	-
	(52 196)	(52 196)	-	-

2020

	Carrying amount	6 months or less	6-12 months	1-2 years
Payables from exchange transactions	(2 350)	(2 350)	-	-
Project accruals	(46 222)	(46 222)	-	-
Project creditors	(18 623)	(18 623)	-	-
	(67 195)	(67 195)	-	-

Credit risk

Financial assets which potentially subject FASSET to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, receivables from exchange transactions and receivable from non-exchange as per GRAP 104.

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

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

24. Risk management (continued)

2021

	Carring amount	6 months or less	6-12 months	1-2 years
Receivables from exchange transactions	20	20	-	-
Project receivables	17 727	-	-	17 727
	17 747	20	-	17 727

	Gross	Impairment	Carring amount
Cash and cah equivalents	851 432	-	851 432

2020

	Carring amount	6 months or less	6-12 Months	1-2 years
Receivables from exchange transactions	49	49	-	-
Project receivables	23 075	-	23 075	-
	23 124	49	23 075	-

	Gross	Impairment	Carring amount
Cash and cah equivalents	787 582	-	787 582

Market risk

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

24. Risk management (continued)

Interest rate risk

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

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

2021

	Floating rate	Non-interest bearing	Total
Cash	851 432	-	851 432
Receivables from exchange transactions	-	20	20
Project receivables	-	17 727	17 727
Payables from exchange transactions	-	(6 652)	(6 652)
Project accruals	-	(35 882)	(35 882)
Project creditors	-	(9 662)	(9 662)
	851 432	(34 449)	816 983

2020

	Floating rate	Non-interest bearing	Total
Cash	787 582	-	787 582
Receivables from exchange transactions	-	49	49
Project receivables	-	23 075	23 075
Payables from exchange transactions	-	(2 350)	(2 350)
Project accruals	-	(46 222)	(46 222)
Projects creditors	-	(18 623)	(18 623)
	787 582	(44 071)	743 511

25. Going concern

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

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

26. Budget differences

Notes to Statement of Comparison of Budget and Actual amounts

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

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

Note 26.1. Interest received

Interest received was 10% above budget during the financial year due to slow spending in discretionary grants.

Note 26.2. Employee related costs

Employee costs were 11% below budget in the financial year as a result of vacancies not yet filled.

Note 26.3. External audit fees

External audit fees were 19% below budget due to external auditors only commencing with their audit work in July 2020 as a result of an extension granted to complete the audit on the 30 September 2020. This had an impact on the commencement of the 2020/21 audit which will be billed in the next financial period.

Note 26.4. Depreciation and loss on disposal of assets

Depreciation and loss on disposal of assets FASSET does not budget for depreciation and impairment of receivables as they are a non-cash item.

Note 26.5. Consulting and Professional fees

Consulting and Professional fees Consulting and professional fees were 13% above budget in the year due to the implementation of the ICT project.

Note 26.6. Employer grant and project expenses

Employer grant and project expenses was 22% lower than budget. The contributing factor to this was the late implementation of some discretionary projects.

Note 26.7. Other Income

Provision for bad debts adjustment FASSET did not budget for provision for bad debts adjustment.

Note 26.8. Internal audit fees

Internal audit fees Internal audit is 27% below budget due to late start of the audit as a result of the Covid-19 pandemic.

Note 26.9 Levies

Levies are 13% above the budget as a result of levies being received which was above expectation.

Note 26.10 Other administration expenses

Other administration expenses is 14% lower than budget. due to low spending on stakeholder communication, traveling and printing as a result of the impact on Covid-19 pandemic.

27. Contingencies

Discretionary projects

First time employer registrations

The Skills Development legislation allows an employer, registering for the first time, 6 months to submit an application for a Mandatory Grant. At the reporting date it is estimated that, as a result, additional Mandatory Grant expenditure of R 561 000 (2020: R1 288 000) will be payable. The amount is contingent on the number of submissions received and approved.

Legal case

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

DHET continued to show the mandatory levies portion as 20% in 2020/21 year in the levy download information. The SETA continued to pay and accrue mandatory grants at 20% in the 2020/21 financial year in the absence of a revised percentage which is aligned to the approved annual performance plan. The mandatory grant expenditure in Note 3 as well as the mandatory grant liability in Note 11 were calculated using mandatory grant percentage of 20%. The SETA therefore discloses a contingent liability in regard to the amount of the mandatory grants payable to qualifying levy payers from the date of the court decision to the year end. This is disclosed as a liability as the intention of the litigants, BUSA, was to increase the mandatory grant percentage from 20%. The timing and amount of this contingent liability is uncertain and no reasonable estimate can be made at this point. Currently the department is in discussions with BUSA in regard to the mandatory grant percentage.

Surplus Funds

Retention of cash

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realized in the previous financial year without obtaining the prior written approval of National Treasury. During May 2017, National Treasury Issued Instruction No.12 of 2020/21 which gave a revised definition of a surplus.

According to this instruction, a surplus is based on cash and cash equivalents, plus receivables, less current liabilities at the end of the reporting period.

Application to retain accumulated surplus at year-end

The FASSET will be applying for the retention of its accumulated surplus at the financial year ending 31 March 2021 in terms of section 53(3) of the PFMA from National Treasury during the second quarter of the 2021/22 financial year. The accumulated surplus as at year-end is therefore disclosed as a contingent liability until approval has been obtained.

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

	2021	2020 Restated
	R '000	R '000

27. Contingencies (continued)

As of 31 March 2021 the surplus for the year is as follows:

Cash and cash equivalents at the end of the year	851 432	787 582
Add: Receivables	21 038	27 485
Less: Current liabilities	(248 243)	(140 381)
Accumulated surplus	624 227	674 686

Notwithstanding the accumulated surplus above, FASSET has at period end commitments in the form of contracts with various service providers as indicated in note 19, the below reflects the accumulated surplus after taking into account the impact of these commitments:

Committed Amount

Amount per surplus calculation above	624 227	674 686
Admin commitments	(31 421)	(20 335)
Projects commitments	(62 032)	(347 307)
Accumulated surplus net off commitments	530 774	307 044

28. Operating lease

The operating lease relate to the rental of office space in which the entity operates. FASSET entered into a lease agreement on 1 August 2018 until 31 July 2023. The monthly rental escalates annually by 7.5% on the anniversary of the start date.

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

Within one year	3 229	3 006
Later than one year not later than five years	4 654	7 884
	7 883	10 890

	2021	2020 Restated
	R '000	R '000

29. Fruitless and wasteful expenditure

Add: Expenditure identified - current	1	-
---------------------------------------	---	---

Details current year

During the current year FASSET incurred fruitless and wasteful expenditure relating to the tender advert which was cancelled.

Expenditure identified in the current year include those listed below:

The tender advert cost incurred for a cancelled advert	1	-
--	---	---

30. Irregular expenditure

Opening balance	576	17 750
	-	17 750
Add: Irregular expenditure - identified in the current year	959	76
Add: Irregular expenditure - identified in the current relating to prior period	8 885	-
Less: Amount written off - current	(110)	(17 250)
Closing balance	10 310	576

Details of Irregular Expenditure - current year Year

The irregular expenditure incurred in the current year is as a result of non-compliance by the DHEST in the appointment of certain Accounting Authority members. The determination test as outlined in the Irregular Expenditure Framework will accordingly be conducted by the DHEST. The implementation of the outcome and recommendations subsequent to conclusion of the determination test will also be managed by the DHEST.

Irregular expenditure identified in the current year relating to prior period relates to investigations into tenders awarded in the 2018/19 financial year where areas of non-compliance in the supply chain process which resulted in expenditure on these awards being classified as irregular expenditure.

The Accounting Authority approved to write-off an amount of R 110 202 - in accordance with the National Treasury framework on Irregular expenditure

	2021	2020 Restated
	R '000	R '000

30. Irregular expenditure (continued)

Analysis of irregular expenditure

Non-compliance to SDA **	959	-
Amounts still awaiting response from National Treasury	500	500
Amounts not condoned by National Treasury and write off by Accounting Authority	(110)	-
Amounts to be submitted for condonement to National Treasury	76	76
Amounts identified through investigation *	8 885	-
	10 310	576

* The irregular expenditure identified through investigation as indicated above is currently undergoing the final process of determination. Once completed the amounts disclosed will be adjusted accordingly.

**The irregular expenditure incurred in the current year is as a result of non-compliance by the DHEST in the appointment of certain Accounting Authority members. The determination test as outlined in the Irregular Expenditure Framework will accordingly be conducted by the DHET. The implementation of the outcome and recommendations subsequent to conclusion of the determination test will also be managed by the DHET

31. Events after the reporting date

At reporting date, awards amounting to **R 389 970 612.80** have been approved, these awards had only been communicated to the various service providers after financial year end and/or responded by service providers after year end. Below are the details of the awards made.

2020/2021 Bursary, Academic support and special projects (to be implemented in 2021/2022)

Community Education and Training Support	2 652	-
Enterpreneurial 1	20 164	-
Enterpreneurial 2	20 295	-
TVET WBE Programme 2021/2022	29 700	-
Youth Employment Services (YES)-National Senior Certificate (NSC) Work Programme	17 112	-
Small Business Learner Placement Grants	3 920	-
Youth Employment Services (YES)-Higher Education Training (HET) Work Programme	27 280	-
University of Western Cape	15 625	-
University of Free State	8 238	-
University of Fort Hare	14 304	-
Nelson Mandela University	2 094	-

	2021	2020 Restated
	R '000	R '000

31. Events after the reporting date (continued)

University of Pretoria	1 393	-
Cape Peninsula University of Technology	16 800	-
University of Johannesburg	3 329	-
College of Accounting Science - Unisa	13 060	-
Mahlasedi Educational Project (MEP)	490	-
Spectrum (Pty) Ltd.	210	-
Kesho Chartered Accountants (SA)	350	-
University of the Western Cape	1 050	-
Lernex Gratia	210	-
The Multi Institute NPO	1 928	-
Nelson Mandela University	6 030	-
University of the Western Cape	6 030	-
University of Johannesburg	6 030	-
University of Pretoria	6 030	-
Mosebo Networks	6 030	-
University of Fort Hare	6 030	-
University of Cape Town	2 700	-
College of Accounting science (CAS) UNISA	6 030	-
Thuthuka Education Upliftment Fund	6 030	-
Thuthuka Education Upliftment Fund (UNIV & Unizulu)	4 050	-
South African Actuaries Development Programme (SAADP)	6 030	-
The University of the Witwatersrand	6 030	-
Cape Peninsula University of Technology	6 030	-
University of Free State	2 700	-
University of Free State (Post Graduate Diploma in General Accounting)	1 800	-
University of Free State (DPG)	2 700	-
University of Free state (Qwaqwa Bursary)	3 600	-
University of Free State (CTA)	900	-
Thuthuka Education Upliftment Fund (TEUF) CTA	6 120	-
ISFAP existing cohort - 2019	1 800	-
ISFAP existing cohort- 2020	2 430	-
ISFAP new cohort - 2021	6 030	-
The Tax Faculty NPC	512	-
The Tax Faculty NPC	1 200	-
The Tax Faculty NPC	660	-

	2021	2020 Restated
	R '000	R '000

31. Events after the reporting date (continued)

The Tax Faculty NPC	540	-
The Tax Faculty NPC	660	-
The Tax Faculty NPC	842	-
The Tax Faculty NPC	579	-
The Tax Faculty NPC	660	-
The Chartered Institute of Management Accountants	660	-
The Chartered Institute of Management Accountants	660	-
Association of Chartered Certified Accountants	1 053	-
International Business Training College	660	-
International Business Training College	660	-
International Business Training College	660	-
International Business Training College	660	-
International Business Training College	660	-
International Business Training College	430	-
International Business Training College	660	-
Association of Certified Fraud Examiners	1 800	-
Credo Business College (Pty) Ltd	895	-
South African Institute of Chartered Accountants	991	-
Institute of Management Accounting and Strategy	1 053	-
Institute of Management Accounting and Strategy	748	-
Spectrum (Pty) Ltd	660	-
Spectrum (Pty) Ltd	632	-
Spectrum (Pty) Ltd	842	-
Anti-fraud risk investigation & compliance academy (Pty) Ltd	1 800	-
The Chartered Institute of Management Accountants	562	-
The Chartered Institute of Management Accountants	562	-
South African institute for Professional Accountants	521	-
South African institute for Professional Accountants	331	-
SA Accounting Academy	924	-
South African Institute of Government Auditors	1 250	-
South African Institute of Government Auditors	457	-
South African Institute for Business Accountant	1 250	-
South African Institute for Business Accountant	1 250	-

	2021	2020 Restated
	R '000	R '000

31. Events after the reporting date (continued)

South African Institute for Business Accountant	1 250	-
The Tax Faculty NPC	1 250	-
The Tax Faculty NPC	1 250	-
Spectrum (Pty) Ltd	1 250	-
South African Institute of Chartered Accountants	611	-
South African Institute of Chartered Accountants	382	-
Gert Sibande TVET College	1 197	-
Institute of Management Accounting and Strategy	1 250	-
Lernex-Gratia (Pty) Ltd	1 223	-
Universities South Africa (USAf)	45 000	-
ETDP	5 000	-
	389 971	-

32. Prior period error

31.1 Net assets

Other administrative expenditure of R 26 306 was incorrectly omitted from the financial statements prior 2019. The expenditure relates to the travelling and accomodation which was paid through the credit card, however it was not recorded in the statement of financial performance.

Employer grant and project expenses of R 6 125 803 was incorrectly recorded in the financial statements for 2019 finacial year. the expenditure relates to ISFAP project invoices for the funds that was not utilised and the funds were refunded to FASSET in 2022 finacial year. The statement of changes in net asset opening balance has been restated.

32.2 Project expenditure

Employer grant and project expenses was incorrectly overstated by R 15 735 867 in perior period 2020. This mainly relates to project accruals of R 4 280 721 in TIG invoices which were accrued and also incorrectly included in the TIG provision in 2020, and Project expenses of R 11 601 680 which relates to ISFAP project invoices for the funds that was not utilised and the funds were refunded to FASSET in 2022 finacial year.

32.2 Other administrative expenditure

Other administration expenditure was incorrectly undersated by R 2 425 in prior period 2020, this relates to accruals not provided in 2020.

Statement of financial position

2019

	As previously reported/ Restated	Correction of error	Restated
Current assets			
Receivables from non exchange	11 026	6 126	17 152
Total current assets	806 959	6 126	813 085
Current liabilities			
Payable from exchange transactions	4 512	26	4 538
Total Current liabilities	128 624	26	128 650
Net Assets	680 404	6 099	686 503

32.2 Other administrative expenditure (continue)

2020

	As previously reported/ Restated	Correction of error	Restated
Current assets			
Receivables from non exchange	15 585	11 602	27 186
Total current assets	813 085	11 602	825 687
Current liabilities			
Payables from exchange transactions	2 352	(2)	2 350
Loans to economic entities	-	-	-
Payable from non-exchange transactions	98 359	(4 281)	94 078
Total current liabilities	144 664	(4 283)	140 381
Net assets	663 886	15 885	679 771

Statement of financial performance

2020

	As previously reported	Correction of error	Restated
Other administration expenses	20 401	(2)	20 399
Employer grant and project expenses	569 515	(15 883)	553 632
Total expenditure	635 404	(15 885)	619 519
Deficit for the year	(22 614)	15 885	(6 729)

32. Prior period error (continued)

Commitments

Project commitment

Project commitment was incorrectly understated By R 11 976 822 in 2020. 2020 Figures were restated.

Commitment Projects	Previously reported	Correction of error	Restated Amount
University of Cape Town (UCT)	331	3 145	3 476
IMAS - CIMA Qualification	66	1 572	1 638
SAIPA	1 272	3 421	4 693
Institute of Management Accounting & Strategy (IMAS)	175	(175)	-
ISFAP	33 717	4 020	37 737
Spectrum	6	(6)	-
Total project commitment	334 330	11 977	346 307

Admin commitment

Admin commitment was incorrectly understated By R 1 162 000 in 2020. 2020 Figures were restated.

Admin Commitement	As previous reported	Correction of error	Total
Office rental	9 727	1 162	10 889

Irregular expenditure

2020	As previous reported	Correction of error	Restated
Irregular expenditure - identified in the current year	115	(39)	76

In the prior period (2020) an amount of R 39 000 was incorrectly disclosed as irregular expenditure and 2020 figures was restated.

PART F

ANNEXURES



ANNEXURE A

LIST OF ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution	DHET	Department of Higher Education and Training
AAT(SA)	Association of Accounting Technicians	DHEST	Department of Higher Education Science and Technology
ABP	Academic Bridging Programme	DoL	Department of Labour
ABASA	Advancement of Black Accountants of Southern Africa	DPSA	Department of Public Service and Administration
ACCA	Association of Certified Chartered Accountants	DQP	Development Quality Partner
AFS	Annual Financial Statements	EEA	Employment Equity Act No. 55 of 1998
AGSA	Auditor General of South Africa	ERRP	Economic Reconstruction and Recovery Plan
AIDS	Acquired Immunodeficiency Syndrome	ETDP	Education, Training and Development Practices
AIR	Annual Integrated Report	ETQA	Education and Training Quality Assurance
APP	Annual Performance Plan	ExCo	Executive Committee
APC	Assessment of Professional Competence	FAS	Finance and Accounting Services
AQP	Assessment Quality Partner	Fasset	financial and Accounting Services Sector Education and Training Authority
ARC	Audit and Risk Committee	FBS	Fasset Bursary Scheme
ASB	Accounting Standards Board	FET	Further Education and Training
ATR	Annual Training Report	FinCo	Finance Committee
B-BBEE	Broad-Based Black Economic Empowerment	FNB	First National Bank
CA (SA)	Chartered Accountant (of) South Africa	FSB	Financial Services Board
CAS	College of Accounting Science	GDP	Gross Domestic Product
CEO	Chief Executive Officer	GRAP	Generally Recognised Accounting Practice
CFO	Chief Financial Officer	GRI	Global Reporting Initiative
CIMA	Chartered Institute of Management Accountants	GSC	Governance and Strategy Committee
COO	Chief Operating Officer	HE	Higher Education
Covid-19	Corona Virus Disease of 2019	HEI	Higher Education Institution
CPA (SA)	Chartered Professional Accountant South Africa	HET	Higher Education Training
CPD	Continuous Professional Development	HDI	Historically Disadvantaged Individual
CESM	Classification of Educational Subject Matter	HIV	Human Immunodeficiency Virus
CSR	Corporate Social Responsibility	HR	Human Resources
CSSA	Chartered Secretaries Southern Africa	HRD	Human Resource Development
CTA	Certificate in the Theory of Accounting	HRDS-SA	Human Resources Development Strategy for South Africa
DG	Discretionary Grant		

ICBA	Institute of Certified Bookkeepers and Accountants
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IIASA	Institute of Internal Auditors
IIRC	International Integrated Reporting Committee
IMAS	Institute of Management Accounting and Strategy
IPAP	Industrial Policy Action Plan
ISFAP	Ikusasa Student Financial Aid Programme
IT	Information Technology
ITC	Initial Test of Competence
King IV	King IV Code of Governance Principles for South Africa
LCG	Learnership Cash Grants
LEG	Learner Employment Grant
LL	Lifelong Learning
LO	Life Orientation
LPD	Learner Professional Development
MEP	Mahlasedi Educational Project
MG	Mandatory Grant
MHET	Minister of Higher Education and Training
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTSF	Medium-term Strategic
NDP	National Development Plan
NEHAWU	National Education, Health and Allied Workers' Union
NGO	Non-Governmental Organisation
NGP	National Growth Path
NLEG	Non-Pivotal Learner Employment Grant
NLP	Non-Levy Paying
NLRD	National Learner Records Database
NLRG	NSFAS Loan Repayment Grants
NOBSA	National Organisation of the Blind in South Africa
NPC	Non-Profit Company

NP-PSET	National Plan for Post-School Education and Training
NQF	National Qualifications Framework
NSA	National Skills Authority
NSC	National Senior Certificate
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OFO	Organising Framework for Occupations
ORA	Oversight Registered Auditors
PAO	Professional Accountancy Organizations
PCHEt	Portfolio Committee on Higher Education and Training
PFMA	Public Finance Management Act
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PPE	Personal Protective Equipment
PPPFA	Preferential Procurement Policy Framework Act
PSA	Public Service and Administration
PSET	Post-School Education and Training
QA	Quality Assurance
QAP	Quality Assurance Partner
QASA	QuadPara Association of South Africa
QCTO	Quality Council for Trades and Occupations
RemCo	Remuneration and Human Resource Committee
RMC	Risk Management Committee
RoI	Return on Investment
RPL	Recognition of Prior Learning
SAADP	South African Actuaries Development Programme
SAIBA	South African Institute for Business Accountants
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
SAIT	South African Institute of Tax Professionals

SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SARS	South African Revenue Service
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDL	Skills Development Levy
SDLA	Skills Development Levy Act
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SOA	School of Accountancy
SP	Strategic Plan
SPO	Sectoral Priority Occupations
SSP	Sector Skills Plan
TEUF	Thuthuka Education Upliftment Fund
TIG	Technology Integrated Group
TT	Tax Technician
TP	Tax Practitioner
TF	The Tax Faculty
TVET	Technical and Vocational Education and Training
TUT	Tshwane University of Technology
UCT	University of Cape Town
UFS	University of the Free State
UIF	Unemployment Insurance Fund
UJ	University of Johannesburg
UP	University of Pretoria
USAf	Universities of South Africa Forum
UNISA	University of South Africa
UWC	University of the Western Cape
WBE	Work-Based Experience
White Paper	White Paper for post-school education and training
WFH	Work-from-home/working-from-home
WSP	Workplace Skills Plan
YES	Youth Employment Services

ANNEXURE B

SUCCESS STORIES

Career Awareness Roadshows in Covid-19 times

A key partner in delivering FASSET's career awareness interventions is Nzalo Careers, an SMME that specialises in careers and leadership, especially for learners from rural backgrounds. Nzalo's vision to ensure learners have equal access to opportunities and that they are equipped with the necessary skills to transition from high school to tertiary education. The company works with Life Orientation (LO) specialists and the SETAs to provide career expos, road shows, teacher training for leadership and training to tertiary students and graduates for work readiness.

Through its partnership with Nzalo, FASSET supported and participated in 127 interventions against a target of 260. We participated in the Nzalo Virtual Careers Roadshow in KwaZulu Natal at which educators facilitated career guidance with the learners along with different format initiatives such as virtual exhibitions hosted by Nzalo with other partners such as UNISA and our SETA family. As a supplement to these initiatives, FASSET provided career awareness toolkits for those learners in the rural areas with no access to connectivity.

In combination with the above interventions, FASSET continued to make use of its online presence on platforms such as Facebook, Twitter, LinkedIn and Instagram to spread awareness on career path options in the FAS sector. Posts during this period aimed at not only sharing relevant career building information but also motivate learners during uncertain times. Through these new virtual intervention formats, FASSET was able to reach and interact with more than 21 000 learners from Grade 9 all the way up to postgrad levels of study.

To deal with the constraints and impacts of the pandemic, Nzalo Careers adopted alternative service delivery methods using online platforms. Founder and Director of Nzalo, Sedzani Netshitenzhe said:

"Initially we were unsure as to how learners would receive

our virtual and screen events instead of the excitement of live expos. We provided WhatsApp networking support and the feedback was very affirming. Learners were inspired and were getting the message. The fact that the videos could be replayed meant that they could really integrate their learning. It also lifted the burden normally placed on LO educators"

For Nzalo the move to using online and virtual platforms for career awareness initiatives exponentially improved our reach and engagement levels with learners as seen in the table below.

Year	Total learners reached
2019	9 059
2020	18 734

These initiatives achieved great interaction and career guidance dialogue with school pupils and students in the different levels of academia. The Nzalo Careers roadshows in the 2020 academic year included: Atteridgeville, Soshanguve, Mabopane, KwaZulu Natal, Taung, Middelburg, Makhado, Vryburg, Malamulele, Mathibestad, Witbank, Botshabelo, Klerksdrop, Thaba Nchu, Siyabuswa, Thohoyandou, Mahikeng Tsolo. Nzalo specifically targeted these locations because they are less serviced with carrier options and information for learners. Below are some images from live career awareness events that combined the use of social media platforms and career awareness tool kits as seen on FASSET's social media platforms.



FASSET participated in the Nzalo Virtual Careers Roadshow in Siyabuswa and engaged the Grade 12 learners on making the right career choices as they prepare for their next steps.



FASSET volunteers - Braniacs Youth Agency worked hard to reach out to schools in the North-West Province ensuring that career awareness information reached those who needed it most.



Our Newcastle satellite office together with Majuba TVET College visited the youth of Danhauser and eMbabane to share career awareness information and assist with applications for the 2021 academic year.

Campus Brand Ambassador Programme

FASSET's Campus Brand Ambassador campaign was launched in 2020 after recruiting, training and equipping a very passionate student team from all over the country. Our brand ambassadors continued to contribute positively towards building FAS career awareness, sharing information and improving FASSET's visibility in their respective communities, on campus, in local high schools and using social media platforms.

Meet one of our top performing Campus Brand Ambassadors of 2020: 25-year-old Mpoetsi Jeannie Masitha is a Financial Management graduate and Accounting Technician student at Motheo TVET College, Thaba Nchu campus. In the year under review, she extended her goal to inspire as many students as possible. She visited a number of schools in her area as seen below. She also amplified her work by sharing her experiences with her constituency on social media.



"As a FASSET Brand Ambassador, I have to challenge myself to create awareness about Financial and Accounting education and opportunities with this career choice. Comparing the accounting field to other professions is difficult, as they all need accounting expertise to function. Thus, we can say accounting is the heart of the economy."



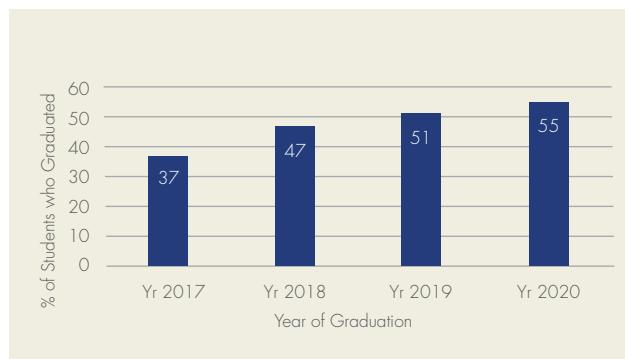
Partnership with the UFS bearing fruit the University of the Free State (UFS)

FASSET has provided funding to the UFS School of Accountancy (SOA) and its students since 2015. In 2020 the funds received from the SETA served approximately 15% of the students registered at the SOA through the Academic Support Programme and the Bursary with Academic Support programme.

The funding has made it possible for the SOA to develop an academic support programme to improve the throughput rate of Black African Accounting Students over the past few years. The increased throughput rates of the past two years have resulted in a year-on-year improved graduation rate of 4%. Simply put, the financial support has enabled many Black African accounting students who would otherwise not have passed to become valuable members of the accounting profession.

The table below illustrates the improved throughput rate of Black African students in the final year of the Undergraduate BAcc programme, which forms part of the Chartered Accountancy stream.

Improved Throughput Rate



On the funding provided by FASSET for the 2020/21 financial year, the UFS SOA reported on the challenges and impacts of delayed allocation and disbursement of funding as follows:

Despite the continuous improvement of the throughput rate, there is a decrease in progress, which can be attributed to several challenges faced by the SOA. The most critical challenge faced is the timing of the funding allocation. The practice of allocating funds according to the government's financial year instead of according to the HE Academic year which has the following implications:

1. Academic trainees (ATS) can only be appointed when funding for their salaries has been confirmed. This holds the risk that we may not be able to appoint our preferred candidates.
2. Students unsure of FASSET funding in the following year and seek alternative funding sources causing a turnover of students and hampers recruitment.
3. Recruitment of students for FASSET-funded programmes in April and May complicates the administration of the programmes and risks undermining students' academic performance.
4. When academic support programmes can only be implemented in the second semester, their effectiveness and throughput rates are reduced. The development of learner's soft skills also suffer as it arises when the academic programme is at its most intense by which time students should have mastered these skills.
5. Students need the funding allocated to them in the first quarter. When they receive funds in April, lack of textbooks results in an inability to prepare for class or study effectively. They also worry about how to pay tuition fees and/or accommodation which negatively impacts their ability to learn.

FASSET acknowledges that it will need to start the allocation process earlier in the financial year to enable students and HEI programmes to access funds at the time they need them and in alignment with the cycles of the HE academic year instead of the government financial year which ends in March.

Tax Faculty Graduates

FASSET partnered SAIT in providing career development for tax practitioners through the Tax Faculty, an initiative of SAIT. The cohort for the year under review included of people living with disabilities working within the FAS sector. What follows are the inspirational stories of the journeys - against all odds - of three FASSET-funded graduates of the Tax Faculty, namely Octavia Leisa from Soweto, Nevonia Moodley from Chatsworth and Joshua Rashopola from Tshwane.

Octavia Leisa

Occupational Certificate: Tax Professional at The Tax Faculty



"Coming out of theatre with one leg in 2013 was painful. I had to come to terms with it by accepting that my life had changed. I am still Octavia who can still do things, not depending on other people. For people to accept me, I have to accept myself first."

Boitumelo, Octavia's daughter says her mother has three passions: "Passion for life, people and tax." Octavia grew up in Soweto and Alberton, her family home was "loving but strict". Her father was a medical technician and her mother a professional nurse. Matriculating in 1980 and informed her parents that she would like to find a job instead of pursue further studies. She started in a temporary position at Woolworths in Rosebank as a stock clerk and later working as a cashier. She was then transferred into permanent position at the Westgate branch.

In 1985, Octavia decided to go back to school and enrolled in social work studies at UNISA. She quickly realised that this was not for her and switched to a secretarial and bookkeeping course at a college. In 1987, she joined an import and export company where she gained important business and office skills. After that company was liquidated, Octavia found a job opportunity at an organisation which later became NOBSA (National Organisation of the Blind in South Africa). This is where her interest in tax started, she was involved in everything from fund raising, to doing payroll, calculating and handling tax. She taught herself

about tax through textbooks and manuals that SARS provided. She then enrolled for a certificate in tax at UNISA and landed a job at SARS.

Her work in different units provided her with the opportunity to learn everything about tax which led her to enrol for an advanced diploma in international tax and offshore finance, after which she completed a master's diploma. When asked what about tax excites her so much, she responds confidently, *"it's the story behind tax that interests me most, how they work out tax rules, regulations and calculations."* She left SARS in 2009 as a team leader to become self-employed, meaning that she does not have a fixed income anymore.

At the end of 2012 her career was interrupted; a series of blood clots caused a lack of circulation in her left leg that eventually led to gangrene which necessitated an amputation. In January 2013 Octavia faced a world in which her life had changed, but it did not stop her from pursuing her career goals. She realised that she had to update her knowledge and skills in the tax field and applied

for the Occupational Certificate: Tax Professional (Isifiso) programme, which is funded by FASSET in partnership with The Tax Faculty (TTF) and South African Institute of Tax Professionals (SAIT). As part of a study group and enjoyed

assisting and motivating her fellow students. She found the course practical and it taught her a new approach which, she says, will help her to attract new clients in future. She concludes: *"I look at tax with a different eye now."*

Nevonia Moodley

Occupational Certificate: Tax Technician at The Tax Faculty



"After completing this qualification, I would like to pursue a career in tax. I could start up my own business in future!"

Nevonia matriculated in 2007 at Southlands Secondary School in Chatsworth with a distinction in accounting – the highest mark in her school. At 30-years old, she now holds a National Higher Certificate in Accountancy with distinctions in Introductory Financial Mathematics and Business Information Systems (2012) as well as a Basic Counselling Certificate (2015), both from UNISA.

"I have a knack for working with numbers and I really enjoy it. But I also love to help others and working with people, and this is one way that I could help to lessen the burden for many individuals."

Nevonia has always been academically inclined and enjoyed every day of school. When she was 12-years old she had a spell of the flu that kept her in bed for two weeks. When she returned to school, the school nurse noticed that she walked differently than before. She spent that year in and out of hospital and was eventually diagnosed with Friedreich's Ataxia; a rare genetic disease that causes progressive nervous system damage and movement problems. When she started high school she walked with the aid of crutches, and by the time she enrolled at university she was dependent on a wheelchair.

In 2014 she started on a one-year internship in Office Administration at the QuadPara Association of South Africa (QASA). She also started using a motorized wheelchair that year to assist with her deteriorating mobility. Her duties at QASA included general office administration. Nevonia reports that this gave her the chance to develop her employability skills. She continued voluntary work at QASA as secretary of the executive committee and at Ry-ma-in Self Help Centre as treasurer of the executive committee. These roles further contributed to building her IT and communication skills and provided her with general work experience.

When Nevonia was selected to enroll for the Occupational Certificate: Tax Technician programme, which is funded by FASSET in partnership with TTF and SAIT, she grasped the opportunity with both hands. She knew that it would help her to launch a career in the field that she loves most.

"Working with numbers, I find the subject of tax fascinating. I really enjoy seeing how everything fits together. Making all the numbers balance and tally and seeing how tax revenue is calculated is very satisfying"

She reports that this learning opportunity "helped improve my skills as well as theoretical knowledge of the subject. It also taught me how to interact with people on a professional level, which makes it more personal for the client you are dealing with." She offers a word of motivation for potential

learners with disabilities interested in FASSET-funded training opportunities of this nature, "you are strong and you are brave. There is a nobility of spirit within you. Let it grow!"

Joshua Rashopola

Occupational Certificate: Tax Technician at The Tax Faculty



"I like to make things happen. This is just a situation, Joshua is still there, I still have the energy, I still have myself."

Joshua was born and bred in Tshwane and still lives in the area. He completed a BCom Accounting degree at the University of Limpopo in 1993. His love for Accounting started when he was at school where his favourite subjects were Economics, Mathematics and Accounting. He was also very interested in Business Economics, but was unable to take it as a subject. His Grade 11 teacher who cultivated his love for Accounting and inspired him to excel in the subject and to think about a career in the field.

In 2005 a friend who had an interior decorating business asked Joshua to take over the marketing role in the business; this opportunity lasted until 2010. At the time Joshua's interest and sense for business also helped him to start a small transport business which was operational until 2015.

He applied for the FASSET-funded training opportunity at TTF because he had gained an interest in Tax since his years at Deloitte. While he finds the training is challenging given his difficult circumstances he says: *"I find the course material very valuable. It has opened my eyes a lot. I'm really grateful to Fasset for this opportunity".*

Joshua uses an assistive device that helps him to communicate with his laptop; it is head-mouse that is linked to a bite switch. It translates the natural movements of his head into directly proportional mouse pointer movement; as he moves his head and the mouse pointer follows along. He is motivated to complete the training after which he would like to explore opportunities in the field. He had seven years of accounting and auditing work experience before his accident, and he strongly feels that this opportunity will open up work prospects and contribute to his career development.

Joshua applauds his support team; his mother, his care worker David, and his very close friend since primary school, Jones. David assists Joshua 24/7 taking care of all his physical needs. Jones is his comrade, his companion and he also attends to Joshua's IT needs. He describes his good friend Joshua as "down-to-earth, always finding the middle ground and ever smiling."

When asked about his strengths, Joshua said, "I like to make things happen. This is just a situation, Joshua is still there, I still have the energy, I still have myself." He is looking forward to applying the knowledge and skills he is gaining from this learning opportunity.



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