



BANKSETA STRATEGIC PLAN 2021-2025



ENABLING SKILLS DEVELOPMENT IN THE BANKING AND MICROFINANCE SECTOR



List of Acronyms

AET	Adult education and training
CBDA	Co-operative Bank Development Agency
FAIS	Financial Advisory and Intermediary Services Act
FET	Further Education and Training
FSCA	Financial Sector Conduct Authority
HEI	Higher Education Institutions
HET	Higher Education and Training
AB	Alternative Banking
IT	Information technology
JV	Joint Venture
MFI/s	Micro Finance Institution/s
MFSA	Micro Finance South Africa
MTSF	Medium Term Strategic Framework
MTEF	Medium Term Expenditure Framework
NEET	Not in Employment, Education or Training
NGO	Non-Government Organisations
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NVC	New Venture Creation
PIVOTAL	Professional, Vocational, Technical and Academic Learning
RE	Regulatory Exam
RPL	Recognition of prior learning
QCTO	Quality Council for Trade and Occupations
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SMEs	Small and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WSP	Workplace Skills Plan

FOREWORD

COVID-19 has spread throughout the world at an unprecedented speed and has affected all sectors. As countries seek to recover, some of the more long-term economic, business, environmental, societal and technological challenges and opportunities are just beginning to become visible. The COVID-19 crisis has revealed the urgent need to shape a better world. As economies restart, there is a possibility to ensure greater societal equality and sustainability become part of the recovery. To ensure positive outcomes from the crisis, the immediate and longer-term emerging risks must be identified and managed effectively. The 2020/2021 Strategic Plan (SP) touches on the BANKSETA's response to the Covid-19.

The key objective of the strategic plan is to outline the strategic priorities of the BANKSETA in accordance with its mandate as defined in the Skills Development Act and all associated national imperatives. It demonstrates the integration of the BANKSETA's primary responsibilities (sustained by the sound financial management of levy funds, human resources and internal business processes), the specific strategic objectives aligned to the skills priorities indicated in the sector skills plan (SSP) and National Skills Development Plan (NSDP) objectives as well as the management of performance thereof (inclusive of monitoring and evaluation).

The strategic plan covers a five-year period (from 2020/21 to 2024/25). It is acknowledged that the current SETA license period is until March 2030. Strategic Plans identify strategically important outcomes, goals and objectives against which the institutions' medium-term results can be measured and its impact evaluated. Annual Performance Plans identify the output indicators and targets that the institution will seek to achieve in the upcoming financial year. BANKSETA adopts a results-based planning model aligned to the Balanced Scorecard Methodology that involves the articulation of strategic choices in light of past performance and includes information on how it intends to deliver on its priorities and achieve associated results. BANKSETA's focus is on achieving outcomes, implementing output measurement, learning from past experiences, benchmarking best practice, and reporting on performance.

The BANKSETA recognises the need to be proactive in developing a clear skills planning strategy to determine how skills development interventions cohesively respond to the current and future needs of the sector as determined by the SSP and to manage the risks it might face. In the development of the strategy, the BANKSETA was also cognisant of aligning governance and organisational capacity to meet the SETA needs as well as balancing the priorities from a national and sectoral basis with the priorities prevalent in the economy.

As part of its strategic planning process, BANKSETA ensures accurate alignment of the Sector Skills Plan, Strategic Plan and Annual Performance Plan encapsulated in the development of a Strategy Alignment Matrix. The programmes in support of the strategies are outlined within the 2021/2022 Annual Performance Plan. Further to the programmes in the Annual Performance Plan, the BANKSETA has compiled a formal research strategy to support the organisational strategy. Strategic planning is also supported by continuously engaging with our stakeholder base to ensure a collaborative approach as outlined in the BANKSETA Stakeholder Engagement Plan.



Nosipho Mia Makhanya
BANKSETA Board Chairperson

Chief Executive Officer Statement

The COVID-19 pandemic has affected the entire globe and continues to alter life as we know it. But as COVID-19 cases soar in Europe, the United States, Brazil, and India, confirmed COVID-19 cases in Africa remain comparatively low. With a population of 1.2 billion and weak health infrastructure, experts feared that COVID-19 would severely impact the entire continent of Africa. Speculation was rife that Africa's youth bulge and warmer climate could help spare most African countries from the worst of the health pandemic. The 2020/2021 Strategic Plan (SP) touches on the BANKSETA's response to the Covid-19.

The Strategic Plan outlines the strategic direction and priorities of the BANKSETA per its mandate as defined in the Skills Development Act and all associated national imperatives. Strategic Plan demonstrates the integration of the BANKSETA's primary responsibilities in its endeavour to progressively realise the objectives of the National Skills Development Plan (NSDP).

The strategic plan covers a five-year period (from 2020/21 to 2024/25) even though the current SETA license period is until March 2030.

Strategic Plans identify strategically important outcomes, goals and objectives against which the institutions' medium-term results can be measured and its impact evaluated. Annual Performance Plans identify the output indicators and targets that the institution will seek to achieve in the upcoming financial year.

The BANKSETA recognises the need to be proactive in developing a clear skills planning strategy to determine how skills development interventions cohesively respond to the current and future needs of the sector as determined by the SSP and to manage the risks it might face. In the development of the strategy, the BANKSETA was also cognisant of aligning governance and organisational capacity to meet the SETA needs as well as balancing the priorities from a national and sectoral basis with the priorities prevalent in the economy.

As part of its strategic planning process, BANKSETA ensures accurate alignment of the Sector Skills Plan, Strategic Plan and Annual Performance Plan encapsulated in the development of a Strategy Alignment Matrix. The programmes in support of the strategies are outlined within the 2021/2022 Annual Performance Plan. Further to the programmes in the Annual Performance Plan, the BANKSETA has compiled a formal research strategy to support the organisational strategy. Strategic planning is also supported by continuously engaging with our stakeholder base to ensure a collaborative approach as outlined in the BANKSETA Stakeholder Engagement Plan.

With a positive team and a constructive Board, we do not doubt that we shall achieve our strategic objectives as articulated in the Strategic Plan.



Lefaso Motsoeneng Mr.
Chief Executive Officer (Acting)

Official sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the Management of BANKSETA under the guidance of the BANKSETA Board
- Takes into account all relevant policies, legislation and other mandates for which the BANKSETA is responsible
- Accurately reflects the Impact, Outcomes and Outputs which the BANKSETA will endeavour to achieve over the period 2020/2021 to 2024/2025.

Vuyani Ntanjana

Head: Strategy and Research

(Representing Head of Planning)

Signature: 

Beaula Dziruni

Chief Financial Officer

Signature: 

Lefaso Motsoeneng

Chief Executive Officer (Acting)

Signature: 

Nosipho Mia Makhanya

BANKSETA Board (Chairperson)

Signature: 

Approved by:

Dr Blade Nzimande

Executive Authority

Signature: _____

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Part A: Our Mandate

The Banking Sector Education and Training Authority (BANKSETA) is a statutory body established through the Skills Development Act of 1998 as amended by the Skills Development Act, 26 of 2011 to enable its stakeholders to advance the national and global position of the banking and alternative banking sector. In terms of the Skills Development Act, No 97 of 1998 as amended by the Skills Development Act, within the National Skills Development Plan (NSDP) framework; BANKSETA is mandated to develop skills in the banking and alternative banking sector. It does so by:

- Encouraging employers in its sector to develop an active learning environment in the workplace.
- Providing employees with opportunities to acquire new skills/progress their careers
- Increasing levels of investment in workplace education and training.
- Promoting transformation as guided by the NSDP equity targets of 85% Black, 54% Female and 4% disabled.

Ultimately this means that work-seekers find employment, retrenched workers re-enter the labour market and employers find qualified employees in a fair and equitable framework

1. Constitutional Mandate

The mandate of the BANKSETA is informed by the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).

Constitutional applicability is based on the following sections:

- Section 22: Freedom of trade, occupation and profession

Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law.

- Section 29: Education

Everyone has the right to-

- 1) a basic education, including adult basic education; and
- 2) further education, which the state, through reasonable measures, must make progressively available and accessible

2. Legislative and Policy Mandates

The BANKSETA is established in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) and operates within the following legislative and policy mandates:

Legislation/ policy/ regulation	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
Skill Development Act Development Act 97 of 1998, (Act No. 97 of 1998)	Provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce;	The BANKSETA implements skills development programmes that equips the banking and alternative banking sector with relevant and appropriate skills and this is line with the SDA.
Skills Development Levies Act, 1999 (Act No 09 of 1999)	Provides for the imposition of a skills development levy, and for matters connected therewith.	The BANKSETA uses the levies to fund skills development programmes as per the SDLA
South African Qualifications Authority Act, 1995 (Act No 58 of 1995)	Provides for the development and implementation of a National Qualifications Framework and for this purpose to establish the	The BANKSETA makes sure that all qualifications funded are compliant with the SAQAA

Legislation/ policy/ regulation	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
	South African Qualifications Authority.	
The National Qualifications Framework Act, (Act No. 67 of 2008)	Provide for the responsibilities of the Minister of Higher Education and Training; to provide for the South African Qualifications Authority; to provide for Quality Councils; to provide for transitional arrangements; to repeal the South African Qualifications Authority Act, 1995	The BANKSETA makes sure that all qualifications funded are compliant with the NQFA.
Employment Equity Act, 1998 (Act No 55, 1998)	<ul style="list-style-type: none"> a. Promoting equal opportunity and fair treatment through the elimination of unfair discrimination. b. Implementing positive measures (affirmative action) to ensure the equitable representation of black people, women and the disabled at all levels in the workplace. 	The BANKSETA, through the Human Resources Policy makes sure that it promotes equal opportunities, addresses the affirmative action prescripts and eliminate unfair discrimination.
Public Finance Management Act (Act No 29 of 1999)	Ensures that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government	The BANKSETA, through its Governance Structures and Policies make sure that it complies with PFMA.
Supply Chain Management Policy	<ul style="list-style-type: none"> • Transform government procurement and provisioning practices into an integrated SCM function; • Introduce a systematic approach for the appointment of consultants; • Create a common understanding and 	The BANKSETA, through its Governance Structures, Policies and Bid Committees like the Bid Specification Committee (BSC), Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) make sure that it complies with SCM Policy.

Legislation/ policy/ regulation	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
	<p>interpretation of the preferential procurement policy; and</p> <ul style="list-style-type: none"> Promote the consistent application of 'best practices' throughout the government's supply chain. 	
Preferential Procurement Policy Framework (Act No. 5 of 2000)	This provision sets out basic principles and the regulations thereof and it provides detailed Supply Chain Management guidelines that shall be followed by all state institutions.	The BANKSETA, through its Governance Structures, Policies and Bid Committees like the Bid Specification Committee (BSC), Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) make sure that it complies with SCM Policy.
Policy Framework for the Government-wide Monitoring and Evaluation System	This is an overarching policy framework for monitoring and evaluation in the South African Government.	The BANKSETA, funded the development of Monitoring and Evaluation Framework for SETAs. At the moment, the BANKSETA is busy developing its M&E system.
Broad-Based Black Economic Empowerment (Act No. 53 of 2003)	Promotes the participation of previously disadvantaged individuals within the landscape of the South African economy.	The BANKSETA, through its Governance Structures, Policies and Bid Committees like the Bid Specification Committee (BSC), Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) make sure that it complies with SCM Policy.

Strategy and Policy Mandate

The BANKSETA also derives its skills development mandate from the following national strategies and policies:

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
National Development Plan (NDP)	The National Development Plan commonly known (NDP), is a plan to unite South Africans, unleash the energies of its citizens, grow an inclusive economy, build capabilities, and enhance the capability of the state and leaders working together to solve complex problems.	All the BANKSETA strategies and plans are aligned NDA all our programmes are aligned to national priorities intending to strengthen the country's economy
White Paper for Post-School	<ul style="list-style-type: none"> a post-school education and training system that is responsive to the 	Expanded access to PSET opportunities

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
Education and Training	needs of individual citizens, employers in both public and private sectors, as well as broader societal and developmental objectives.	<ul style="list-style-type: none"> • To provide diverse students population with access to a comprehensive and multifaceted range of PSET opportunities • Bursaries for Lecturer development Programme <p>Improved efficiency and success of the PSET system:</p> <ul style="list-style-type: none"> • Bursaries for Masters and PhD • Learnerships and Internships Programmes <p>Improved quality of PSET provision:</p> <ul style="list-style-type: none"> • Bursaries for Lecturer development Programme <p>A responsive PSET system:</p> <ul style="list-style-type: none"> • All qualifications programmes and curricula are in line with the SSP
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 NDP, which aims to put in place the framework whereby, we 'build the capabilities of our citizens to make our future work'.	All the BANKSETA outcomes are aligned to the objectives and outcomes of the NSDP
New Growth Path	This framework reflects the government's commitment to prioritising employment creation in all economic policies. It identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner while attaining South Africa's developmental agenda.	All the BANKSETA programmes are aligned to New Growth Path as they are focussing on skills meant for employment opportunities
National Skills Accord	<p>The National Skills Accord is based on the following commitments:</p> <ul style="list-style-type: none"> • To expand the level of training using existing facilities more fully 	All the BANKSETA programmes are aligned to National Skills Accord as they are focussing on skills meant for employment opportunities and these include internship and learnership programmes

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
	<ul style="list-style-type: none"> • To make internship and placement opportunities available within workplaces. • To set guidelines of ratios of trainees: artisans as well as across the technical vocations, in order to improve the level of training • To improve the funding of training and the use of funds available for training and incentives on companies to train • To set annual targets for training in state-owned enterprises • To improve SETA governance and financial management as well as stakeholder involvement • To align training to the New Growth Path and improve Sector Skills Plans • To improve the role and performance of FET Colleges 	
7 priorities to take South Africa forward	Education, skills and health;	All the BANKSETA educations and skills programmes are aligned to the 7 Priorities to take South Africa forward and these include internship and learnership programmes

Relevant Court Rulings: Business Unity South Africa vs Minister of Higher Education and Training Court Judgement

Regulations published in the Government Gazette, No.35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters was updated by NT Circular 15 2017 which outlined the judgement of the Labour Appeals Court on Forfeiture on Uncommitted Surpluses and Mandatory Grants that set aside the Regulation 3(12) which pertained to uncommitted surpluses being forfeited and submitted to the NSF. Regulation 4(4) which pertains to mandatory grants is still in force and set at 20%.

3. Institutional Policies and Strategies over the Five Year Planning Period

For the next five years the BANKSETA implementation will be guided by the following policies and strategies:

- National Development Plan
- National Skills Development Plan
- National Skills Accord

Part B: Our Strategic Focus

The BANKSETA strategic focus is on the following:

- The identification of priority skills in the sector through a credible skills planning process
- The distribution of mandatory grants to qualifying registered companies
- The distribution and management of discretionary grants that will benefit the sector at large as well as beneficiaries within the sector
- The implementation of quality assurance processes that will enhance and ensure quality provision of training that falls within the scope of the BANKSETA
- Supporting the implementation of applicable national strategic objectives as identified in the National Skills Development Plan (NSDP).

4. The BANKSETA Vision

The BANKSETA is recognised as a Centre of Excellence and innovation for Human Resource Development in the banking sector.

5. BANKSETA Mission

To support transformation and people development and, through partnerships, enable stakeholders to advance the national and global position of the broader banking and alternative banking sector.

6. Values

The BANKSETA has adopted the following values which form the basis of its operations and functions:

- treat all people with respect;
- strive to constantly up our game and perpetual dissatisfaction with the status quo is our mantra;
- treat the customer as “king”;
- strive to upgrade our information base by benchmarking and following world-class principles;
- celebrate diversity as it strengthens our cultural fabric;
- act with integrity towards all stakeholders, and support clients that uphold the same values; and
- we are a seamless team in the service of our customers

7. Situational Analysis

The scope of coverage of the BANKSETA, as approved and set out in the Government Gazette Notice No. 265 of 20 March 2000 and the SETA re-establishment scope for the period 2020 – 2030 is as follows:

- Central Banking;
- Other Monetary Intermediation;
- Activities of holding companies;
- Trusts, funds and similar financial institutions;
- Financial leasing;
- Other credit granting and micro-lending;
- Other financial service activities, except insurance and pension funding activities

Environmental challenges associated with BANKSETA Performance

Covid-19

There is no doubt that COVID-19 has spread throughout the world at an unprecedented speed and has affected all sectors. As countries seek to recover, some of the more long-term economic, business, environmental, societal and technological challenges and opportunities are just beginning to become visible. The COVID-19 crisis has revealed the urgent need to shape a better world. As economies restart, there is a possibility to ensure greater societal equality and sustainability become part of the recovery. To ensure positive outcomes from the crisis, the immediate and longer-term emerging risks must be identified and managed effectively. The BANKSETA as organisation has included responses to Covid-19 to its strategic plan

Fourth Industrial Revolution (4IR)

According to the World Economic Forum (WEF), the Fourth Industrial Revolution is changing the way we live, work and think. It is bringing with it the rapid advancement of technologies, especially those related to advanced robotics, artificial intelligence, and machine learning. As technology becomes invisible it shapes the lives of young adults and workers across the globe, erasing borders and allowing people to work from anywhere. Work is no longer a place you go and requires interdisciplinary thinkers that can be creative, think critically and solve problems as they arise. These are just some of the top 10 skills the World Economic Forum has identified as being essential for success over the next decade. The 4th industrial revolution is here to stay.

The Skills Gap

As the need for the future skills economy evolves to become more interdisciplinary with critical soft skills becoming essential, organizations will need to adopt a new approach to learning. The public sector needs to consider how to better prepare students for future work-integration based on skills-of-the-future today.

Higher education and organizations both need to prepare the next generation for the mindset of lifelong learning. Lifelong learning can take many forms including attending events such as conferences, team workshops, innovation challenges, as well as taking skills courses and certifications.

This shift also needs to take into account how we assess a prospective employee's qualifications. No longer is a degree sufficient, now the future employer will recognise the individual's portfolio of work, which may include start-up pitches, code projects or creative designs that can take on many forms from data visualizations to illustrations.

What happens with employment?

The characteristics of the fourth Industrial Revolution are destined to bring about different impacts on employment, which are no longer confined to one industry, but all industries. At the same time, a lot of jobs will disappear, but there will be a lot of new job requirements. It is expected that more than 65% of children entering primary school today will end up working in completely new jobs that currently do not exist when they enter the workplace 15 years from now. As the changes brought by social media, digital publications and e-commerce, the most in-demand occupations did not exist 10 or even five years ago. According to the Future of Employment report, around 47 per cent of total US employment is in the high-risk category. People may be more concerned about what types of jobs are at high risk? What jobs will be safe in the future?

Retrenchments by banks in South Africa

Major banks in South Africa have been retrenching employees due to the closure of branches. Banks have attributed their retrenchment process to the emergence of the Fourth Industrial Revolution (4IR).

Surprisingly, the major drivers of the retrenchment at the banks are digitalisation and automation which are key elements of the 3rd Industrial Revolution. Therefore, there is an argument that states that banks are using the 4IR as a scapegoat.

This argument further states that banks have been aware for years, if not decades, of the digitization trends in the banking industry around the world and how those impact certain jobs. As such, through a partnership with organised labour, employers could have prepared their employees for this long before it was necessary to retrench staff.

Sensitizing their staff in time could have facilitated exploring various re-skilling opportunities and in some cases, the employees could have made alternative plans and preparations being fully aware that their jobs are soon to be redundant.

Implications of retrenchment to the BANKSETA and mitigation mechanisms

The Retrenchment of employees by banks has serious implications for the BANKSETA as this may have serious implications on the amount of levy BANKSETA receives from the employers. As a mechanism to deal with this challenge, BANKSETA has ring-fenced R59.5 million for its reskilling programme that will particularly focus on retrenched employees.

Funding for 4IR related programmes

Appointment of BANKSETA Research Chairs

In 2018, the BANKSETA appointed three Research Chairs that are as follows:

- Durban University of Technology (DUT)
- University of Witwatersrand (Wits)
- Rhodes University

In appointing the Research Chairs, BANKSETA aimed to provide cutting-edge research that brought about feasible solutions to the challenges facing the banking and alternative banking sector

Durban University of Technology (DUT) Research Chair.

The main focus of the DUT as a Research Chair was to conduct the impact of the 4IR on skills development. So far, the Research Chair has produced the following research reports:

- Report 1: Drivers of Change Report
- Report 2: Aligning the Banking Sector to National and Sectoral Priorities
- Report 3: 4IR Skills Forecast Report
- Report 3: 4IR Skills Forecast Report
- Influences of the 4th Industrial Revolution on the Banking landscape in South Africa: Skills Forecast for the banking sector in South Africa

- Fintech Development in South Africa
- Post School Education and Training and 4IR
- GIS Mapping

Wits Research Chair

Wits has conducted the following 4IR projects for the BANKSETA:

- Occupational Analysis in Banking: Jobs for Occupations
- Develop a Set of Occupations in Cybersecurity
- Just Transitioning of the banking sector with a focus on digitalisation and sustainability on the nature of jobs
- Analytical and Conceptual Alignment of Skills, Jobs, Occupations, Knowledge and Work

Currently, the BANKSETA is procuring four Research Partners to implement its Research Agenda as part of deepening further on research that affects the banking and alternative banking sector.

7.1 External Environment

The Banking sector forms part of the financial services sector and is classified by Statistics South Africa as part of the “financial and business services” industry. The Financial Services sector consists of all entities that manage money in some way or form. Generally, it consists of the following institutions: Banks, Insurers, Asset Managers, Stock Brokerages, Credit Unions, Micro-financiers and any other private or public sector companies capable of extending credit or other financing activities. The banking sector as a sub-set of the financial services sector consists of banking, credit unions, cooperative financial institutions and micro-financiers. Financial Services refers to the economic activities undertaken by such entities, which fundamentally encompass the access to funding/finance or the creation of wealth for consumption purposes or further economic productivity. Banking, Savings, Investment, Insurance and Financing assist individuals to consume, save, mitigate risk and accumulate credit while enabling companies to start-up, expand and improve competitiveness both locally and internationally. Financial Services is therefore fundamental to economic development and growth and holds a linear relationship. The Financial Services sector may be categorised into three primary subsectors:

- Banking and Credit Services (Banks, Mutual Banks, Credit Unions, Microfinance institutions, etc.);
- Insurance (Long-term and Short-term Insurers covering a variety of risks); and
- Investment and Related Services (Exchanges, Security Broking companies, Asset Managers, etc.).

Banking constitutes a key component of the financial services system and the economy, as a whole. The Banking system is a key driver of the South African economy as it facilitates the liquidity (amount of capital available for investment and spending) required by household and firms for consumption and future investment. The credit and loans extended by financial institutions to the economy imply that households do not have to save up in order to make large purchases, while companies can also start hiring and making capital expenditure now, in anticipation of future demand and expansion. The banking sector can be separated into banking and non-banking services.

BANKSETA’s mandate is limited to all employers who fall within the scope of following Standard Industrial Classification Codes:

Table 1: SIC Code Classification

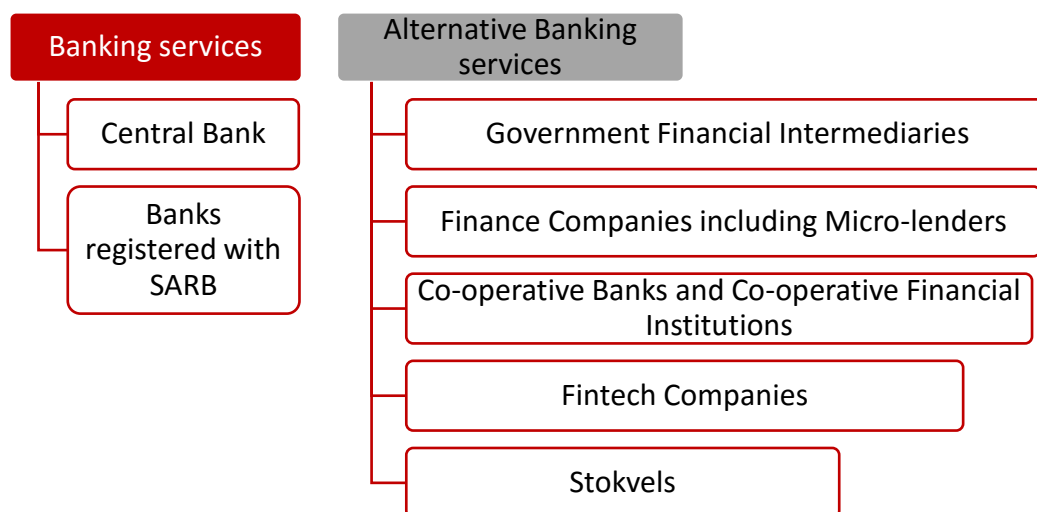
Code	Type	Description
64110	Central Banking	<p>This class includes:</p> <ul style="list-style-type: none"> • issuing and managing the country's currency, • monitoring and control of the money supply, • taking deposits that are used for clearance between financial institutions, • supervising banking operations, • holding the country's international reserves, and • acting as banker to the government.
64190	Other monetary intermediation	<p>This class includes the receiving of deposits and/or close substitutes for deposits and extending of credit or lending funds. The granting of credit can take a variety of forms, such as loans, mortgages, credit cards, etc. These activities are generally carried out by monetary institutions other than central banks, such as:</p> <ul style="list-style-type: none"> • banks, • savings banks, • credit unions, • postal giro and postal savings bank activities, • credit granting for house purchase by specialised deposit-taking institutions, and • money order activities.
64200	Activities of holding companies	<p>This class includes the activities of holding companies, i.e. units that hold the assets (owning controlling-levels of equity) of a group of subsidiary corporations and whose principal activity owns the group. The holding companies in this class do not provide any other service to the businesses in which the equity is held, i.e. they do not administer or manage other units.</p>
64300	Trusts, funds and similar financial entities	<p>This class includes legal entities organised to pool securities or other financial assets, without managing, on behalf of shareholders or beneficiaries. The portfolios are customised to achieve specific investment characteristics, such as diversification, risk, rate of return and price volatility. These entities earn interest, dividends and other property income, but have little or no employment and no revenue from the sale of services.</p> <p>This class includes:</p> <ul style="list-style-type: none"> • open-end investment funds, • closed-end investment funds, • trusts, estates or agency accounts, administered on behalf of the beneficiaries under the terms of a trust agreement, will or agency agreement, and • unit investment trust funds.
64910	Financial leasing	<p>This class includes leasing where the term approximately covers the expected life of the asset and the lessee acquires substantially all the benefits of its use and takes all the risks associated with its ownership. The ownership of the asset may or may not eventually be transferred. Such leases cover all or virtually all costs including interest.</p>

Code	Type	Description
64920	Other credit granting	<p>This class includes financial service activities primarily concerned with making loans by institutions not involved in monetary intermediation, where the granting of credit can take a variety of forms, such as loans, mortgages, credit cards etc., providing the following types of services:</p> <ul style="list-style-type: none"> • granting of consumer credit • international trade financing • provision of long-term finance to the industry by industrial banks • money lending outside the banking system • credit granting for house purchase by specialised non-depository institutions • pawnshops and pawnbrokers.
64990	Other financial service activities, except insurance and pension funding activities, NEC	<p>This class includes:</p> <ul style="list-style-type: none"> • other financial service activities primarily concerned with distributing funds other than by making loans including factoring activities, writing of swaps, options and other hedging arrangements and activities of viatical settlement companies • own-account investment activities, such as by venture capital companies, investment clubs, etc.

Source: **BANKSETA SSP 2020**

The monetary authority consists of the Reserve Bank which is the central bank of South Africa, governed in terms of the South African Reserve Bank Act 90 of 1989, as amended, and its subsidiary, the Corporation for Public Deposits, governed in terms of the Corporation for Public Deposits Act 46 of 1984. For the purposes of implementing skills development interventions, the BANKSETA adopts the following sub-sector categorisation within its scope of levy-paying employers according to SARS.

Figure 1: Sub-Sectors in Banking



Source: **BANKSETA SSP 2020**

The functions of the BANKSETA under the Skills Development Act as outlined in its Constitution include the following:

- Develop a sector skills plan within the framework of the National Skills Development Plan for the BANKSETA;
- Implement the sector skills plan by:
 - approving workplace skills plans;
 - establishing learning programmes;
 - allocating grants in the prescribed manner to employers, education and training providers and employees; and
 - monitoring education and training in the sector.
- Promote workplace-based learning by:
 - identifying workplaces for practical work experience;
 - support the development of learning materials;
 - improving the facilitation of learning; and
 - assisting in the conclusion of learning programme agreements.
- Disburse the skills development levies in the banking and alternative banking sector in terms of the Act and the Skills Development Levies Act;
- Liaise with the National Skills Authority as well as other SETAs
- Report to the Director-General on the implementation of its sector skills plan and its income and expenditure;
- Liaise with employment services of the Department of Labour and any educational body established in terms of educational laws of South Africa to improve the quality of information about employment opportunities; and between education and training providers and the labour market.
- Appoint office bearers and staff necessary for the performance of its functions;
- Facilitate the involvement of the relevant government departments in the activities of the Authority to:
 - address the competency requirements for social delivery;
 - address the learning needs of the most vulnerable segments of the sector;
 - promote training SMEs to enable them to qualify for public contracts.
- Perform any other duties imposed by the Act or any other function not specifically mentioned, to fulfil the objectives of the BANKSETA and the Act;
- Notwithstanding the above functions and objectives, the Authority must at all times give effect to the purposes of the Act, being:
 - to develop the skills of the South African workforce;
 - to increase the levels of investment in education and training in the labour market and to improve the return on that investment;
 - to encourage employers:
 - to use the workplace as an active learning environment;
 - to provide employees with opportunities to acquire new skills;
 - to provide opportunities for new entrants to the labour market to gain work experience; and
 - to encourage workers to participate in learning programmes and other training programmes;
- to improve the prospects of persons previously disadvantaged by discrimination and to redress those advantages through training and education; to ensure the quality of education and training in and for the workplace;
- to provide and regulate employment services;
- to assist:
 - work-seekers to find work;
 - retrenched workers to re-enter the labour market;
 - employers to find qualified employees.
- to forge links with stakeholders and bodies in the banking sector;

- account for the effective and efficient use of public monies received from levies collected from employers, in line with the provisions of the Public Finance Management Act; and
- Report to the Minister through the Director-General of the Department on matters related to the BANKSETA.

7.1.1 Key Role-players (Service Providers)

(a) Central Bank

In South Africa, the South African Reserve Bank (SARB) plays the role of the central bank. It fulfils both the functions of a monetary authority as well as a regulatory body. The central bank, among other things, issues banknotes and coin, conducts monetary policy, provides credit to banks, manages South Africa's foreign exchange reserves, supervises and regulates the banking sector, and acts as the lender of last resort to the banking system. The Corporation for Public Deposits accepts call deposits from the public sector and invests the funds in short-term money market instruments, including Treasury bills.

(b) Banks

A bank is a public company (Limited) registered as a bank in terms of the Banks Act 94 of 1990. The business of a bank is the solicitation and advertising for, and the acceptance of, deposits from the general public on a regular basis and the utilisation of deposits accepted. Banks are classified as follows:

- South African Registered Banks: Locally Controlled
- South African Registered Banks: Foreign Controlled
- South African Registered Mutual Banks: A mutual bank is a juristic person that is registered as a mutual bank in terms of the Mutual Banks Act 124 of 1993.
- South African Branches of Foreign banks

The core banking services offered by most banks include:

- Retail banking services for individual clients in their personal capacity from current accounts, credit cards, personal loans, home loans, vehicle finance and savings and investments
- Business banking services assist businesses with business current accounts, business credit cards, business loans, tailored products and services, business relationship management, small business support including mentorship and network outreach
- Corporate banking supports large-scale organisations both locally and abroad with a range of banking services

(c) Government Financial Intermediaries

This classification includes any subsidiary or entity under the ownership or control of public entities that are engaged in financial intermediation. This classification includes any subsidiary or entity under the ownership or control of the national, provincial or local government that is engaged in financial intermediation. The Public Investment Corporation (PIC) as an example invests funds on behalf of public sector entities, including the Government Employees Pension Fund.

(d) Finance Companies including Micro-lenders

Finance companies are companies established in terms of the Companies Act 71 of 2008, with the specific purpose of obtaining funds in the form of loans, debentures or notes, and with the

sole objective of lending or investing these funds again in the form of mortgage loans, hire-purchase and leasing finance. Microlenders (if incorporated) are included in this category.

(e) Co-Operative Banks and Co-operative Financial Institutions (CFIs)

Co-operative banks are member-owned banks based on the co-operative principles of voluntary and open membership, democratic member control, member's economic participation, autonomy and independence, education, information and training, co-operation between co-operatives and concern for the community. The Prudential Authority is responsible for the supervision of all registered co-operative banks, whilst the CBDA is responsible for the training needs of the sector. The Co-operative Banks Act as amended by the Financial Services Regulatory Act 2017 provides that a "co-operative financial institution" means a co-operative that takes deposits and chooses to identify itself by use of the name Financial Co-operative, Financial Services Co-operative, Credit Union or Savings and Credit Co-operative.

(f) Fintech Companies

Financial technology companies, also known as FinTechs are companies that use new technology and innovation with available resources in order to compete in the marketplace of traditional financial institutions and intermediaries in the delivery of financial services. Financial technology companies consist of both start-ups and established financial and technology companies trying to replace or enhance the usage of financial services.

(g) Stokvels and Savings Clubs

Exemption Notice No. 2173 allows informal member-based groups to pool funds and utilise the funds for the benefit of their members on condition that a common bond exists between members within the group, relying on self-imposed regulation to protect the interests of their members. The focus of this exemption notice is on stokvels, CFIs, and employee savings clubs. Such deposit-taking institutions must be affiliated with NACFISA or the National Stokvel Association of South Africa (NASASA), being the self-regulating bodies of the deposit-taking financial institutions operating under this exemption notice. NASASA represents the interests of the stokvels movement in South Africa, and NACFISA is a registered co-operative that represents the interests of CFIs in South Africa.

7.1.2 Key Role-players Groupings

Role-players in the banking sector fall into one of the following groups: Regulatory, Employers, Associations, Professional Bodies and Trade Unions. The table below reflects the role each of these organisations plays in the banking sector.

Table 2: Role-player Groupings (Including other key stakeholders)

Groups	Key Role-players	Role they play
Monetary Authority and Regulatory	South African Reserve Bank	SARB is the central bank of South Africa. It is an organ of statute established by the SARB Act, and its mandate and independence are entrenched in the Constitution of the Republic of South Africa, 1996. In terms of its constitutional mandate, the Bank is required to protect the value of the currency in the interest of balanced and sustainable economic growth in South Africa. Price stability is a critical element of the foundation of an economy,

Groups	Key Role-players		Role they play
			contributing to economic growth, development and employment creation. The achievement of price stability is defined by government setting an inflation target that serves as a yardstick against which price stability is measured. The achievement of price stability is underpinned by the stability of the entire financial system.
Regulatory	Financial Conduct Authority (FSCA)	Services Authority	The FSCA is tasked with protecting financial customers through supervising market conduct.
Regulatory	National Regulator	Credit	The NCR is responsible for regulating the South African credit industry, including the registration of credit providers, credit bureaux and debt counsellors. It is responsible for enforcing compliance with the National Credit Act and is focused on developing an accessible credit market to meet and promote the needs of people who are marginalised, especially economically.
Regulatory	Co-operative Banks Development Agency		The CBDA is responsible for the training and support of co-operative banks and co-operative financial institutions
Associations - Banking	Banking Association of South Africa (BASA)		<p>BASA is an industry body representing all registered banks in South Africa. It is the mandated representative of the sector and represents the industry through lobbying, engagement with stakeholders and political influence.</p> <p>BASA is the mandated representative of the banking sector and addresses industry issues through:</p> <ul style="list-style-type: none"> • Lobbying and advocacy • Policy influence • Guiding transformation in the sector • Acting as a catalyst for constructive and sustainable change in the sector • Research and development • Engagement with critical stakeholders
Associations - Banking	South African Banking Risk Information Centre (SABRIC)		SABRIC is a Not for Profit Company formed by the four major banks to assist the Banking and Cash in transit companies combat organised bank-related crimes. It serves as a financial crime risk information centre.
Alternative Banking Associations	Micro-Finance South Africa		MFSA is a representative body of registered and legal Microfinance Credit Providers in South Africa. MFSA represents almost 1700 Microfinance offices registered with the NCR and the majority of significant Service Providers in the Sector.
Alternative Banking Associations	NACFISA		NACFISA operates as a national representative body and support organisation for all CFIs in all nine Provinces of South Africa.

Groups	Key Role-players	Role they play
Alternative Banking Associations	DMASA/ - AMFISA	A non-profit organisation that supports the development of Micro-finance institutions in South Africa.
Alternative Banking Associations	National Stokvel - Association of South Africa (NASASA)	NASASA represents the interests of the stokvels movement in South Africa.
Professional Bodies	Various	Professional Bodies provide members with professional designations, networking, educational, training and information opportunities.
Trade Unions	The South African Society of Bank Officials (SASBO)	SASBO is the Trade Union for the banking sector. The Finance Union represents employees in all the major banks and hence serves as the voice of labour within the finance sector.

Source: BANKSETA SSP 2020

7.1.3 Drivers of Change in the Banking Sector

The fourth industrial revolution is at the heart of five key drivers of change impacting the banking sector. The five major change drivers are Digitalisation and Technology; Changing Customer Expectations; Regulation, Risk and Cybercrime; Disruptors in banking and Political, Economic and Societal Shifts.

Digitalisation and Technology

Digital banking is the incorporation of new and developing technologies throughout the financial services sector to provide enhanced customer services and experiences effectively and efficiently. Digitisation in banking is driven by three major factors: Technology push, customer experience and economic benefits. Customers' adaptation to the digital environment, forces banks to relook their products and services. Digital technology is rapidly influencing the way customers engage in banking activities.

'Digital' is a collective term which refers to an integrated and collaborative platform that allows consumers, suppliers and organisations to transact using various electronic devices or technologies. It brings together emerging technologies which include social media, cloud, analytics and mobile to provide a cost-effective and convenient distribution channel for consumers to use. The use of technology to better interpret the complex and evolving needs of customers so as to better engage with them is an area that the banks are expected to continue to invest in with a view to strengthening their capabilities through smarter and deeper use of predictive data analytics and better harnessing the wealth of information that already exists within their systems.

Technological innovation is revolutionising the banking industry. There is no getting away from the fact that banks are under threat unless they can keep pace with technology. Some of these innovations are great for banks. Cloud computing, for example, can reduce costs and promote low-cost innovation. But some advances disrupt banking in a big way, like crypto-currency, which skips banks in the payment process. The four technological advances that are changing the face of banking, for better or for worse are social media, mobile banking, cloud technology and crypto-currency.

Banks traditionally operated in silo channels, with different business areas operating independently of each other. The introduction of open banking will see a new way of banking

emerge. It will allow the industry to innovate and enhance customer service, and help new entrants (fintechs) to gain a share of new financial products and services. Large banks have built their technology and data around individual products and channels, and are beholden to legacy systems. To overcome this, banks must invest in technological capabilities and incorporate the right architecture to respond quickly and drive an agile culture throughout the business. In South Africa, there are reports that some banks have reduced headcount and closed some of their branches this largely being influenced by the deployment of new technologies.

Changing Customer Expectations

In his article, 'Technology: Hunting the Big Four' (2019), Mark Brown argues that the global banking industry is evolving in response to economic pressures, digital innovation and most importantly the changing way their customers use banking and financial services. While their platforms are changing, banks remain relevant. Referring to Bill Gates's famous comment in which he stated, "We need banking not banks", Mark Brown suggested that Bill Gates should rather have said: "We need efficient, digital banking platforms that focus on clients, not expensive bureaucracies focused on products."

Today's connected consumers have embraced technology to such an extent that it has become an extension of them. Influence of mobile technology, social media, rising customer experience and service expectations and lower switching costs for customers to take their business elsewhere have dramatically changed the competitive landscape for banks. With ready access to information, the influence of online retail experiences and adoption of new technologies, customer expectations are rapidly changing. This is driving a shift in the market and forcing organisations to develop new interaction models that deliver deeper personalised service and improved customer care.

Banks need to put the customer at the heart of the design process and take new products to market quickly. They also need to be more attuned to their customers' needs, determine how they can better engage with their clients, know the products they want and predict what's needed rather than wait and react. This means embracing social media, giving customers more ways to interact with the business, rethinking traditional marketing tactics and mastering analytics. Tech-savvy customers are increasingly seeking a user experience that aligns to their individual needs.

Central to a bank's success in the digital economy is, therefore, the data they accumulate about customers and intelligent ways of processing it. Data is only useful if banks can use it effectively. Banks must ensure they have easily accessible, high-quality data. It is not about the volume of data but its application that will make banks successful. By gathering meaningful insights, they can create audience segmentation and deliver innovative, customised products in a way that appeals to customers. Banks need to reach a point where they understand the needs of the customer, without taking any direct feedback.

Regulatory Changes, Risk and Cybercrime

The 2019 Deloitte Report on Banking and Capital Markets Outlook that cites a growing divergence in global regulatory standards. With such a dynamic regulatory landscape, banks should buckle down and make compliance modernisation a priority focusing particularly on making regulatory systems already in place more efficient for business strategy. Throughout all compliance efforts, banks should prioritise soundness and safety. Regulatory divergence seems to be encouraging experimentation by fintechs and welcoming them to the fold. The OCC announced in July 2018 that it would begin accepting fintech bank charter applications. South

Africa is also following the same path and the following regulatory bodies play a critical role in South Africa's regulatory system.

(a) The South African Reserve Bank

The South African Reserve Bank is the central bank of the Republic of South Africa. The primary purpose of the Bank is to achieve and maintain price stability in the interest of balanced and sustainable economic growth in South Africa. The primary function of the Reserve Bank is to protect the value of South Africa's currency. In discharging this role, it takes responsibility for:

- Ensuring that the South African money, banking and financial system as a whole is sound, meets the requirements of the community and keeps abreast of international developments;
- Assisting the South African government, as well as other members of the economic community of southern Africa, with data relevant to the formulation and implementation of macroeconomic policy; and
- Informing the South African community and all stakeholders abroad about monetary policy and the South African economic situation.

(b) Co-operative Banks Development Agency (CBDA)

The Co-operative Banks Development Agency was established to regulate, promote and develop co-operative banking, including deposit-taking and lending co-operatives

The institution was created for the following tasks:

- To register, regulate and supervise co-operative banks
- To promote, register and regulate representative bodies
- To facilitate, promote and fund education and training to enhance the work of co-operative financial institutions
- To accredit and regulate support organisations
- To provide liquidity support to registered co-operative banks through loans or grants, and
- To manage a deposit insurance fund

(c) National Credit Regulator

The National Credit Regulator (NCR) was established as the regulator under the National Credit Act No. 34 of 2005 (The Act) and is responsible for the regulation of the South African credit industry. It is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and ensuring the enforcement of the Act. The Act requires the Regulator to promote the development of an accessible credit market, particularly to address the needs of historically disadvantaged persons, low-income persons, and remote, isolated or low-density communities. The NCR is also tasked with the registration of credit providers, credit bureaux and debt counsellors; and with the enforcement of compliance with the Act.

(d) The Financial Sector Conduct Authority (FSCA)

The FSCA is the market conduct regulator of financial institutions that provide financial products and financial services, financial institutions that are licensed in terms of a financial sector law, including banks, insurers, retirement funds and administrators, and market infrastructures. The FSCA is responsible for market conduct regulation and supervision. FSCA aims to enhance and support the efficiency and integrity of financial markets and to protect financial customers by

promoting their fair treatment by financial institutions, as well as providing financial customers with financial education. The FSCA will further assist in maintaining financial stability.

Disruptors in Banking

Mark Brown (2019) revealed that new competitors in the banking sector have generally begun by targeting niche markets. More recently, competition has evolved from traditional competitors to Fintech disruptors to “big tech” disruptors. These disruptors are revolutionising the banking experience for clients and, if traditional players do not respond, they will continue to capture more of the banking value chain. Many Fintech players have found it difficult to scale up and are increasingly partnering with traditional banks. But “big tech” disruptors have both the financial muscle and ability to grow, presenting a greater threat to traditional banks that do not embrace change and innovation.

Political, Economic and Societal Shifts

The May 2019 election victory by African National Congress (ANC) under the leadership of President Cyril Ramaphosa brought about stability in South Africa and in the Southern African Development Community (SADC) as a whole. Many analysts and major corporations operating in SA’s financial services space have expressed positive reactions over the appointment of Cyril Ramaphosa as president of the ANC and the country. Ramaphosa’s election as President of the ANC came amidst a crisis in confidence in both the business and consumer sectors. Ramaphosa is well regarded by financial markets and has championed fighting corruption and enhancing policy certainty in a bid to revive economic growth. His personal interest is to secure a stabilising social compact akin to the one he negotiated in 1994 given developments that have left the country economically and socially weaker. Challenges for the new dispensation include allegations that parts of the state have been taken over by corrupt civil servants and some private sector interests, high levels of unemployment and increasingly fractious public debates. During his campaign trail, he moulded his image on the sanctity of the rule of law and on the dictum that social stability hinges on respect of the rule of law. His election as both a President of the ANC and the country was therefore viewed as positive by financial markets (Daily Maverick, 11 June 2019)

7.1.4 Implications for Skills Planning

The key skills change drivers have very serious implications for the skills demand. Drivers of change mean that the skills demanded will also change.

Digitisation and technology - The implications for skills planning are that the skills that will be in demand will be for high skills in computing technology, software development, artificial intelligence, robotics, etc. There will be a need for reskilling employees to meet the changes brought about by digitisation and technology.

Changing Customer Expectations - The implications for skills will focus on the appropriate ways to deal with customer queries and challenges. Customers are changing their expectations of banks and banking services and employees who work with customers must possess skills to communicate effectively with customers and resolve their queries in the shortest possible time.

Regulatory changes, risk and cyber-crime - The implications for skills planning is a greater focus on the new regulatory framework for prudential and conduct authorities, cyber security as a risk that all banks must address by ensuring they have the appropriate skills to manage these risks.

Disruptors in banking The implications for skills planning is that agility skills and skills to develop a multi-disciplinary employee is important. It is also important to develop skills for the fintechs within the banking sector in order for them to provide effective service to the banks.

Political, economic and societal shifts - The implications for skills is mostly within management and leadership ensuring that leaders possess skills to manage their teams in turbulent times ensuring they are capable of leading change within their work environments and to advance transformation in the banking sector.

The change drivers listed above indicate that a change in the occupational landscape is emerging. Many new occupations with a strong technological flair like data management, data analytics and data scientists are emerging in the sector. In addition, the soft skills required are changing to include skills like agility, innovation, creativity, problem-solving, etc. Career fit seems to be the focus in terms of the skills needed in the banking sector where re-skilling and upskilling for new job roles is currently underway.

Based on the change drivers and national priorities, BANKSETA identifies the following as the five key skills change drivers for the 2021/2022 to 2024/25 period:

- Technology, Digitisation and Innovation
- Regulation, Compliance and Risk Management
- Management and Leadership Development
- Markets, Products and services
- Customer centricity

7.1.5 Performance Environment

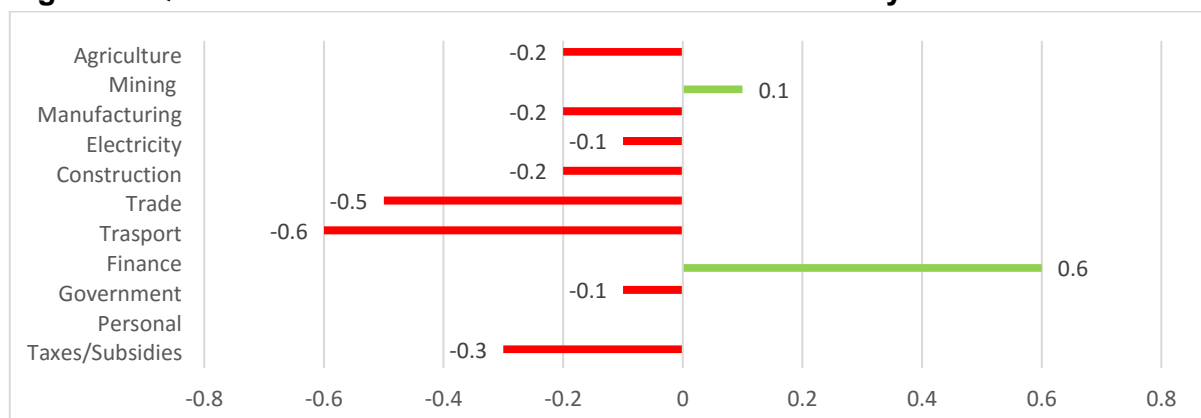
The South African economy fell by 1,4% in the fourth quarter of 2019, contributing to an overall growth rate of 0,2% for the entire year. The latest set of gross domestic product (GDP) figures released by Stats SA provides an overview of economic performance in 2019.

South Africa fell into a technical recession in the fourth quarter after experiencing two successive quarterly declines in the GDP in quarter three and quarter four of 2019.

The finance sector was a strong supporter of overall growth in 2019, adding 0,6 of a percentage point in quarter four growth. The second-largest contributor to positive growth was mining, which added 0,1 of a percentage point to the fourth quarter.

Agriculture, manufacturing and construction all showed negative growth. However, Agriculture, in particular, had a difficult period, registering a contraction of 7.6%. The decline was mainly due to a fall in the production of field crops and horticultural products.

Figure 2: Quarter 4 2019 Contribution to SA's GDP Growth by Sector



Source: Statistics SA 2019

Due to the outbreak of COVID-19 pandemic around the world, a state of disaster was declared in South Africa on 15 March 2020. The country was subsequently placed under lockdown starting from the 27 March 2020, effectively bringing the economy to a halt.

As a result of the lockdown that was imposed due to the pandemic, the SARB expects the economy to shrink by 7% in 2020. This decline is expected to be accompanied by massive job losses in most sectors of the economy. According to Melody Xaba, a member of The Media, Information, Communication and Technologies Sector for Education and Training Authority (MICT-SETA) Fourth Industrial Revolution (4IR) Committee, pre-Covid-19, about 35% of the workforce was at risk of losing jobs due to automation, and this situation is now worse because of the crisis. All sectors have been impacted by the crisis, and thousands of businesses will close. Some sectors remained open during the lockdown as their functions were classified as an essential service. Banking activities form part of the essential services and as a result, banks remained operational during the lockdown.

The South African Reserve Bank cut the repo rate by 2,75% between January and May 2020 in order to ease the burden on consumers. This will have a negative impact on banks' net interest margins. The expected massive job losses and business closures will also impact negatively on the banks as this will increase their bad debts books in the following year. Despite this, there is a general consensus that the banks will survive the shock. This is mainly because the banks are required to hold high levels of capital, own more high-quality liquid assets and carry higher levels of provisions than they did previously. These are some of the regulatory changes that were brought about by the lessons learned during the 2008 global financial crisis. Banks have also scaled down their exposures to the market risk carried on their balance sheets.

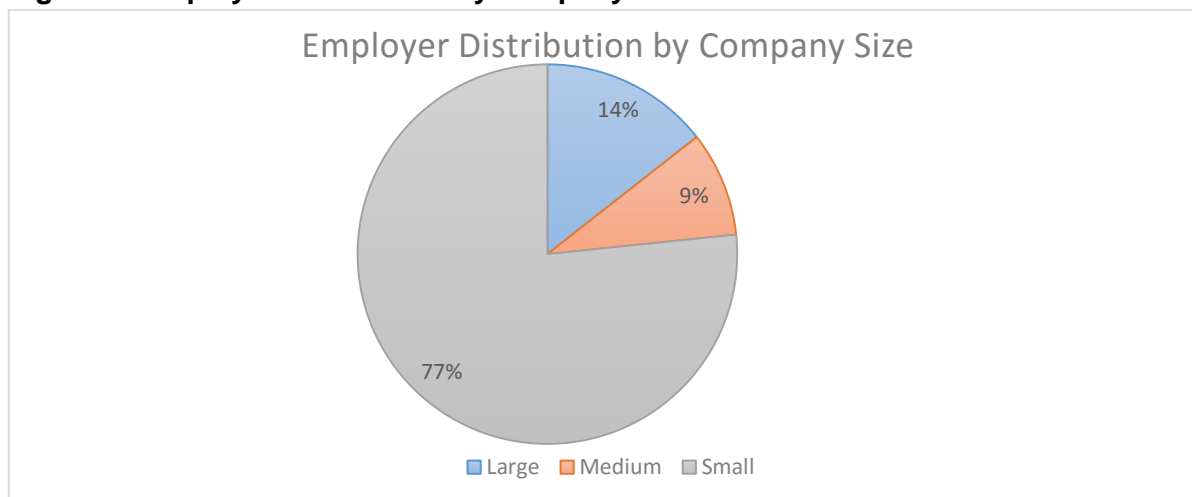
The total revenues generated by businesses operating under the micro-finance are expected to drop by about 65% this year (2020). This is according to the report by Micro-Finance South Africa (MFSA). This is mainly due to micro-finance function not been classified as an essential service under the lockdown regulations and as a result, remained mainly closed. The report also shows that about 90% of businesses in the sector are worried about cash flow, and other issues including a reduced customer base, payment of staff, business closure, and staff retrenchments. The report further states that only 15% of the businesses were receiving any form of government support.

Fintech companies are also not immune to the current economic conditions. Many of them around the world face possibilities of takeover by banks and forced mergers in order to survive the current economic slowdown. According to a report by Deloitte, other fintech companies have implemented cost-saving measures, including workforce reduction. Because revenues for many of them are transaction and volume-based, a priority strategy right now is making sure that as many expenses as possible are variable and fixed expenses are minimized. On the other hand, the social distancing, isolation and lockdowns created by the pandemic have triggered a surge in digital transformation. The COVID-19 resulted in tremendous growth in the use of digital financial services and fintech apps. This presents new opportunities for fintech companies. These opportunities include:

- Expanding partnership strategies,
- Advancing financial inclusion programs,
- Accelerating economic relief efforts,
- Empowering gig workers, and
- Harnessing the Internet of Things (IoT)

According to the SARS Levy data, 764 companies pay skills levy to the BANKSETA. The analysis below is based on the companies that submitted their WSP data for 2020, BANKSETA Workplace Skills Plans were received from 548 companies made up of 420 small companies (both levy paying and non-levy paying), 49 medium companies and 79 large companies. It must be noted that even though Figure 3 below shows that the majority of employers (75%) come from small companies but large companies (15%) still employ 96% of employees in the sector.

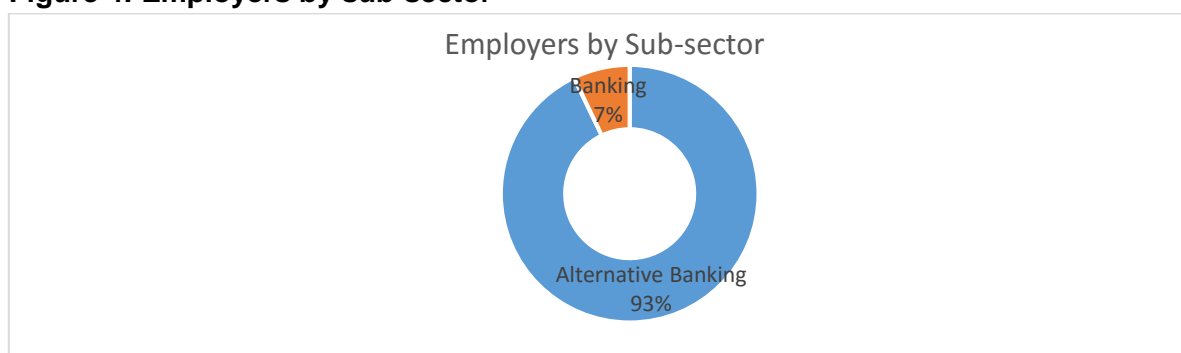
Figure 3: Employer Distribution by company size



Source: BANKSETA WSP 2020

Figure 4 below shows the distribution of employers in banking and alternative banking subsectors. It is evident that the majority of employers are in the alternative subsector with an estimated 93% of the employers. This is mainly because the alternative banking sector is dominated by a large number of small employers (levy payers and non-levy payers).

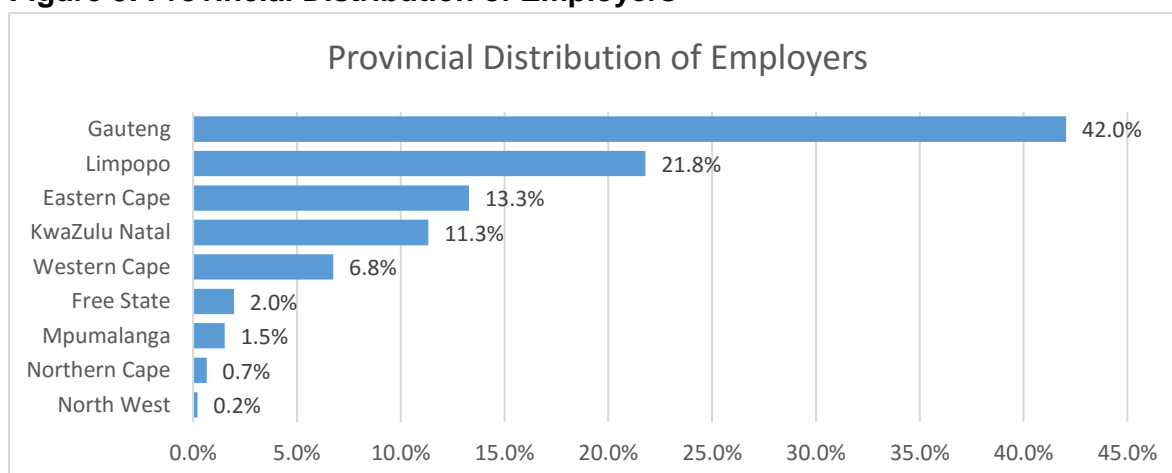
Figure 4: Employers by sub-sector



Source: BANKSETA WSP 2020

In terms of the geographic distribution of employers across the nine provinces, Figure 5 shows that most employers are based in Gauteng, which is 42% of the total employers. 21% are in Limpopo while 13% are based in the Eastern Cape. The province with the least number of employers is the North West 0.2% of employers.

Figure 5: Provincial Distribution of Employers

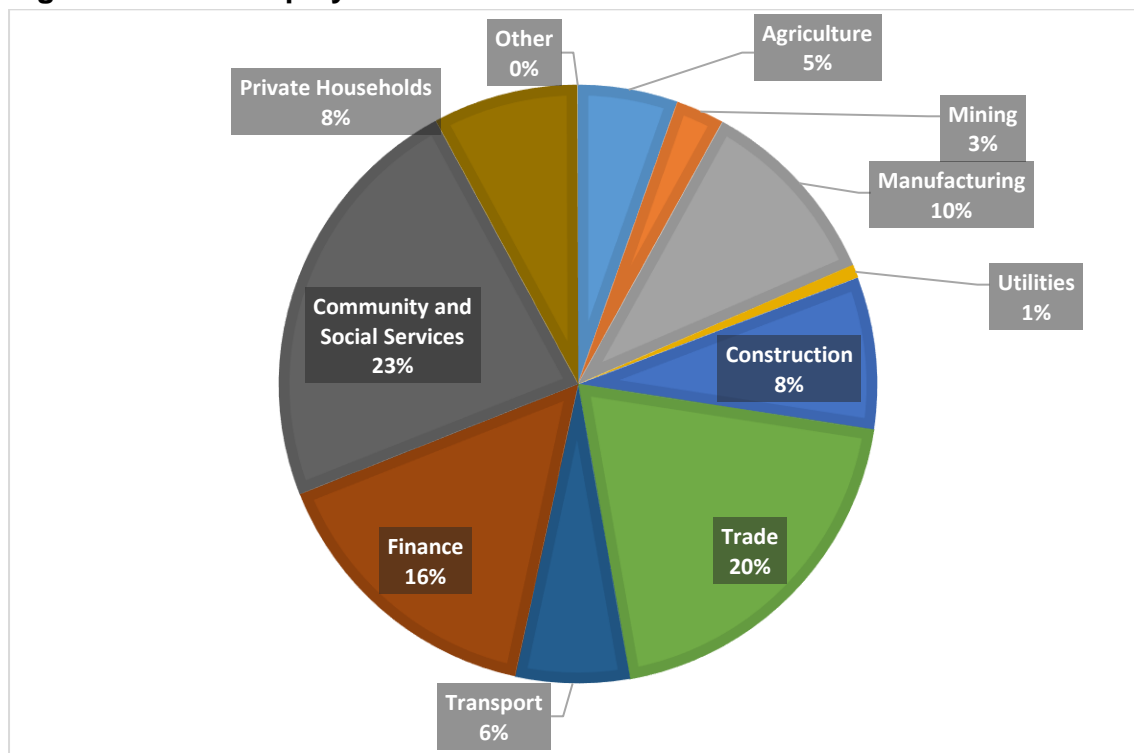


Source: BANKSETA WSP 2020

7.1.6 Labour market profile

In terms of employment on a national scale, the finance sector employed a total of 2,57 million employees as reported in the 2019 Q4 Quarterly Labour Force Survey (QLFS). The chart below shows that 16% were employed by the finance sector.

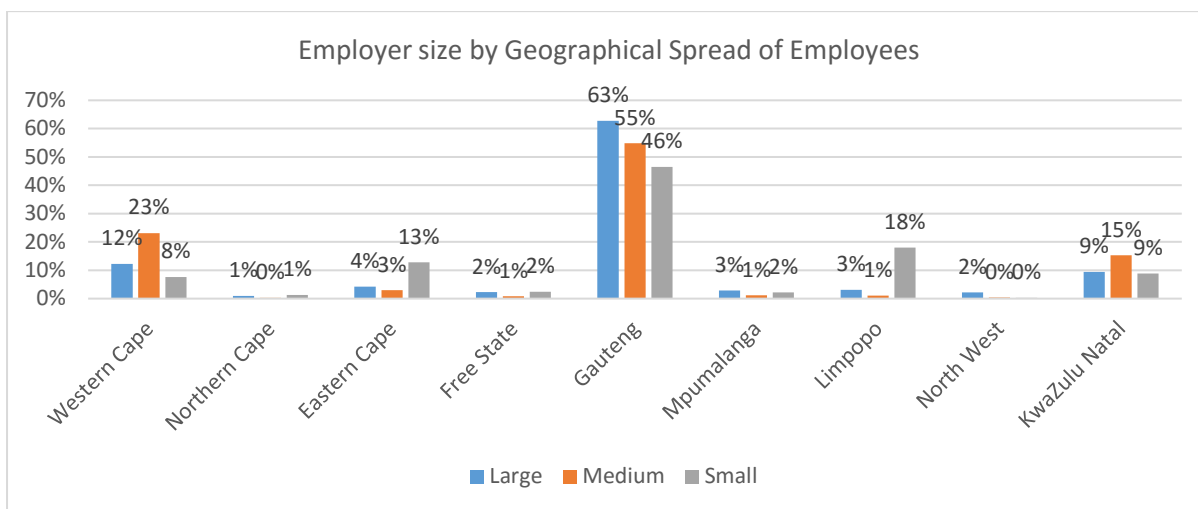
Figure 6: QLFS Employment Data Q4: 2019



Source: StatsSA QLFS Q4 2019

Profiling of employment in the banking and alternative banking sector requires an analysis of the geographic spread of employees. The largest share of employees is found in Gauteng. This is particularly true for large companies (63%), medium (55%) and small (46%) which generally would comprise of a high concentration of employees in the head offices located in the large cities of Gauteng. Other provinces representing significant shares of employees include the Western Cape and KwaZulu-Natal provinces, with branch offices most likely concentrated around the large cities of Cape Town and Durban respectively. It is clear that a more even geographic spread occurs for smaller enterprises, as these companies often do not have a number of branches, but rather operate as single office companies located close to the local customer base they serve. This is evidenced by the significant shares of employees reported for small companies located in Limpopo (18%). This may be attributed to the fact that BANKSETA has a regional office in Limpopo which made it easier for small companies to submit their WSPs. The 2020 WSP data show that 13% of employees of small companies located in the Eastern Cape provinces.

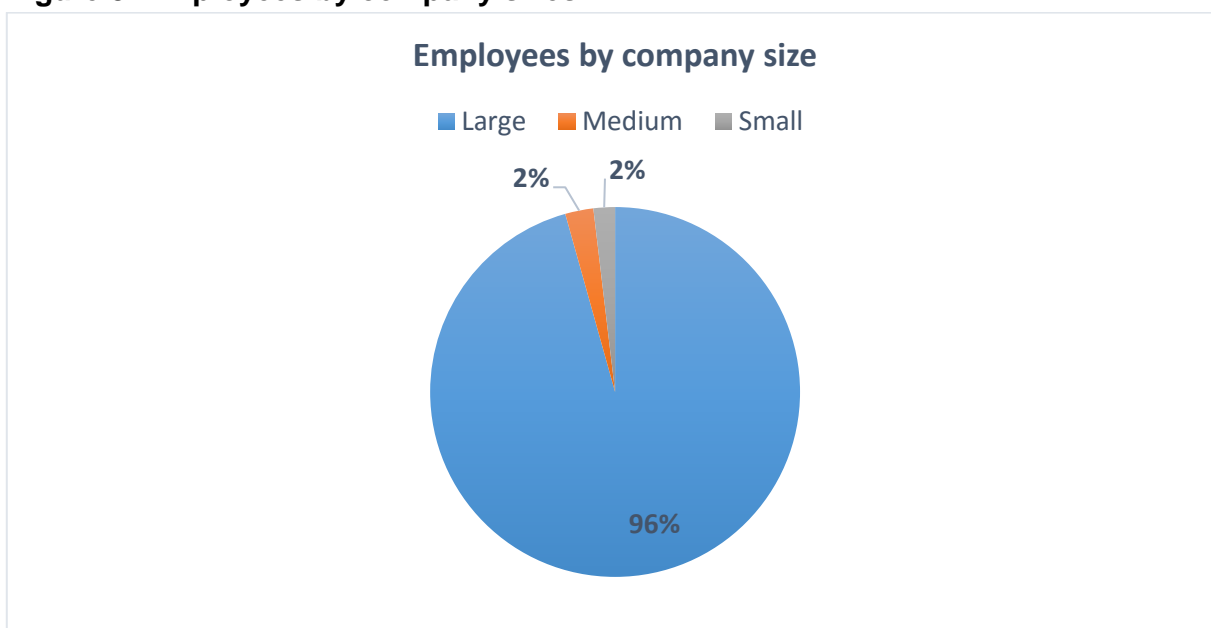
Figure 7: Employer size by the geographical spread of employees.



Source: BANKSETA WSP 2020

The Workplace Skills Plans (WSP) data received for the year 2020 reflect that the sector currently employs about 194 954 and this shows a decline compared to 197 288 reportedly in 2019. This is a decline of 1,2%. Large employers employ more than 96% of the labour force. While medium and smaller companies employ 2% respectively.

Figure 8: Employees by company sizes



Source: BANKSETA 2020

Table 3 shows the profile of employees in the sector by gender and equity for the different employers. The table shows that about 55% of the employees are Africans, followed by Whites at 18% of the employees.

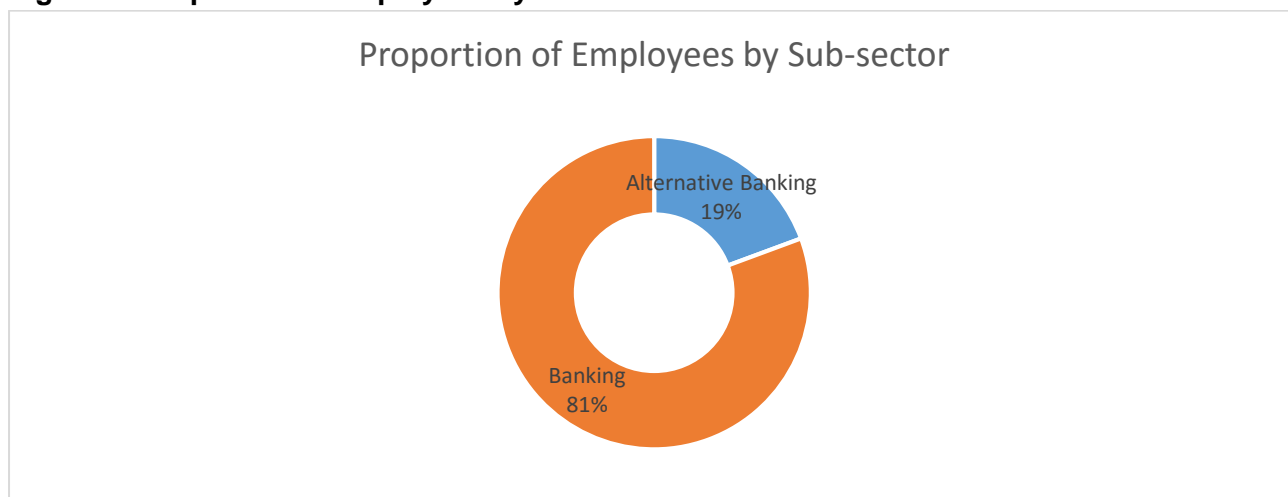
Table 3: Employment by employer company size, equity and gender

Employer Size	Equity and Gender										Total
	MA	MC	MI	MW	MO	FA	FC	FI	FW	FO	
Large	38 823	9 675	8 574	15 343	927	65 256	18 684	10 731	17 908	633	186 554
Medium	636	276	220	516	69	1 367	539	299	474	39	4 435
Small	747	120	161	453	10	1 483	276	217	492	6	3 965
Total	40 206	10 071	8 955	16 312	1 006	68 106	19 499	11 247	18 874	678	194 954
%	20.6%	5.2%	4.6%	8.4%	0.5%	34.9%	10.0%	5.8%	9.7%	0.3%	100%

Source: BANKSETA WSP 2020

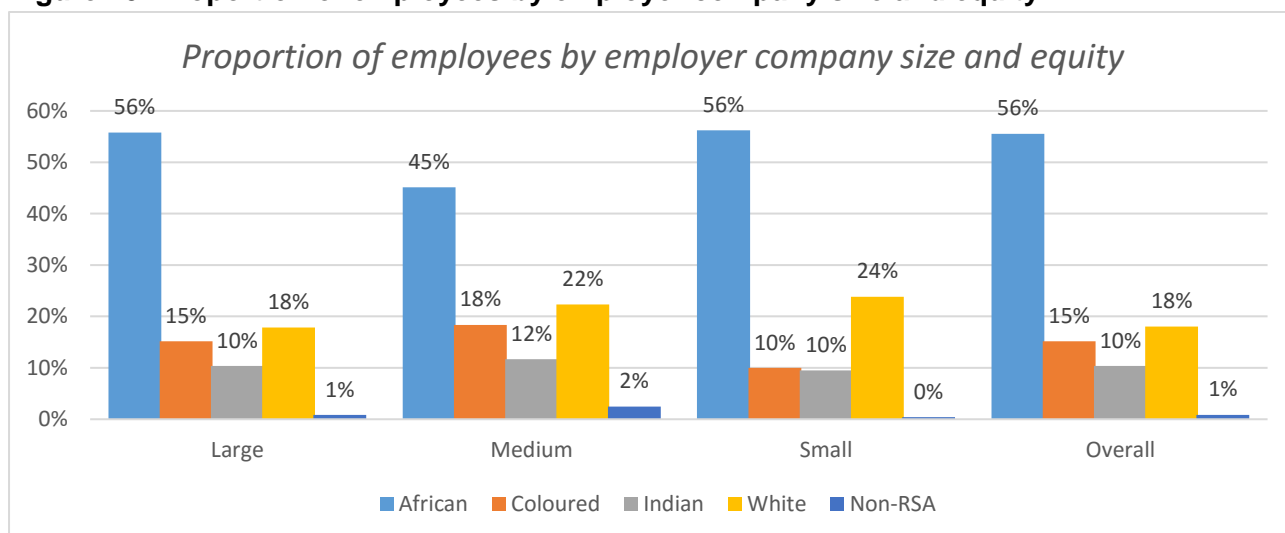
The information by subsector shows that although the majority of the employers are in alternative banking, the banking subsector employs about 81% of the employees in the sector. This can be seen in Figure 9 below. This shows that the alternative banking subsector is only a fraction of the sector with employees of about 37 000.

Figure 9: Proportion of employees by sub-sector



Source: BANKSETA SSP

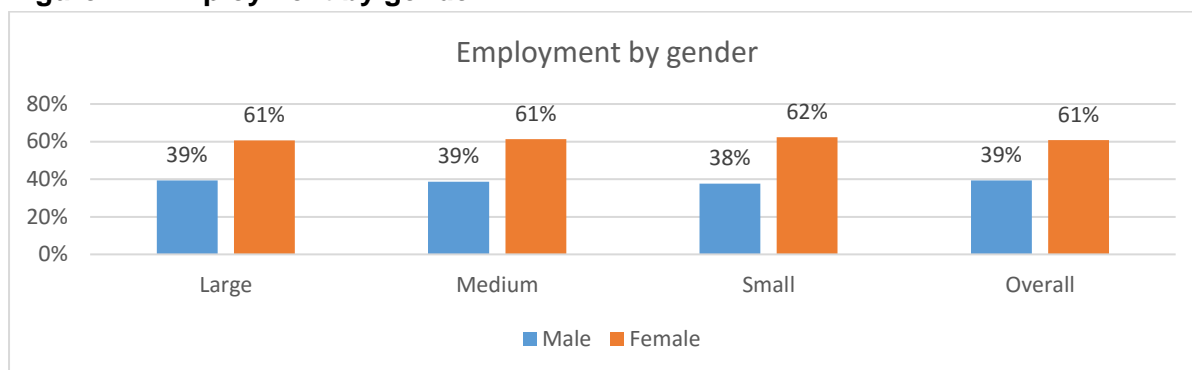
Figure 10: Proportion of employees by employer company size and equity



Source: BANKSETA WSP 2020

WSP submissions also allow for the profiling of employees with respect to race. For instance, the histogram above shows that large companies employ 56% Africans (males and females combined), while 15% is Coloured males and females, 10% Asian/Indian males and females and 18% White males and females. Statistics show that smaller companies also showed a significant decline in the number of African employees, from 62% in 2019 to 56% in 2020 while medium companies showed an increase in the number of Whites employed.

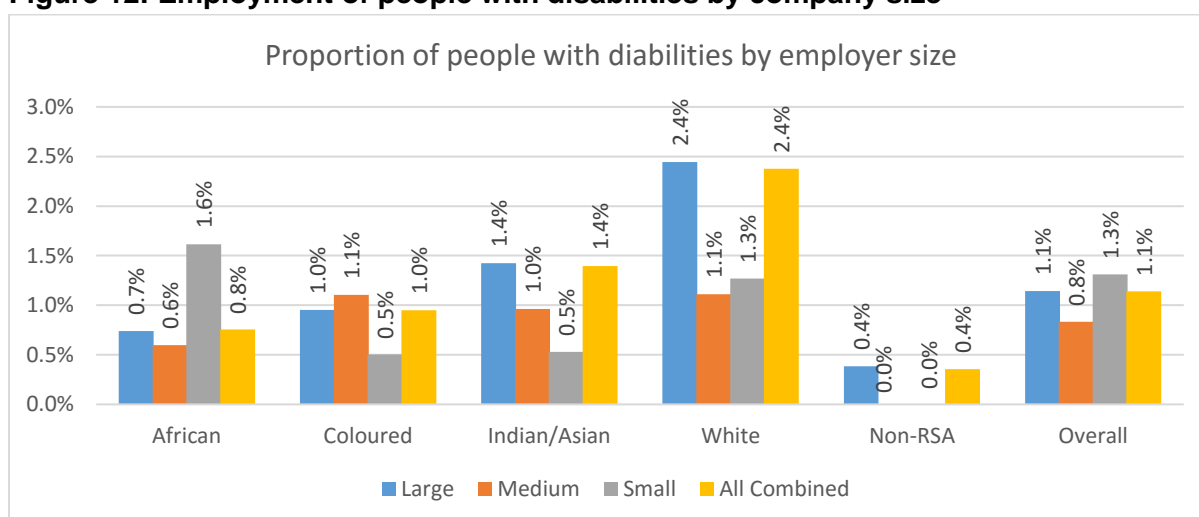
Figure 11: Employment by gender



Source: BANKSETA WSP 2020

WSP submissions also allow for the profiling of employees with respect to gender. Small companies reported significant levels of transformation with 62% females, while medium and large companies reported that 61% employed were females. This brings the number of females employed by all companies to 61% as opposed to 39% of males employed by all companies.

Figure 12: Employment of people with disabilities by company size



Source: BANKSETA 2020

The bar plot above depicts the employment status of people with disabilities by different company sizes. The figure for overall employed people living with disabilities stands at 1,1%. Small companies employ 1,3% of the people living with disabilities, followed by large companies which employ 1,1% of people living with disabilities. Medium companies employ less than one per cent of the people living with disabilities. The data also show that the proportion of employed White people living with disabilities is higher than the other groups (2,4%). This is also true for large companies. Africans with disabilities are employed in high proportions by small companies (1,6%).

7.1.7 Employment by occupational group

An analysis of employment by broad occupational groups is reflected in the table below. Approximately 70 229 (36%) employees are in the Clerical Support and this is slightly lower than the 71 431 reported in 2019. Technicians and Associate Professionals also comprise a large number of employees at approximately 40 125 (21%) and this is 10% higher than the 36 239 reported in 2019. The sector also employs a large number of Managers with a total number of 38 545 (19,8%) that cuts across the racial groups. The statistics depict that 36 499 professionals are employed by the sector. The statistics show 7 198 are employed at Services and Sales Workers and this demonstrates a huge decline compared to the 10 983 reported in 2019. The majority of people employed in the Services and Sales Workers are African males and females.

Please see Table 4 and Figure 13 below on employment by occupational groups (based on international standards classification of occupations).

Table 4: Employment by occupational groups

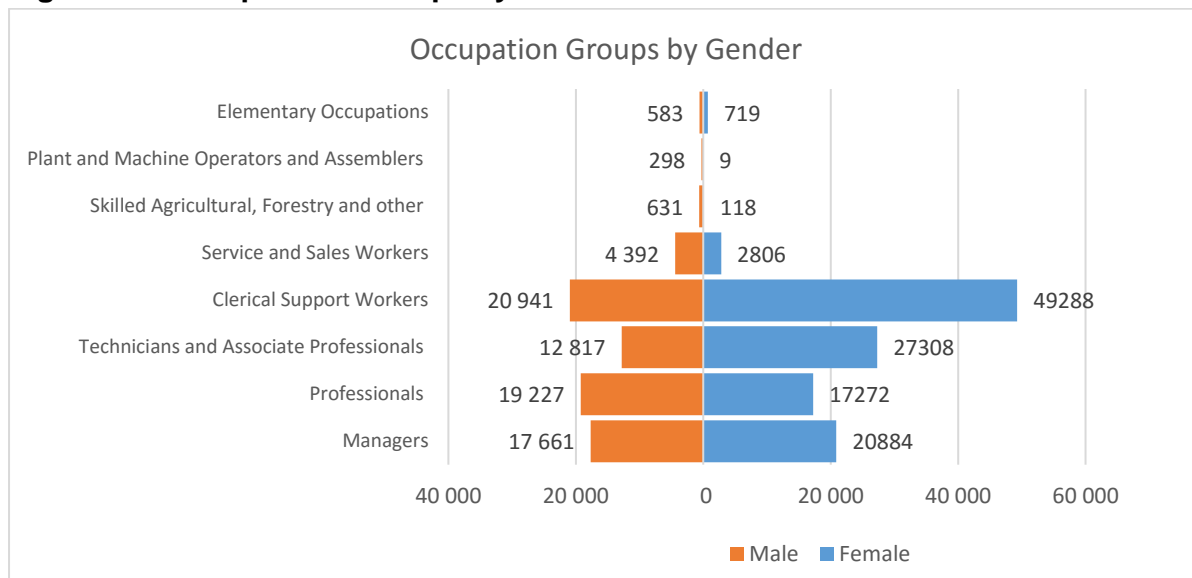
Major OFO Groups	Equity					Gender		Total
	African	Coloured	Indian	White	Other	Female	Male	
Managers	15 000	5 237	5 641	12 053	614	20 884	17 661	38 545
Professionals	15 623	4 335	5 443	10 367	731	17 272	19 227	36 499
Technicians and Associate Professionals	22 510	6 750	3 715	6 969	181	27 308	12 817	40 125
Clerical Support Workers	47 498	12 325	5 077	5 190	139	49 288	20 941	70 229
Service and Sales Workers	5 695	746	274	475	8	2 806	4 392	7 198
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	602	60	18	63	6	118	631	749
Plant and Machine Operators and Assemblers	227	18	19	43	0	9	298	307
Elementary Occupations	1 157	99	15	26	5	719	583	1 302
Total	108 312	29 570	20 202	35 186	1 684	118 404	76 550	194 954

Source: BANKSETA WSP 2020

Figure 13 below illustrates the major occupational groups from a demographic perspective. Principle 3 of the National Development Plan, that is, advancing an equitable and integrated system put emphasis on contributing towards transformational and developmental imperatives such as gender, race, class, youth, disability and geography. The 2020 data depicts low levels of transformation that still evident within the banking sector. The data indicate that across occupations, 56% of Africans, 18% of Whites, 15% Coloureds and 15% Indian/Asians are employed by the sector in 2019. For instance, the occupational category of managers depicts Africans at 39% while Whites are at 31% out of the entire occupation population of managers. This requires further attention considering that out of the 194 954 employed in the sector 108 312 is Africans.

Gender discrepancies still exist in the banking sector as the data depicts that 54% of women are in managerial positions. This is still low considering that the banking sector employed 118 404 (61%) women. But at least, there is gender 'locomotive' progression from a transformational perspective.

Figure 13: Occupations Groups by Gender



Source: BANKSETA WSP 2020

Out of 118 404 (61%) women employed by the sector, only 20 884 (12%) women across racial groups are in managerial positions. Out of the 20 884 women in managerial positions, only 8830 (42%) are African women, the other 58% cuts across the other races. This is concerning considering that 57,7% (68 106) of the women employed by the sector are African.

The data depicts that the sector employed 76 550 (40%) males out of 194 954 total population employed. The data also depicts that the sector employed 17 661 (9%) males across races in managerial positions. Out of 17 661 (9%) males in managerial positions only 6 170 (3%) African males are in managerial positions. This is very low considering that 40 206 (21%) African males are employed by the sector. About 6% of males in managerial positions cuts across Whites, Coloureds and Asians with white males holding 3% even though their entire population employed in the sector is 16 312 (8%). Out of the 8%, 40% of white males are in managerial positions. The WSP data reflects the levels of education amongst racial groups as follows: 99.6% Asians have a post-matric qualification, 98.8% Whites have a post-matric qualification, 98.7% Coloureds have a post-matric qualification and 97.9% Africans have a post-matric qualification. It is debatable whether the low level of post-matric education amongst Africans is a causal factor for the low number of Africans in managerial positions or whether this is a transformational dilemma.

7.1.8 Professionals

The data depicts that 12 321 (75%) of white males are managers or professionals in the entire banking sector. This means out of 16 312 (9%) of the entire white male population employed only 3 991 are non-professional nor managers and about half of those fall under technician and associate professionals. The data depicts male Indian/Asians at 31% at professional, 20 % male coloureds and 19% male African.

The entire female population in the professional category is 17 212 (9%) with 4 393 (25.5%) Whites, (7808) 45% Africans, 2506 Indian/Asian (21%) and 2304 (13%) Coloureds.

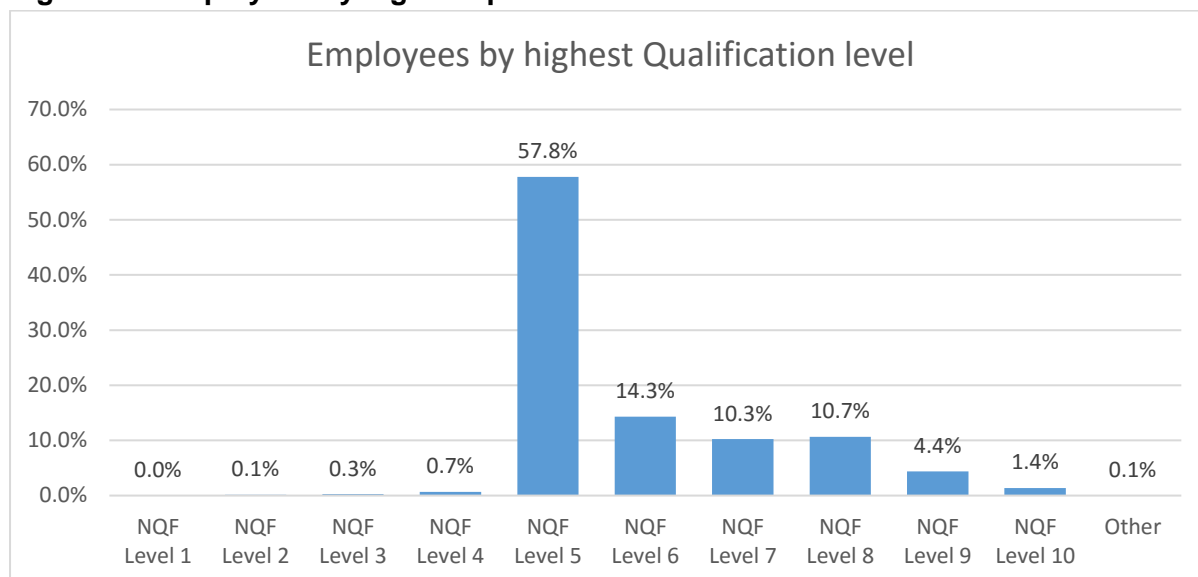
It is imperative that the BANKSETA encourages the skills development of these major groups to support the supply of skills in line with the demographic transformation targets laid down in the NSDP.

7.1.9 Education Levels of Employees

The figure below shows the educational levels of the employees in the sector. The majority of employees have an NQF Level 5 qualification. This category includes people with Higher Certificates and Advanced National (vocational) Certificates. The number of employees with

qualifications at NQF Level 4 and below stands at 1,2%. It is also interesting to notice that more than 40% of the employees have at least an NQF Level 6 qualification.

Figure 14: Employees by highest qualification level



Source: BANKSETA WSP 2020

Conclusion

In summary, the banking sub-sector comprises the large organisations that possess a banking licence whilst the Alternative banking sub-sector comprise smaller organisations. The banking sector profile provides an indication that the alternative banking sector is relatively small in terms of revenue generation and GDP contribution but is an important component in the financial services sector. As the sector is highly regulated, a substantial number of role-players exist to ensure compliance to both local and international banking regulations. Other role-players provide support services and represent smaller organisations. The economic performance of the sector provides an indication of a strong well-developed banking sector with local banks performing well on both the top 100 African Banking list as well as globally. This is largely due to a strong asset base. However, the banks have been exposed to downgrades in the past year. The employer and labour market profile provides key learnings on opportunities for skills development. Low levels of transformation based on race, gender occupational discrepancies in managerial and professional positions within the banking sector have been observed. This calls for the skills development of these major groups to support the supply of skills in line with the demographic transformation targets as articulated in the NSDP.

7.2 Internal Environment

BANKSETA is located in Centurion in Gauteng with a regional footprint in Limpopo, Eastern Cape and Free State. It comprises the following core divisions: Strategy and Research; Finance incorporating Supply Chain Management and Internal Audit, Governance, Corporate Services incorporating Communications, Information Technology and Human Resources and the Operations Division that focuses primarily on the disbursement of discretionary grants and the Quality Assurance of training service provision. The BANKSETA Board provides strategic direction and guidance to the Executive Management Team.

(a) Service Level Agreement with DHET

On an annual basis, BANKSETA negotiates a set of targets and deliverables to be agreed with DHET. The Service Level Agreement forms the foundation for the development of the Annual

Performance Plan as most activities within the SETA is aimed at the meeting/exceeding the targets set. The targets provide the benchmark for planning whilst the skills development needs/demands provide guidance in terms of the interventions/programmes/qualifications forming the basis for the PIVOTAL programmes. On a quarterly basis as mandated by the DHET, BANKSETA reports on the progress made towards the achievement of the targets set.

(b) Governance

Board members are appointed in terms of the BANKSETA Constitution, in line with the Skills Development Act (Act No. 97 of 1998) (and the Standard Constitution of SETA Regulations, Section 13 (1) of Skills Development Amendment Act, Act 26 of 2011). The Board represents organised labour, organised employers, and relevant community organisations as approved by the Minister. Organised labour and employers are equally represented on the Board. All members of Board are bound by the BANKSETA Code of Conduct. All Board members are aware of their fiduciary responsibilities and the need for fair, transparent and accountable decisions and actions. The Board monitors BANKSETA's strategic objectives. Currently, there are four Board committees in place to assist the Board in discharging its governance obligations. These committees are the Audit and Risk Committee, the Finance and Remuneration Committee, Executive Committee and Governance and Strategy Committee which assists in the oversight and monitoring of BANKSETA operations, strategic planning and constitution requirements. The Risk Management Committee is also a sub-committee of the Audit and Risk Committee and monitors the performance of risk management.

(c) Establishment of Committees

In addition to Board Committees, several advisory committees exist to provide expert advice on various aspects to support the delivery mandate. The Sector Skills Planning is supported by the Skills Planning Committee comprising senior managers from the various employer organisations and provides human resource development expertise to inform skills planning. The Skills Development Sub-Committee comprises Skills Development Facilitators/Managers who serve as a link with the various employer organisations and advises on skills development interventions to meet the demands of occupational shortages and skills gaps. Various ad-hoc project-specific committees which are term specific are formed to guide the operational delivery of projects. These committees also play a key role in advising on the value of the interventions and whether they should be changed, continued, etc.

(d) Stakeholder Engagement and Partnerships

The Stakeholder Engagement Strategy provides a detailed guideline on engagements with various stakeholders who influence the strategic and operational mandate of BANKSETA. Engagements with stakeholders take place at various levels to ensure the participation of all relevant stakeholders at both strategic decision making and operational levels. Stakeholder input into the strategic planning and skills planning is imperative to ensure alignment of BANKSETA strategies to sectoral needs. On an annual basis, a stakeholder engagement plan is developed and reported on quarterly. The annual stakeholder satisfaction survey is conducted to evaluate and to ensure continuous improvement and to identify mechanisms to strengthen stakeholder participation and relations.

(e) Balanced Scorecard and Performance Management

To assist in strategy execution, the BANKSETA has introduced a Balanced Score Card, which is directly linked to the approved strategy and the annual performance plan. The Balanced Score

Card is proving invaluable assistance in ensuring that all resources are mobilised towards achieving the strategic themes and targets set for the year.

The Balanced Score Card has a dashboard consisting of four key themes and specific measures to map progress. The themes are as follows:

- Stakeholder Perspective: A professional centre of excellence for skills development in the banking and alternative banking industry
- Financial Accountability and Governance Perspective: A cost-effective, well-governed and compliant organisation striving for an optimal return on investment in skills development
- Internal Business Processes Perspective: Seamless, best practice business processes that enable high-quality skills development and credibility
- Learning and Growth Perspective: Performance is driven through a capable and resilient BANKSETA

(f) Human Resources

The approved staff complement of the SETA is 64 persons (currently with 5 vacancies). The five vacant positions include that of the Chief Executive Officer and an Information and Communication Technology (ICT) manager. The vacuum created by the CEO vacancy brought about a certain level of uncertainty. As a mitigation strategy, the board appointed an acting CEO to keep the organisation afloat. The recruitment strategy and process ensures that the appropriate expertise is sourced in line with the approved Employment Equity Plan. The table below shows the demographic composition of the BANKSETA employees.

The BANKSETA employs 33 (56%) female and 26 (44%) male employees. The majority of staff members are at skilled level positions (31 or 53%). All three executive managers at the BANKSETA are female. Currently, there are no employees with disabilities. The BANKSETA plans to achieve a target of 83% black employees by March 2022. The current target for female employees is 52% and the BANKSETA is currently sitting at 56% for the female employees. BANKSETA management and staff support the principle of lifelong learning and continued professional development by providing opportunities for study and training. This leads to a workforce that is continuously up-skilled and capable to advise the sector on skills related matters. On an annual basis, BANKSETA implements a values assessment survey to measure the extent to which the staff upholds the values of the organisation.

Table 4: The BANKSETA Employment Equity

Level	Male				Female				Foreign national		Total		
	Africa n	Coloured	Indian	White	Africa n	Coloured	Indian	White	Female	Male	Male	Female	Total
Senior Management	0	0	0	0	1	0	0	1	1	0	0	3	3
Professionals	5	1	1	0	4	0	0	3	0	1	8	7	15
Skilled	13	0	1	0	14	0	1	1	1	0	14	17	31
Semi-Skilled	4	0	0	0	4	0	0	0	0	0	4	4	8
Unskilled	0	0	0	0	4	0	0	0	0	0	0	2	2
Disabled	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Permanent	22	1	2	0	27	0	1	5	2	1	26	33	59

The age profile of the BANKSETA employees shows that 32% of the employees are younger than 36 years with the youngest at age 26. Only 3% of the staff complement are older 55 years.

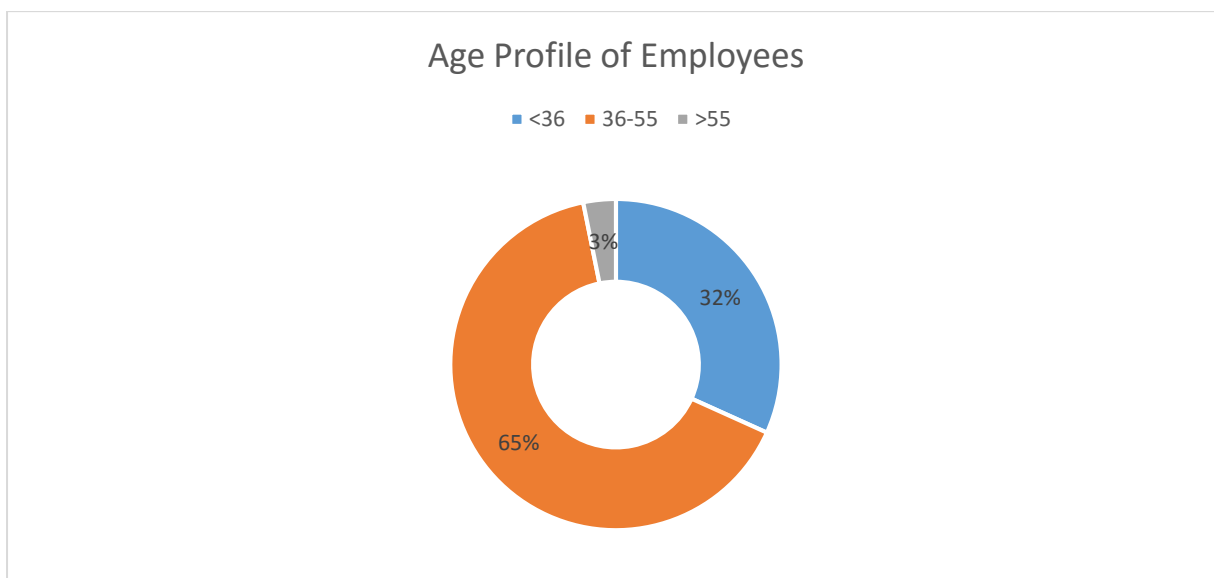


Figure 15: Ages of Employees

BANKSETA Gender-Based Violence (GBV) Status

Currently, BANKSETA does not have GBV Policy nor Framework. All GBV related challenges are addressed through Human Resources policies. The BANKSETA is currently leading a collaboration of SETAs in conducting an online GBV Campaign via the following platforms: Website, Social Media, New Flashes and Print Media. The BANKSETA is currently working on a process of partnering with a service provider that will implement the GBV programme. Terms of Reference in respect of this programme are available.

(g) Internal Business Processes and Systems

The BANKSETA has several systems to support its operations including a SETA Management System, a Finance and Purchase Order System, as well as HR and Payroll System. The SETA Management System is a comprehensive system that includes learner management, project management, and employer WSP/ATR management, amongst others. The HR and Payroll system allows the full human resource functions to be managed electronically. The Finance and Purchase Order System tracks all financial related transactions. The Knowledge Bank is an online knowledge portal within the BANKSETA website utilised for the dissemination of research and skills planning outputs.

(h) Internal Audit Function

The mission of the Internal Audit function, in accordance with the Institute of Internal Auditors (IIA) is to provide independent, objective assurance and consulting services designed to add value and improve the operations of BANKSETA. Internal Audit thus assists the BANKSETA to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes, as articulated in its Internal Audit Charter. In doing so, the Internal Audit function adheres to the standards as laid down by the Institute of Internal Auditors for the Professional Practice of Internal Auditing and Code of Ethics.

The BANKSETA has an in-house Internal Audit unit comprising of the Head of Internal Audit, who has overall responsibility for the function and is supported by two Internal Audit specialists, with sufficient knowledge, skills, experience, and professional certifications to carry out the function's responsibilities. To ensure the independence of Internal Audit, the function reports

functionally to the Audit & Risk Committee and has full and unrestricted access to the Chairperson of the Audit and Risk Committee, the Board and to the Chief Executive Officer.

(i) Materiality and Significance Framework

The Accounting Authority has prepared a materiality and significance framework in terms of the PFMA and Treasury Regulations. BANKSETA is of the view that criminal conduct should not be tolerated within the SETA environment and hence has not included any amount resulting from criminal conduct in the materiality and significance framework. In terms of fruitless and wasteful expenditure caused by gross negligence or any other circumstance, BANKSETA has taken a very strong view in that fruitless and wasteful expenditure of any kind should not be tolerated within SETA environment and hence BANKSETA has not included any amount arising from fruitless and wasteful expenditure in the materiality and significance framework. Based on the materiality and significance framework, BANKSETA has set its materiality and significance amount to 0.35% of gross revenue for the 2021/2022 Financial Year based on audited financial results for the previous year.

(j) ICT Governance

IT governance exists to inform and align decision making for Information Technology planning, policy and operations in order to meet business objectives, ascertain that risks are managed appropriately and verify that resources are being used responsibly and strategically. IT Governance continues to feature highly on the agenda within many organisations as Corporate Governance increasingly realises that IT touches every area of the organisation and contributes as an essential enabler of future business opportunities. IT Governance covers the culture, organisation delivery platforms, policies and practices that provide this kind of oversight and transparency of IT. BANKSETA adopted COBIT 5 as the governance framework for effective implementation of IT Governance, and the organisation culture and size are also drivers that need to be considered for governance. IT governance is not an isolated discipline but it is an integral part of overall corporate governance.

(k) Reporting

BANKSETA ensures that all reporting protocols are strictly adhered to and that all timelines set are met. BANKSETA undertakes quarterly performance reporting to the Department of Higher Education and Training and National Treasury in accordance with SETA performance management requirements. BANKSETA adheres to the annual compliance calendar requirements and timelines. On an annual basis, the Annual Report is prepared, submitted to Department of Higher Education, Training, Science and Technology, National Treasury and Parliament before it being tabled at the BANKSETA Annual General Meeting.

(l) Monitoring and Evaluation

BANKSETA monitors and evaluates on two levels: organisational effectiveness and efficiency as well as skills development programme performance. Organisational efficiency relates to the measurement of internal processes whilst the latter relates to the measurement of the impact of skills development interventions using tracking and tracer studies. Monitoring and evaluation at a strategic level measure the impact and outcomes against the achievement of strategic

objectives on a 3 – 5-year basis, whilst monitoring and evaluation at an operational level is largely measured annually against the achievement of targets/outputs set.

7.2.1 Financial Environment

Income

BANKSETA's operations and targets are driven by the financial resources available to achieve the training.

These resources are in two main categories

- a. Skills development levies (SDL) from sector companies paid during the year. This comprises 93,5% of the income of the year.
- b. Reserves – being accumulated funds from prior years which the BANKSETA has received approval from National Treasury to retain and use in future years for discretionary training programmes

A. Skills development Levies (SDL)

There are no changes expected in the funding framework and employers will continue to pay a 1% skills development levy on payrolls exceeding R500 000 p.a.

The collection method through which SARS collects the SDL monthly remains unchanged.

The main drivers to the level of SDL expected from the sector are:

- i. Financial performance Within the Banking Sector
Before the COVID 19 pandemic and lockdown, the banking sector was performing well with the main banks results from 2019 showing them to have good results.
The lockdown has had a huge negative impact on the economy with estimated job losses of up to 3 million and thousands of companies forced to downsize or close.
The economy is expected to contract by 7% in the next year.
The banks have been impacted negatively due to being forced to make pro-active provisions for bad debts as clients face economic hardship and some lose their sources of income and well as anticipating general contraction in demand for banking services.
Poor bank results normally lead to:
 - Reduction in banking bonuses and therefore SDL to the BANKSETA, and
 - Reduction in employment number

Employment in the banking sector was estimated to be 194,954 from data received in 2020 workplace skills plans.

The major banks have generally indicated that they would not start retrenchment in 2020 (except for those already planned due to digitalisation and branch closures) retrenchments from 2021 onwards will depend on the banks performance as they rebalance cost to income ratios.

Estimates of job losses range from 2% to 20% and BANKSETA has taken a prudent estimate of at least 10% job losses in 2020/2021 year.

Once jobs are lost it becomes difficult to regain the numbers as banks innovate to operate with leaner staff structures.

Number of banking sector companies

Due to the economic downturn it is unlikely there will be any increase in players and rather consolidation of the existing major sector financial institutions and loss of the smaller players. This would not impact much on the SDL within the sector.

ii) Inflation scenario: banking employees normally expect at least a cost of living increase based on CPI on their salaries each year in about March.

As the banks results have been impacted negatively by the lockdown, it is unlikely the employees will receive any increases higher than inflation. Inflation for July 2020 is at 3.2%

The SARB latest outlook is 3.95 for 2021. The inflationary adjustments increase employment costs and therefore SDL.

The assumptions made are summarised in the table below.

B. Availability of Reserves Accumulated from prior years.

The BANKSETA has reserves of R869 million at 31 March 2020 which will be utilised for discretionary training expenditure from 2020/21 onwards. Part of these reserves covers the R364 million DG commitments at year-end.

Out of this R530 million surplus is from 2019/20 and the BANKSETA is awaiting National Treasury approval to retain this and apply to 2020/21 discretionary expenditure.

The BANKSETA will utilise the reserves gradually at about R100 million a year to speed up its training interventions especially in light of the need for reskilling of the retrenched workers.

C. Investment income

BANKSETA makes about 7% of its income from short term investment of funds not required for operations within the next 3 months.

The main driver of this investment income is

- The number of funds available. Most of the BANKSETA's training programmes are over 1 year therefore the funds are accumulated until all the training is completed. In addition, the BANKSETA has some accumulated funds from the prior year. The BANKSETA, therefore, has R800 million to invest short term which is expected to decrease over time.
- Investment rate. The investment rate is usually about 1% of the inflation rate.

D. Expenditure

The BANKSETA expects the levy will continue to be allocated as mandatory grants levies - 20%, discretionary grants - 49.5%, and admin at 10% levies and QCTO levies at 0.5% as per legislation.

- Mandatory grants

The BANKSETA is aware of the current uncertainty regarding the mandatory grant percentage which may lead to the mandatory grant level being raised from 20% and the discretionary level being reduced. Any such change will have a major impact on the BANKSETA learner targets.

The BANKSETA has not factored in any such changes as it is awaiting the Minister's direction and the sector consultation process required has not yet begun.

The budget is based on delivering of skills development mandate per the Skills Development Act using similar delivery methods as currently used. The BANKSETA has not budgeted for any special requests for contribution to infrastructure funds or any other initiatives.

The budget was prepared using a mixture of activity-based and traditional historic cost budgeting methods.

Generally, most increases would align with inflation except those which have different contractual arrangements like rent which is set at 6% and employee costs which will be negotiated.

In addition, the BANKSETA will implement an organisational design study in 2020/21 which may increase the employee numbers. The assumptions have kept the funded posts at 64. Any new posts would be funded from the administration with a reduction in another admin expense. Generally, cost inflation used in this budget has been set at 3.9% for 2020/21 and 4.1% thereafter.

Assumptions

The assumptions made are summarised in the table below

Table 5: Assumptions used

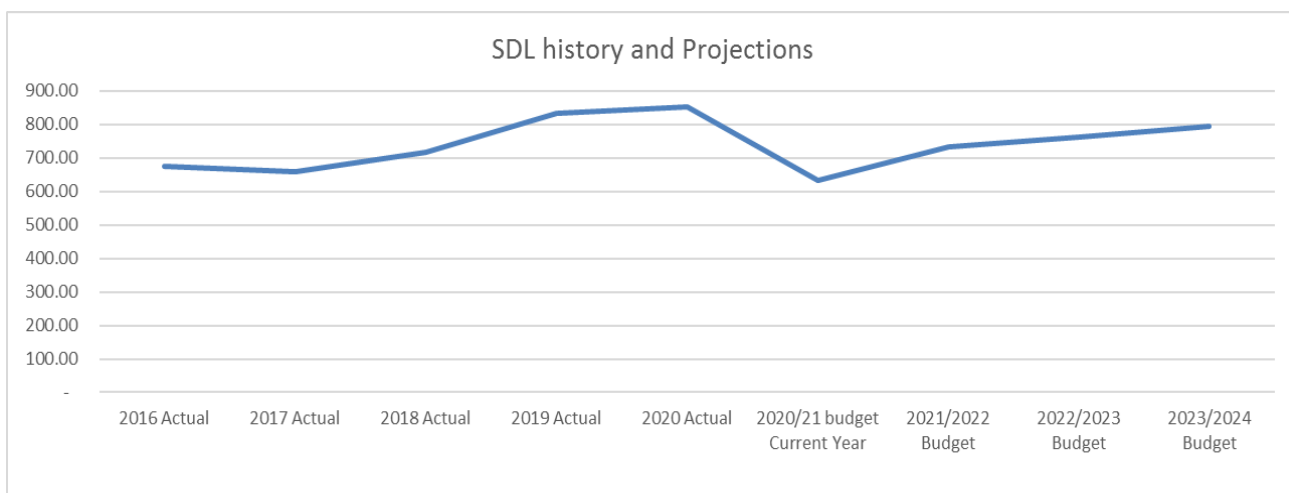
Assumptions Used	2019/20	2020/21	2021/22	2022/23 going forward	Comment
Employment					
Sector employment	196000	194000	174600	174600	estimate of employment reduction due to economic downturn linked to lockdown
Sector levy payers	4632	4632	4000	4000	estimate of smaller players closing
annual inflation as of 31 March	4.30%	4.30%	3.90%	4.10%	expected downward trend. July 2020 is 3.25. June 2020 is 2.2%.
Inflation guide per MTEF guidelines	4.30%	no guidance given			
General banking increases	5.00%	5.00%	3.90%	4.10%	
Banking bonuses	no information available				
Inflation will impact on investment rate on short term invest	4.20%	4.20%	4.50%	4.50%	used average for the year. Assumed at least 0.5 above inflation rate.
Surplus funds pool in r millions (impacted by DG expenditure)	750	900	800	750	unlikely to significantly decrease this in the next 3 years
Mandatory Grants					
Participation rate/ claim ratio	97.00%	97.00%	97.00%	97.00%	BANKSETA budgets for 97% as not all mandatory grants are claimed. Excess is utilised in the DG expenditure budget.
general increases -inflation used for admin costs except where	5.00%	5.00%	3.90%	4.10%	inflation used for admin costs except where prices set
inflation used for admin costs - employee cost	6.50%	7.20%	5.00%	5.00%	
Number of funded positions	64	64	65	65	the OD study will look at the organisational study and may possibly increase no of positions
contractual rental increase	6.00%	6.00%	6.00%	6.00%	
Audit Fee increase	6.00%	6.00%	4.00%	4.00%	

SDL

Table 6: Nine-year levy trend is shown below.

Year Ended 31 March (Rm)	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020/21 budget Current Year	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget
SDL	674.00	660.01	716.99	832.99	853.54	632.55	733.37	763.44	794.74
Growth	13.0%	-2.1%	8.6%	16.2%	2.5%	-25.9%	15.9%	4.1%	4.1%
2020/21 is an unusual year due to the 4 month SDL holiday									

Figure 15:SDL history and projections



Penalties and interest

The BANKSETA does not traditionally budget for income from penalties

ii) Investment Income

The BANKSETA will continue to invest funds not immediately needed to settle liabilities in the short-term money market. Budgeted return is expected to be 4.5%. All investment income will be swept to the discretionary reserves for use in discretionary grant projects.

iii) Other income

The BANKSETA does actively search for co-funding for projects. Where opportunities arise for co-funding the SETA will explore such opportunities, especially where collaboration with other SETAs apply.

iv) Admin budget

The main driver is inflation pegged at 3.9% for 2020/21 and 4.1% thereafter except for salary and rental costs. All admin activity will be capped within the admin 10% budget allowed.

The QCTO budget is determined by DHET and currently exceed 0.5%.

The main element of the administration budget is salaried at 55.8% of the administration budget. Salary increases will be inflation-linked. The BANKSETA currently has 64 employees and plans to implement an organisational design study in 2020/21 which may increase the employee numbers. The assumptions have kept the funded posts at 64. Any new posts would be funded from the administration with a reduction in another admin expense.

A performance bonus is also payable.

While the full 10.5% including QCTO allocation has been allocated to administration expenditure the BANKSETA will strive to remain a lean admin structure and any unused admin budget will be swept into the discretionary grant pool.

v) Mandatory Grants

Mandatory grants expenditure budget is based on 20% of levies. Mandatory grants will continue to be paid quarterly and the claim ratio is expected to remain at 97%.

vi) Discretionary Grants

Discretionary budget is based on 49.5% of levies plus all other income including investment income and unused admin and mandatory grants levies.

vii) Capital Expenditure

As per the BANKSETA policy, computer equipment is replaced every three years and certain software licences are renewed on an annual or two-year rotation.

In addition, the BANKSETA is looking at embarking on the development of its own in house accounting ERP solution. The costs on this are currently high and the BANKSETA will have to work with other SETAs.

The 2020/2021 Capex costs will be R2 million and is expected to increase within inflation in the next year and to be reviewed regularly.

The budget presented will enable the SETA to implement its activities to enhance skills development in the banking sector.

viii) Cost-saving measure

Admin budget was prepared to be within the 10% legislated requirement. Cost containment measures were applied as per the National Treasury directives and the economy is exercised at all levels.

ix) Management of Financial Assets and Liabilities

The BANKSETA's main assets are cash and cash equivalents being mainly fixed deposits at the CPD and major South African banks. This cash basically represents the funds retained to cover discretionary grant commitments. The BANKSETA has an investment policy which covers how these investments are sought. It covers risk mitigation of such assets. It is envisaged that in 2021 -2026 period, cash and cash equivalents will continue to be the main assets. Other assets are other debtors due to non-exchange levy adjustments and sundry prepayments and receivables. All are raised in the normal SETA business.

Liabilities are mainly:

- non-exchange liabilities due to mandatory grant payables which would be settled within the quarter,
- non-exchange liabilities for under R500,000 levy payers
- exchange liabilities due to administration and discretionary grant payables settled within 30 days
- sundry short-term liabilities and staff related accruals

There is no planned acquisition of any other financial assets or capital transfers. Financial assets, which potentially subject the SETA to the risk of non-performance by counter-parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable. The SETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by the National Treasury and the Board. The BANKSETA has an approved investment policy which limits its exposure to any one counterparty. SETA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy-paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counter-party. The SETA's concentration of credit risk is limited to the industry (Banking and Financial

Services) in which the SETA operates. Due to the negative economic climate, a number of the BANKSETA's stakeholders' credit status' have been downgraded by international rating agencies. BANKSETA will continue to monitor the effect of these developments on levy income and accounts receivables. The SETA is exposed to a concentration of credit risk, as significant amounts may be owed by SARS and the Department of Higher Education, Science and Technology. This concentration of risk is limited as SARS and the Department of Higher Education, Science and Technology are government entities with sound reputation.

The SETA has adequate funds to settle all liabilities as they fall due. All creditors are settled within 30 days. The SETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are maintained.

Table 7: BANKSETA summarised budget projects

Year Ended 31 March (Rm)	2020 Actual results	2021 Budget Original	2021 Revised Budget	2021/2022 proposed Budget	Variance 2020 Proposed budget vs 2021 Original	2022/23 proposed	2023/24 proposed	Assumptions, comments
Income								
Discretionary levies - 4%	519.75	510.81	391.37	453.77		472.38	491.75	
Mandatory levies - 20%	210.00	206.39	158.13	183.34		190.86	198.69	
Admin levies including QCTO -10.5%	110.25	108.35	83.01	96.26		100.20	104.31	
SDL	840.00	825.55	632.52	733.37	-13%	763.44	794.74	factored in 10% job losses and 3.5% inflationary increases
Interest & penalties	14.00	-	-	-		-	-	
Investment income	62.72	26.00	32.00	40.50	36%	36.00	33.75	R750 million fund at 4% for 2021/22
other income	-	-	-	-		-	-	
Total Income	916.72	851.55	664.52	773.87	-10%	799.44	828.49	
Expenditure								
Mandatory Grants	205.08	200.20	127.43	177.84	-13%	185.13	192.73	Maintained 20% as no decisions or sector consultation under way.
DG	423.74	573.00	770.32	599.77	4%	564.11	581.46	Utilised R100 million from expected reserves in 2021/22 and R50 million hereafter
Admin Expenditure	81.65	102.78	102.56	90.26	-14%	93.90	97.76	Limited to 10%. However note the constraints
QCTO Expenditure	-	5.57	5.79	6.00	7%	6.30	6.55	DHET has sent directive for amount above the legislated 0.5%
	-	-	-	-		-	-	
Total Expenditure	710.47	881.55	1,006.10	873.87		849.45	878.50	
Surplus/(Deficit)	206.25	-30.00	-341.58	-100.00		-50.00	-50.00	BANKSETA aims to utilise reserves
Employee Costs	41.64	50.15	50.15	52.66	5%	55.29	58.05	64 person establishment
Performance bonus	7.72	10.00	10.00	10.50	5%	11.03	11.58	
rentals	3.44	3.80	3.80	4.03	6%	4.27	4.53	per contract
Audit fees	3.10	3.13	3.13	3.25	4%	3.36	3.48	
Research	0.02	3.75	3.75	1.00	-275%	3.75	3.75	Budget constraints on expenditure
capex		5.89	5.89	2.00	-194%	2.00	2.00	Budget constraints on expenditure
QCTO	5.30	5.38	5.79	6.00	3%	6.21	6.43	
Marketing Costs	2.28	2.60	2.60	1.00	-160%	1.00	1.00	
Board fees	2.80	3.50	3.50	3.64	4%	3.76	3.90	
outsourced services	5.03	4.70	4.70	4.88	4%	5.05	5.23	
Other	10.42	15.46	15.05	8.30		5.44	5.30	Budget constraints on expenditure
Total	81.74	108.35	108.35	97.25		101.16	105.24	

BANKSETA Infrastructure Projects

Direct contribution to the Infrastructure programme is not applicable to the BANKSETA.

x) BANKSETA Spatial Plan

The BANKETA Research Chair on Digitalisation and Technology, Durban University of Technology (DUT) was commissioned to conduct research on a Geographical Information System (GIS). A geographic information system is a system designed to capture, store, manipulate, analyse, manage, and present all types of geographical data. The keyword to this technology is Geography – this means that some portion of the data is spatial. In other words, data that is in some way referenced to locations on the earth.

GIS can be used as a tool in both problems solving and decision-making processes, as well as for the visualization of data in a spatial environment. Geospatial data can be analysed to determine (1) the location of features and relationships to other features, (2) where the most and/or least of some feature exists, (3) the density of features in a given space, (4) what is happening inside an area of interest (AOI), (5) what is happening nearby some feature or phenomenon, and (6) and how a specific area has changed over time (and in what way).

GIS can do the following mapping:

- Mapping where things are: GIS is used to map the spatial location of real-world features and visualize the spatial relationships among them.
- Mapping quantities. GIS is used to map quantities, such as where the most and least are, to find places that meet their criteria or to see the relationships between places.
- Mapping densities. Sometimes it is more important to map concentrations, or a quantity normalized by area or total number.
- Finding what is inside. GIS is used to determine what is happening or what features are located inside a specific area/region. We can determine the characteristics of "inside" by creating specific criteria to define an area of interest (AOI).
- Finding what is nearby. GIS can find out what is happening within a set distance of a feature or event by mapping what is nearby using geo-processing tools like BUFFER. The Buffer tool is often used in geo-processing workflows. It is a tool that is particularly sensitive to the coordinate system. Buffer operates in two modes depending on whether the coordinate system is projected (defined by a flat, two-dimensional surface) or geographic (defined by a three-dimensional spherical surface).
- Mapping change. GIS can map the change in a specific geographic area to anticipate future conditions, decide on a course of action, or to evaluate the results of an action or policy.

DUT submitted the GIS data for input to the Remote-net, a BANKSETA Management Information System (MIS) that will be used for planning purposes to address transformational matters.

xi) Public Private Partnership

Currently, the BANKSETA does not have any Public Private Partnership as per the definition in the PFMA however, the BANKSETA has planned several partnerships for the purpose of delivering on its outcomes. Some of the partnerships include the following:

- Banking Association South Africa
- South African Banking Risk Information Centre
- Co-operative Banks Development Agency
- TVET Colleges
- Universities of Technology
- Universities

7.3 Description of the Strategic Planning Process

BANKSETA views Strategic Planning as a process and not an event. The skills planning process undertaken for the development of the Sector Skills Plan forms the foundation for the Strategic Planning activities. A detailed research agenda informs the skills planning process. Research outputs form the structure and content for the development of the Sector Skills Plan. The findings from the skills planning process as reflected in the Sector Skills Plan guides the Strategic Planning Process. An analysis of the change drivers, national priorities and sectoral priorities are key to the development of strategies for BANKSETA. Research is conducted in full consultation with BANKSETA's stakeholder constituency. The consultation takes the form of one-on-one meetings, various committees, focus group workshops and information sharing sessions.

The Annual Strategy Session held on 03 to 04 September 2020 was an opportunity for BANKSETA management and board to meet and discuss strategic issues, under the guidance of a specialist facilitator with a role to guide discussions and assist in mapping the way forward. This is intended to inform the updates required to the Annual Strategic Plan and the Annual Performance Plan, as required under the Public Finance Management Act, DPME circular no 02 of 2020 Revision and Re-Tabling of the 2020/2025 Strategic Plans and 2020/21 APP in Response to the COVID Pandemic and Special Adjustment Budget, National Treasury Instruction 10 of 2020/21 Revised Framework for Strategic Plans and Annual Performance Plans. The session was led by a Facilitator, thereby, enabling delegates to own the decisions thus concluded.

Board as the owner of the strategy

The strategy is owned by the Board and implemented by Management; hence, strategy value add is achieved when both parties are involved in the process. The Board forms the highest level of authority in the governance of BANKSETA. The Board is constituted of an equal number of employer and employee representatives from the sector; and three Ministerial representatives. Under the guidance and scrutiny of the Board, the CEO strategically aligns resources to achieve the organisation's objectives in the most efficient way. The four overarching roles and responsibilities of the Board as provided for by the King IV Code of Corporate Governance are as follows:

- Providing strategic direction;
- Approving policies to effectuate strategy
- Providing informed oversight for strategy implementation and performance, and
- Corporate disclosures

Part C: Measuring Our Performance

8. Institutional Performance Information

8.1 Measuring Impact

Impact statement	Relevant sector skills development interventions that are aligned to identified skills priority actions designed to address occupational shortages and skills gaps
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8.2 Measuring Outcomes

Outcome	Outcome Indicator	Outcome Indicator Baseline ¹	5-year target
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Evaluation reports that reflect achievement of Strategic Plans	Strategic Plan 2015/16 – 2019/2020 Annual Performance Plan 2019/2020 Annual Report 2019/20	Production of BANKSETA strategic and annual plans, quarterly performance reports and annual performance reports
	Unqualified audit opinion on financial statements	Clean audit outcome on financial management and unqualified on non-financial management (AOP)	100% Compliance with Legislative frameworks relating to finance and supply chain management Unqualified audit opinion with no material findings.
A credible sector skills planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	% of the pay-out rate of mandatory grants	95% pay-out rate of mandatory grants	Approve employer WSP/ATR submissions to ensure 95% pay-out rate of mandatory grants
	Number of research reports and working papers put on the knowledge portal	Board approved Research Agenda	Publication of all research reports and working papers made available on the knowledge portal. Skills development interventions are in alignment with research findings

¹ The baselines for the outcomes were determined based on the aligned objectives of the 2015-2020 Strategic Plan and the outcomes of the revised Strategic Plan

Outcome	Outcome Indicator	Outcome Indicator Baseline ¹	5-year target
	Approved SSP, SP and APP	SP, APP and SSP approved by DHET	Development of BANKSETA SSP, SP and APP that meets the requirements of DHET as well as alignment of skills development programmes to the needs identified in the SPP
Linking Education to Work	Number of learners completing the programme successfully	636	Number of enrolments: 5 300 Number of completion: 3180 Women: 54% Black: 85% Disabled: 4%
Increase access to occupationally directed programmes	Number of MOUs signed with UOTs, TVET and HEI	49	49
Support career development services	Number of career awareness workshops conducted	27	135
Improving the level of skills in the South African workforce	Number of workers completing the programme successfully	2023	10115 Women: 54% Black: 85% Disabled: 4%
Skills development support for entrepreneurship and cooperative development	Number of institutions trained	186	930 Women: 54% Black: 85% Disabled: 4%
Identify and increase the production of occupations in high demand	Number of learners completing the programme successfully	1116	5580 Women: 54% Black: 85% Disabled: 4%
Occupation based qualifications registered through QCTO is available to the sector	Number of occupation-based qualifications registered to address skills gaps/occupational shortages	2	Qualifications are available to address occupational shortages in response to the sector needs

Outcome	Outcome Indicator	Outcome Indicator Baseline ¹	5-year target
Quality management of training provision against legacy qualifications	Number of training providers accredited (new and current re-accreditations)	None	All qualifying training providers are certificated on programmes

8.3 Explanation of Planned Performance Over the Five Year Planning Period

Outcome	Outcome choice rational	Provincial priorities	Priorities of women, children and people with disabilities	Explanation of enablers to achieve the five-year targets	Outcome Contribution to the impact	The Monitoring Framework for the NDP Five Year Implementation Plan
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Governance and Accountability	N/A	Women: 58% Blacks: 75% Disabled: 4%	Compliance with all organisational and national policies (PFMA and Supply Chain) Effective Risk Management	Progressive realisation of the BANKSETA outcomes as they relate to NDP and NSDP	The outcome contributes to Governance and Accountability of the NDP Implementation Plan
A credible sector skills planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	Improving Education, Training And Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships	Relevant skills development programmes	The outcome contributes to Medium Term Development Planning of the NDP Implementation Plan
Occupation based qualifications registered through QCTO is available to the sector	Access to occupation based qualifications registered through QCTO	N/A	N/A	Strategic partnerships and robust engagement with stakeholders	Relevant occupations that address occupational shortages and skills gaps	This outcome contributes to Improving Education, Training And Innovation of the NDP

Quality management of training provision against legacy qualifications	Access to occupation-based qualifications registered through QCTO	N/A	N/A	Strategic partnerships and robust engagement with stakeholders	Relevant occupations that address occupational	This outcome contributes to Improving Education, Training And Innovation of the NDP
NSDP Specific Outcomes						
Linking Education to Work	Improving Education, Training And Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes	This outcome contributes to Improving Education, Training And Innovation of the NDP
Increase access to occupationally directed programmes	Improving Education, Training And Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes	This outcome contributes to Improving Education, Training And Innovation of the NDP
Support career development services	Improving Education, Training And Innovation	N/A	N/A	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs,	Relevant careers for skills development	This outcome contributes to Improving Education, Training And Innovation of the NDP

				Employers)partnerships		
Improving the level of skills in the South African workforce	Improving Education, Training And Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes	This outcome contributes to Improving Education, Training And Innovation of the NDP
Skills development support for entrepreneurship and cooperative development	Improving Education, Training and Innovation Inclusive Rural Economy	N/A	Women: 54% Blacks: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Booming Entrepreneurial skills that boost the economy	This outcome contributes to Improving Education, Training and Innovation Inclusive Rural Economy of the NDP
Identify and increase the production of occupations in high demand	Improving Education, Training and Innovation Economy And Employment	N/A	Women: 54% Blacks: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant occupations that address occupational shortages and skills gaps	The outcome contributes to Improving Education, Training and Innovation Economy And Employment of the NDP

9. Key Risks

Outcome	Key Risk	Risk Mitigation
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Possible decline in levy revenue	BANKSETA keeps constant contact with big employers to confirm payments declared. BANKSETA maintain a buffer for admin expenditure in case levies drop below the budgeted amount. Application to the National Treasury to carry over surplus funds received. Review shortfalls within programmes and re-allocate surplus funds.
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Lack of key stakeholder engagements	Fragmented engagement with respective stakeholders groups by project owners (For example Youth, Training Providers) Annual marketing and communication strategy and plan
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Brand dilution by projects service providers and strategic partners	Provision of CI Manual to providers through project custodians to internal stakeholders Brand Management workshops Monthly Inter-departmental Meetings
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles An efficient and effective SETA that complies with legislation, policy and good corporate governance principles An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Ineffective information security	Policies that need review Endpoint security (antivirus) Firewall and certain parameters security measures Access controls 5. back-up processes that need improvement
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Ineffective disaster recovery and business continuity(site, testing, DML)	DR plan that needs to be updated Backup procedures that need to be the review

<p>An efficient and effective SETA that complies with legislation, policy and good corporate governance principles</p> <p>A credible sector skills planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector</p>		
<p>An efficient and effective SETA that complies with legislation, policy and good corporate governance principles</p> <p>An efficient and effective SETA that complies with legislation, policy and good corporate governance principles</p> <p>A credible sector skills planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector</p> <p>An efficient and effective SETA that complies with legislation, policy and good corporate governance principles</p>	<p>Misaligned and delayed interventions which are relevant to sector needs</p> <p>Poor records management system</p>	<p>Current engagement with the key stakeholders</p> <p>Sector skills committee</p> <p>International benchmarks</p> <p>Research partners</p> <p>Secure record-keeping system</p>
<p>Linking Education to Work</p>	<p>Impact of COVID on the achievement of BANKSETA objectives and workplace learning</p>	<p>Objectives will not be met</p> <p>Unemployed youth will be negatively impacted</p>

10. Public Entities

Not applicable to the BANKSETA

Part D: Technical Indicator Description (TID)

11. Performance Indicators

Indicator Title	Evaluation reports that reflect achievement of Strategic Plans
Definition	Conduct evaluations of the 2020/2021 – 2024/2025 Strategy and produce reports on the performance of the BANKSETA.
Source of data	Strategic Plan, Annual Reports, M&E data
Method of Calculation	Outcomes of evaluations
Assumptions	A Strategic Plan and Management structures are in place
Calculation Type	Overall Achievement of the Strategy
Reporting Cycle	Five years cycle
Indicator Responsibility	Chief Executive Officer

Indicator Title	Unqualified audit opinion on financial statements
Definition	To promote overall financial efficiency as measured by prudent financial management and compliance with prescripts and policies governing public finance by strengthening financial management practices in the areas of budgeting, expenditure monitoring and reporting
Source of data	Financial statements and reports on payment of suppliers
Method of Calculation	Unqualified financial statements
Assumptions	
Calculation Type	Cumulative for the year
Reporting Cycle	Annually
Indicator Responsibility	Chief Financial Officer

Indicator Title	% of the pay-out rate of mandatory grants
Definition	The number of employers participating in the compilation of the sector skills plan and updates as measured by WSP submission rates needs to be maintained for large and medium organisations and increase for small organisations
Source of data	WSP
Method of Calculation	Number of submissions made
Assumptions	
Calculation Type	Cumulative for the year

Reporting Cycle	Annually
Indicator Responsibility	GM: Operations

Indicator Title	Number of research reports completed and posted on the BANKSETA Knowledge Bank
Definition	A credible sector skills plan can only be developed if adequate data is available on various aspects of the labour market, national skills priorities, etc. are available.
Source of data	Employers, training providers
Method of Calculation	Number of reports available on knowledge bank
Assumptions	
Calculation Type	Cumulative for the year
Reporting Cycle	Annually
Indicator Responsibility	Head: Strategy and Research

Indicator Title	Approval of the SSP SP and APP by DHET
Definition	On an annual basis, the SETA must prepare a Sector Skills Plan, Annual Performance Plan and Strategic Plan in line with the DHET requirements and submit timeously for evaluation and approval.
Source of data	Employers, training providers, stakeholders
Method of Calculation	Approval notification received
Assumptions	
Calculation Type	Cumulative for the year
Reporting Cycle	Annually
Indicator Responsibility	Head: Strategy and Research

Indicator Title	Number of MoUs signed with TVETs, UOTS, Higher Education Institutions
Definition	As part of the BANKSETA mandate, partnerships must be entered into with TVET, UoTs and universities to support learners. To achieve this, MOUs are signed with qualifying learning institutions.
Source of data	MoUs
Method of Calculation	The indicator is counted by the receipt of the above documents

Assumptions	The MOUs have an end date and addenda to extend is signed timeously
Calculation Type	The reported performance is non-cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Manager: WIL

Indicator Title	Learners / Workers entering the programme successfully
Definition	Refers to learners entering programmes
Source of data	MoAs, Learner Agreements, Proof of Learner Registrations, Copy of ID, Copy of Highest Qualification OR Supporting documents received from employer/s as per the Memorandum of Agreement.
Method of Calculation	The indicator is counted by the receipt of the above documents
Assumptions	The receipt of documents is out of the SETA's control and will only be reported on once received even if that is some time after the programme commenced
Calculation Type	The reported performance is cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Each Department Manager as indicated by the Sub-Programmes and overall the GM: Operations

Indicator Title	Learners/Workers completing the programme successfully
Definition	Refers to the successful completion of the programme (passing)
Source of data	statement of results or completion certificates
Method of Calculation	The indicator is counted by the receipt of the above documents
Assumptions	The receipt of documents is out of the SETA's control and will only be reported on once received even if that is some time after the programme ended or after the document has been issued
Calculation Type	The reported performance is non-cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Each Department Manager as indicated by the Sub-Programmes and overall the GM: Operations

Indicator Title	Number of career awareness workshops conducted
Definition	Workshops are required for the training of LO teachers and the distribution of the career guides
Source of data	Event Reports, Attendance registers
Method of Calculation	The indicator is counted by the receipt of the above documents
Assumptions	
Calculation Type	The reported performance is non-cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Marketing and Communications Manager

Indicator Title	Number of institutions (SMEs and Cooperatives) trained
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Definition	Co-operative Financial Institutions are the first level to growing the number of co-operative banks. This is part of the national mandate to encourage the growth of co-operatives. In an effort to grow the economy, SME development is important for job creation. BANKSETA targets SME development to support these organisations with the required skills
Source of data	MoUs, Project reports, attendance registers, close out reports
Method of Calculation	The indicator is counted by the receipt of the above documents
Assumptions	Sufficient number of fully completed applications
Calculation Type	The reported performance is non-cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Manager: Alternative Banking and overall the GM: Operations

Indicator Title	Percentage of women in the BANKSETA programmes
Definition	This indicator measures the percentage of women beneficiaries in the BANKSETA implemented programmes.
Source of data	SETMIS Report
Method of Calculation	Total number of women beneficiaries divided by the total number of all beneficiaries in the implemented programmes multiply by 100
Assumptions	Accurate beneficiary information
Calculation Type	Cumulative (Year End)
Reporting Cycle	Quarterly
Indicator Responsibility	GM: Operations

Indicator Title	Percentage of people living with disability beneficiaries in the BANKSETA programmes
Definition	This indicator measures the percentage of people living with disability beneficiaries in the BANKSETA implemented programmes
Source of data	SETMIS Report
Method of Calculation	Total number of people living with disability beneficiaries divided by the total number of all beneficiaries in the implemented programmes multiply by 100
Assumptions	Accurate beneficiary information
Calculation Type	Cumulative (Year End)
Reporting Cycle	Quarterly
Indicator Responsibility	GM: Operations

Indicator Title	Percentage of African beneficiaries in the BANKSETA programmes
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Definition	This indicator measures the number of African beneficiaries in the BANKSETA implemented programmes
Source of data	SETMIS Report
Method of Calculation	Total number of African beneficiaries divided by the total number of all beneficiaries in the implemented programmes multiply by 100
Assumptions	Accurate beneficiary information
Calculation Type	Cumulative (Year End)
Reporting Cycle	Quarterly
Indicator Responsibility	GM: Operations