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ANNUAL INTEGRATED REPORT
2015/2016

GENERAL INFORMATION

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01/Fasset/1/04/11

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LETTER TO THE MINISTER

Honourable Minister, it is my privilege to present the Finance and Accounting Services Sector Education and Training Authority's (Fasset's) Annual Integrated Report for the period 1 April 2015 to 31 March 2016.

For the year under review, Fasset has successfully delivered against its mandate and continues to facilitate the development of skills across the post-school education and training (PSET) pipeline. We have achieved this by continuing to partner with our stakeholders and various delivery partners.

This report provides an account of our financial and non-financial performance and the value that we added in the sector for the benefit of our various stakeholders. The Auditor-General of South Africa (AGSA) has audited our annual financial statements and performance information. We have also relied on the combined assurance provided by management and Internal Audit.

As the Fasset Board, we endorse this Annual Integrated Report and remain committed to building a strong legacy in skills development in collaboration with the Department of Higher Education and Training (DHET) for the development of a skilled and capable workforce.



Shahied Daniels
Acting Chairman



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



Mr Mduduzi Manana
Deputy Minister of Higher Education and Training



Mr Shahied Daniels
Acting Chairman



Ms Cheryl James
Chief Executive Officer

OUR SKILLS DEVELOPMENT PRIORITIES

- Increase the flow of new finance and accountancy entrants into employment
 - Develop and grow the skills required in the sector
- Facilitate transformation of the finance and accountancy sector

OUR VISION

"To facilitate the achievement of world-class finance and accountancy skills."

OUR MISSION

"Increase the flow of new finance and accountancy entrants to employment; develop and grow skills required in the sector and facilitate the transformation of the finance and accountancy sector."

OUR SHARED VALUES

- Professionalism and Accountability
 - Making a difference
 - Valuing people
 - Innovation
 - Ethics

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OVERVIEW OF ACHIEVEMENTS

2015/2016

16 YEARS



A clean audit report for the **sixteenth year** in succession.



Awarded the Chartered Secretaries and the JSE Annual Integrated Award for the **best public sector report for the second year in succession.**



Drafted the Environment Policy and Corporate Social Responsibility Policy together with the relevant plans for implementation in 2016/2017.

20



Appointed **20 Brand Ambassadors** at institutions of higher education and training.

25



Entered into **25 partnership agreements** with TVET Colleges and Universities.

264



264 career awareness events across the country, especially in the rural areas.

4 322



4 322 learners registered on high-level learnerships.

20 476



20 476 workers and unemployed people trained on the Lifelong Learning skills programme at middle and high-level.



132 TVET College learners completed in-service training for the purposes of completing the National Diploma qualification.



Eleven research outputs produced as part of establishing an institutional mechanism for skills planning.

196



196 learners funded on the Fasset NSFAS bursary scheme.

R4,2 M



Settled outstanding NSFAS loans for **142 learners** to the value of **R4,2 million**.

2 937



Supported 2 937 learners on the Bridging Programme for Academic Support and the completion of qualifications and/or professional designations.

70%



Retained placement rates of 70% for learners from Bridging Programmes into Employment despite a challenging economic climate.

R120,2 M



Allocated **R120,2 million to the Bridging Programme for Access into Employment**, which was completed by 1 098 learners.

999



999 large, medium and small firms supported through the Mandatory Grant **Lifelong Learning workshops**.

CHAIRMAN'S FOREWORD

The 2015/2016 financial year has been a period of great challenge and uncertainty within the Seta landscape. For starters, the financial year brings to an end the Seta's current five year licence and clarity beyond this period was received in November 2015 that the Setas have been re-established by the Minister of Higher Education and Training for a further two years until March 2018.



Shahied Daniels
Acting Chairman

Secondly, the student uprisings on the #RhodesMustFall and the #FeesMustFall campaign disrupted the academic study programme but brought home the message regarding the plight of learners for financial study assistance at institutions of higher education and training (HET). As a result of these disruptions, Fasset did not achieve some of its performance targets, due to academic study results not being available timeously to finalise the administrative requirements for some of our learning programmes.

One of the very positive outcomes of the #FeesMustFall campaign however is the fact that it identified the "missing middle" learners - the category of learners who are currently above the salary threshold/means tests applied by National Student Financial Aid Scheme (NSFAS) but are unfortunately not eligible to qualify for bank loans to fund tertiary studies. Fasset has responded to this challenge and will be introducing a comprehensive full cost bursary in the 2016/2017 and 2017/2018 financial years, respectively. The bursary will provide comprehensive funding for tuition, accommodation, academic support courses, living allowance and coaching/mentorship, all of which is designed to support the learner fully and provide an enabling environment for the learner to successfully complete his or her studies.

This, together with another clean audit that has been obtained by the Seta for the sixteenth year in a row bodes well for the Seta. While we are proud of this achievement, we recognise that more can be done to improve the operational effectiveness of the Seta.

Governance

Fasset continues to have a strong track record of sound corporate governance practices. This is evident in our approach of ensuring that the necessary structures, policies and procedures are in place, and takes into account industry standards such as the King Code of Governance. This saw us increasing our focus on matters relating

to Information Technology (IT) governance as well as adopting the Department of Public Service and Administration (DPSA) Information and Communications Technology (ICT) Governance Framework. In terms of the latter, we have successfully complied with the requirements of phase one and two, which have been duly audited by the AGSA, and are in the process of finalising readiness for the third and final phase of the framework. This work is being done in accordance with the Seta's ICT Governance framework, which encompasses pertinent IT matters that are applicable to our environment. We also remain abreast of compliance changes in our regulatory environment and put in place an implementation plan to ensure our readiness to meet the requirements of the Protection of Personal Information (POPI) Act 2013.

Equally important has been our continued focus on ensuring that the applicable accounting standards are upheld and reported against in the preparation of our Annual Financial Statements. This enables us to deliver clear and transparent reporting aimed at providing accountability, and improving trust and confidence in our performance as a public entity.

We are very fortunate that Fasset's Board and its committee members all come from environments where governance is important and that Fasset's management team and staff are all committed to good governance practices. This is testament to our reputation as a well-governed Seta that manages its risks appropriately. In this respect, an enterprise risk management function is in place with the necessary controls, which has enabled the effective management of all strategic and operational risks.

Strategy and operational performance

The Board's fiduciary duty includes ensuring that funds allocated meet the skills needs of the sector and the broader economy. Monitoring and measuring the impact of our Fasset-funded programmes is therefore critical to ensure that we have added value and made a difference in building a skilled and capable workforce. It is for this reason that the Seta is focused on delivering on its mission of increasing the flow of new entrants into the sector, developing and growing the skills required in the sector and the economy, as well as facilitating transformation of the Fasset sector. Our discretionary-funded programmes are aimed at meeting these priorities and our progress on this is reflected in our performance information included in page 22 and in Appendix A of this report.

As reported in last year's Chairman's Statement, we continue to drive transformation by directing discretionary funding to African Black learners and these initiatives are bearing fruit.

The Fasset Monitoring and Evaluation (M&E) Report of 2015 provides some interesting findings on transformation in our sector. In terms of this report, there is very clear evidence that the sector has transformed over the years. Since 2001, the number of

African Black managers has increased by 78%; Indian managers by 133%; and Coloured managers by 50% respectively. The percentage of White managers has decreased by 19%. The demographic profile of professionals has also improved markedly. During the period 2001-2013, the number of African Black professionals increased by 69%, Indian professionals by 60%, and Coloureds by 33%. The number of White professionals has declined by 25%.

The M&E Report concludes that transformation is being driven largely by legislation Employment Equity Act (EEA) of 1998 and the Broad-Based Black Economic Empowerment (BBBEE) Act of 2003), together with the efforts of professional institutes such as South African Institute of Chartered Accountants (SAICA) and South African Institute of Professional Accountants (SAIPA), business and employers who are enabling transformation to occur.

We will continue with our efforts to drive transformation in our sector and, closer to home, place greater emphasis on transforming the profile of our procurement spend to facilitate greater participation of Black emerging providers in the supply of goods and professional services. Preliminary work on this began in the year under review and will be continued in earnest in the new financial year with the principles of the Preferential Procurement Policy Framework Act (PPPFA) being applied. This will be done as part of our #LastingLegacy strategy during the re-establishment period until March 2018. The #LastingLegacy Strategy seeks to highlight the impactful legacy that we have created to facilitate the development of skills needed by the sector through a pipeline approach.

Financial highlights

In the 2015/16 financial year, Fasset received R449 million in skills development levies compared to R412 million in the previous period. We disbursed R56 million by way of Mandatory Grants compared to R64 million in 2014/15, and R316 million by way of Discretionary Grants and Projects compared to R230 million in the previous period. All unclaimed funds, amounting to R63 million for the period under review, have been allocated to discretionary projects identified by the Board.

Fasset has spent or allocated all budgeted funds for 2015/2016. This enabled us to meet our financial obligations in respect of projects undertaken in the current year as well as ensure that multi-year projects are appropriately funded. 95% of money in our bank account has been committed in accordance with the grant regulations. Generally Recognised Accounting Practice (GRAP) does not permit committed funds to be reported as a liability. This creates the misconception that there are unspent funds. This is not the case. Funds are held in trust and are reflected in our bank accounts until the finalisation of all deliverables.

Operational highlights

Our 2014/2015 integrated report received the award for the best integrated report in the public sector in the Chartered Secretaries Southern Africa (CSSA) and the JSE Integrated Reporting Awards. This is the second year in succession that we have received this award. Fasset will continue to actively seek out best practice to incorporate into its integrated report.

We have also made important strides in pursuit of our vision to facilitate the achievement of world class finance and accountancy skills. This is evident in our successes of across the post-school system pipeline where we delivered 264 career events across the country, aimed at providing much-needed career awareness information particularly in rural areas; entered into 25 partnership agreements with TVET Colleges and Universities to strengthen their capacity and our collaborative efforts, enabling 132 TVET College learners to complete their in-service training for the purposes of obtaining their National Diploma qualification; facilitating 4 790 learners to be registered on Fasset learnerships; provided financial study assistance to 196 learners via the Fasset-funded NSFAS bursary; and 20 476 people trained on the Lifelong Learning skills programme.

We remain focused on building on these successes in the coming year and will pursue a number of opportunities as we collaborate with stakeholders in our sector. This includes formalising our Alumni programme where past and present Fasset-funded programme beneficiaries will “pay it forward” by becoming active proponents of our career awareness campaign, to position the sector as the career sector of choice. Ongoing collaborations with employers will also be pursued, to provide workplace-based experience opportunities, in recognition of the clarion call made by the Minister of Higher Education and Training to “make every workplace a training space”.

Challenges

With each incantation of the National Skills Development Strategy (NSDS) and the expiry of Seta operating licences, there is uncertainty whether Setas will continue to exist, and whether their mandate, composition, clustering or focus will change. The past year was no different. While Setas have been re-established for a further two years until 31 March 2018, the uncertainty regarding the future of the Seta landscape beyond this date remains. As a Seta, we remain available to participate constructively in the discourse in mapping the future of the skills development space and have provided our inputs to the DHET on the discussion paper released in November 2015 on this issue. While this process unfolds, absolute focus must be maintained by the Seta on the delivery of our mandate and to see through the commitment made to our project beneficiaries. Similarly, the uncertainty that this presents for our staff must also be managed. It is for this reason that

the Fasset Board approved the implementation of an Employee Assistance Programme (EAP) to provide support to staff during this transitional period.

A further challenge experienced in the period under review relates to a matter of irregular expenditure where supply chain management (SCM) processes were misinterpreted and ultimately resulted in the award of a project being non-competitive and non-compliant with SCM requirements. In line with our strong focus on good governance practices, an investigation into this matter is currently underway and any irregularities identified as part of this process will be addressed accordingly.

Prospects

Fasset has responded very positively to the challenges in its operating environment. Fasset's revised strategy, #LastingLegacy, will maximise delivery and enable Fasset to make the greatest difference possible in the next two years of its existence. This strategy will build on the strong legacy that Fasset has created over the past sixteen years.

Fasset, together with the other Setas, has learnt many lessons and also developed many best practices during the period. As the new Seta landscape evolves, it is imperative that these practices are embraced to ensure sustainable delivery at a very high level.

Gratitude

Sipho Sono, the Fasset Chairman for the last three years, resigned with effect 31 March 2016, which coincides with the end of the Seta's five-year licence. It was a great privilege and honour for the Fasset Board to have him at its helm, where he contributed to the country's skills development movement. His dedication and support of Fasset has been unwavering and, on behalf of the Board, its various committees as well as Fasset management and staff, we thank him for the valuable contribution he made to leaving a positive legacy for Fasset and skills development in general.

My gratitude also goes to my colleagues on the Fasset Board and its committees as well as the Fasset Chief Executive Officer (CEO), Cheryl James, the Fasset Chief Operating Officer (COO), Lesego Lebuso, and its management team and employees for their hard work and commitment to skills upliftment; this has made all the difference.



Mr Shahied Daniels
Acting Chairman

CEO'S OVERVIEW

"The whole is bigger than the sum of the parts". By continuously engaging with all stakeholders and bringing everyone into the process, we are seeing that the benefit for the sector and the learners is much bigger than if we were to engage in skills development on our own.



Cheryl James
CEO

What is so empowering about the work that Fasset does is that it is not about the Seta; it is about the relationships and the partnerships that we have managed to put together which has provided the individual learner a door-opener into tertiary education or the world of work. Learners have grasped these opportunities with both hands and succeeded. These learners are well-positioned to become "the next big thing."

Our journey with TVET College interns is undoubtedly one of the highlights of the period under review. Our TVET Work Based Experience (WBE) Programme has taken employers in our sector, out of their comfort zone. Employers have traditionally hired university graduates; they seldom perceived TVET College learners as able to add any value to their business. The programme has been very successful. Employers who took on TVET learners are now coming back for more learners. Fasset has opened up a skills pool that we never knew existed; this is very exciting. It means that as part of Fasset's lasting legacy, even when Fasset no longer exists, learners will be recruited from TVET Colleges directly. It also means that a new stream of learners will be empowered to become "the next big thing."

The current economic climate is extremely challenging. Many businesses are closing down; others are retrenching staff. Despite these challenges, Fasset has retained placement rates of 70% for learners from its Bridging Programmes into Employment. We believe the quality of the learners that come out of these programmes is a best practice differentiator.

Challenges

Fasset has worked very hard to build strong partnerships with TVET Colleges, Universities and Universities of Technology. There are, however, many factors in this environment, which Fasset cannot control. Instability in the post-school education environment has posed the greatest challenge during the period. The #FeeMustFall campaign has impacted on Fasset delivery. As a result, of the #FeesMustFall campaign, Fasset-funded undergraduate learners at various participating universities have written their exams late, some as late as February 2016. This has impacted on the reporting of results during the final quarter and will definitely affect the achievement of targets in this regard.

Fasset has invested a substantial sum of money into getting more learners to pass. This poses serious funding challenges for Fasset. How are we going to measure the project's success, if learners did not write their exams? Secondly, if they wrote exams and the pass rate is lower than last year, is it because our intervention failed or is it because #FeesMustFall had such a disruptive effect causing the pass rate to go down? We do not know whether the money we have injected into universities has provided a good return on investment (ROI) and added value. During the period, Fasset allocated a greater share of money to the NSFAS bursary scheme.

Identifying learners who can enter the Finance and Accounting Services sector remains an ongoing challenge. Challenges around the very small number of Grade 12 learners who are proficient in Mathematics is a challenge, not only for the Fasset sector, but for the economy as a whole.

I would be remiss if I did not make special mention of the Far North Secondary School in Cosmo City, which Fasset has adopted. The school is championing pure Maths and plans to enter the 2016 Maths Olympiad; this is a most commendable effort. Following in Fasset's footsteps, the school is striving to create a legacy of excellence in teaching Maths and English.

Opportunities

Despite the many challenges, there are always opportunities. During the Seta's transitional period, we will continue to work very closely with our employers to place work-ready beneficiaries from our work readiness programmes and TVET learners. These programmes have proved very successful; they are also at the very heart of leaving a lasting legacy.

There is also an opportunity to position all Fasset learners and project beneficiaries as Fasset Brand Ambassadors; this will broaden and deepen Fasset's reach, and ability to reach as many learners as possible, to create a lasting legacy.

Strategy going forward

The Minister of Higher Education and Training has re-established Setas for a further two years until March 2018. With this in mind, the Seta has deliberated on Fasset's core mandate and the reason for our existence, which has been summarised as: "To facilitate the development of skills needed by the sector through a pipeline approach". Under the theme of #LastingLegacy, we have sharpened our focus to ensure impactful delivery on our mandate over the next two years.

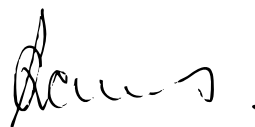
Our view is that public funds will be best served when directed towards the gaps or niche areas that are currently not being adequately addressed by the various stakeholders in the post-school education and training (PSET) system. Our focus in the coming two years will therefore be three-pronged, namely, facilitating placements and enhancing employability prospects for sustained employment; supporting academic achievement of Professional, Vocational, Technical and Academic Learning (PIVOTAL) programmes and achieving high success rates of programmes funded.

I would like to invite all stakeholders to partner with Fasset to maximise delivery over the next two years.

Gratitude

I would like to thank our outgoing Chairman, Siphiso Sono for his leadership and support over the last three years; his input has been invaluable. I would also like to express my gratitude to our Board for their support during the past financial year as well as the various governance structures at Fasset who have ensured that the Seta is governed with integrity, that all our risks are managed effectively and that delivery is in line with expectations. This has led to another clean audit, for sixteenth years in succession – a record that we are proud of and will continue to build on as part of our legacy.

I would also like to extend my gratitude to our stakeholders for their support and specifically for their input in our stakeholder Seta landscape sessions. Finally, I would like to thank my management team and staff; they have worked exceptionally hard during the past year. Without their commitment, support and hard work none of these achievements would have been possible.



Cheryl James
CEO



PART 1

INTRODUCTORY REPORTS

ABOUT THIS REPORT

This Annual Integrated Report provides an account of how we have delivered on our skills development mandate to the Minister of Higher Education and Training, Dr Blade Nzimande, in his capacity as the Executive Authority of the Seta, during the period 1 April 2015 to 31 March 2016.

The Skills Development Act (Act No 97 of 1998), as amended (SDA) and Section 65 of the Public Finance Management Act (Act No 1 of 1999), as amended (PFMA) requires Setas to produce an annual report.

This report outlines our financial and non-financial performance, not only to the Executive Authority, but to our various stakeholders at large. We have done this by providing a balanced account on the progress we have made in implementing our organisational strategy, how we dealt with governance matters, addressed enterprise-wide risks, responded to stakeholder needs and concerns, and how we ultimately delivered on the skills development programmes for the benefit of the Fasset sector and the broader economy.

Fasset has been in existence since 2000. Since that time, a strong legacy of delivery has been built aimed at providing learners with the opportunity to realise their dreams and achieve their full potential. This was achieved in collaboration with our stakeholders who deliver various programmes, including work readiness programmes and work-based experience programmes for TVET learners.

The 2015/2016 Annual Integrated Report reflects on that legacy under the theme of “#LastingLegacy – YOU are the next big thing” in line with the organisational strategy that has been adopted during the Seta’s re-establishment from 1 April 2016 to 31 March 2018. We have included case studies from current and past project beneficiaries in the performance section of this report, as an authentic account of how Fasset is creating value for project beneficiaries who are part of the legacy that we have built over the sixteen years of our existence.

Our approach to integrated reporting

We continue to evolve in our integrated reporting journey, which began in 2011/2012. This coincided with our first year of delivery against NSDS III and in that time we have progressed in the following areas of our integrated reporting journey:

- Reporting with clarity about our strategic focus and governance matters;
- Our responsiveness to stakeholders’ needs;
- Identification of our material issues and risks and how we address these;
- The value we add; and
- Our future orientation.

These improvements have informed our approach to integrated thinking in crafting our strategy and the execution thereof. It also enables our stakeholders to make informed assessments about our performance during the past financial year and our prospects for delivery over the next two years of the Seta’s re-establishment until March 2018.

Report content and disclosure

The content and disclosures made in this report are guided by the 2009 King III Code of Governance Principles for South Africa (King III Code), the International Integrated Reporting Committee (IIRC) Framework, and the National Treasury Annual Report Guidelines for Public Entities. We have also taken note of the draft King IV recommendations that are currently out for public comment.

We have also been guided by the Global Reporting Initiative (GRI) principles of transparency, inclusiveness, auditability,

completeness, relevance, sustainability, context, accuracy, neutrality, comparability, clarity and timeliness as the basis for our reporting on the environment, social and governance matters. Only matters that are deemed to be material to us, as a Seta, and of material impact to our stakeholders, have been included in this report.

We have adopted the IIRC Integrated Reporting Framework's capitals model as a guideline to report on the value that we created for our stakeholders, namely, financial capital, human capital, social and relationship capital and intellectual capital. (Manufactured and natural capital are not included as these are not applicable to Fasset.)

Our report relies on a combined assurance model. The AGSA has audited our financial statements and our performance information, and our management team and internal audit team have provided internal assurance. Sound leadership and stakeholder involvement also adds credibility to our report.

We have only included summarised financial statements in this report. These have been prepared in accordance with the standards of GRAP issued by the Accounting Standards Board in (ASB) Accordance with the SDA and the Skills Development Levy Act (Act No 9 of 1999) as amended (SDLA). The fully audited financial statements are available on our website.

NAVIGATION KEYS

The navigation keys included in the report refer readers to information found elsewhere in the report for ease of reference:



ABOUT FASSET

In order to assess our performance and the value that we have added, it is critical that our stakeholders understand our strategy, the operating environment, how we are structured, the nature of the sector that we serve, and how these have impacted on our delivery in the reporting period.

Who we are

Fasset has been operating since April 2000 as licensed by the Minister of Higher Education and Training (MHET) every five years. The current Seta license expired on 31 March 2016 and the Seta has been re-established for a further two years until 31 March 2018.

As a public entity, Fasset reports to the Minister as the Executive Authority of the Seta. We are accountable to Parliament and are also under the oversight of National Treasury in terms of performance management and financial administration. We engage with a broad range of stakeholders in the public domain in fulfilment of our Seta mandate, which requires us to uphold principles of good governance in the interest of making a meaningful contribution to skills development, for the benefit of the Fasset sector and the country.

We are responsible for activities within the finance, accounting, management consulting and other financial services sector. The Seta is bound by various mandates ranging from legislative to constitutional, policy and Government imperatives, the Public Finance Management Act (PFMA), the SDA, Skills Development Levy Act (SDLA) of 1999 (as amended), the Fasset Constitution and other relevant legislation.


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

- Supporting the development and improvement of skills development interventions;
- Providing assurance of quality in education and training;
- Enhancing access to learning opportunities;

- Encouraging active employer participation;
- Supporting the objectives of the Employment Equity Act (EEA) of 1998; and
- Addressing the needs of the South African labour market including that of employers, workers and Small, Medium and Micro Enterprises (SMMEs).

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

Our mandate


We remain focused on delivering on our mandate as a Seta which is broadly aimed at facilitating skills development in the Fasset sector and the broader economy. Full details of how this has been addressed in terms of our strategy and the programmes supported are available on the Fasset website. 

Fasset strategy

We defined our strategic outcome-oriented goals as follows:

- Conduct research into the skills needed in the sector and to provide stakeholders with information needed to make informed decisions on skills development opportunities;
- Support skills development initiatives to produce mid-level and high-level skills and transform the sector; and
- Support workplaces in the sector to develop and grow the skills levels of the current workforce.

These were pursued over the five-year licensing period that ended on 31 March 2016 to enable us to realise our vision and mission. The strategic outcome-oriented goals were set taking into account the needs of the sector as outlined in our SSP, as well as the objectives set by the NSDS III, Medium Term Strategic Framework (MTSF), Human Resources Development Strategy for South Africa (HRDS-SA), the National Development Plan (NDP), Industrial Policy Action Plan (IPAP), the National Growth Plan (NGP) and the National Skills Accord (NSA).

Full details of on the programmes implemented to deliver on the strategic-outcome oriented goals are included on our website.  Please refer to Appendix A of this report for performance information for the period in respect of these programmes.

About the Fasset sector

The Fasset sector consists of the following sub-sectors:




In the period under review, 4 006 organisations paid skills development levies to Fasset. A further 262 levy-exempt organisations registered with Fasset as employers in the sector. In addition, there are a number of proprietorships or professionals with very small (often one-person) practices that are not registered with Fasset as a Non-Levy Payer (NLP).

According to Fasset's updated Sector Skills Plan for 2015/16, the profile of member organisations is as follows:

- 92%** of organisations are small organisations and employ fewer than 50 people;
- 6%** of organisations are medium organisations and employ 50 to 149 employees;
- 2%** of organisations are large organisations and have 150 or more employees; and
- NLP organisations have an annual payroll of less than R500,000 per annum.

The services rendered by organisations in the sector are mainly of a specialised and professional nature. Consequently, the sector tends to employ large numbers of professionals. A special feature of the sector is the presence and influence of a number of professional associations whose roles have become ingrained in the sector's qualification structure, in the organisation of education and training, and in the professional designations used in the sector. The professional bodies play a very important role in skills development in the sector and are closely involved in Fasset's initiatives and activities.

Full details on the profile of our sector in terms of race, gender, age, occupation levels and provincial representation is available on the Fasset website. 

How we operate

Fasset receives monthly Skills Development Levy (SDL) from employers who pay SDL based on 1% of their payroll for that month. As a Seta, we are allocated 80% of the levies of employers registered with Fasset (in line with the Standard Industrial Classification (SIC) Codes that belong to Fasset) and the balance (20%) is allocated to the National Skills Fund (NSF). Government departments may contribute 30% of 1% of their payroll as additional income to the Seta, in line with a directive from the Department of Public Service and Administration (DPSA) that SDL may be contributed by government departments to their line Seta. In terms of the new Seta grant regulations, Setas retain 10.5% of the levy for administration and The additional 0.5% is to be set aside for the Quality Council for Trades and Occupations (QCTO). Any savings or surplus administrative money is transferred to the discretionary fund pool. These funds are then used for strategic projects such as Bridging Programmes.

Our funding received is allocated as follows as determined by the Seta grant regulations:

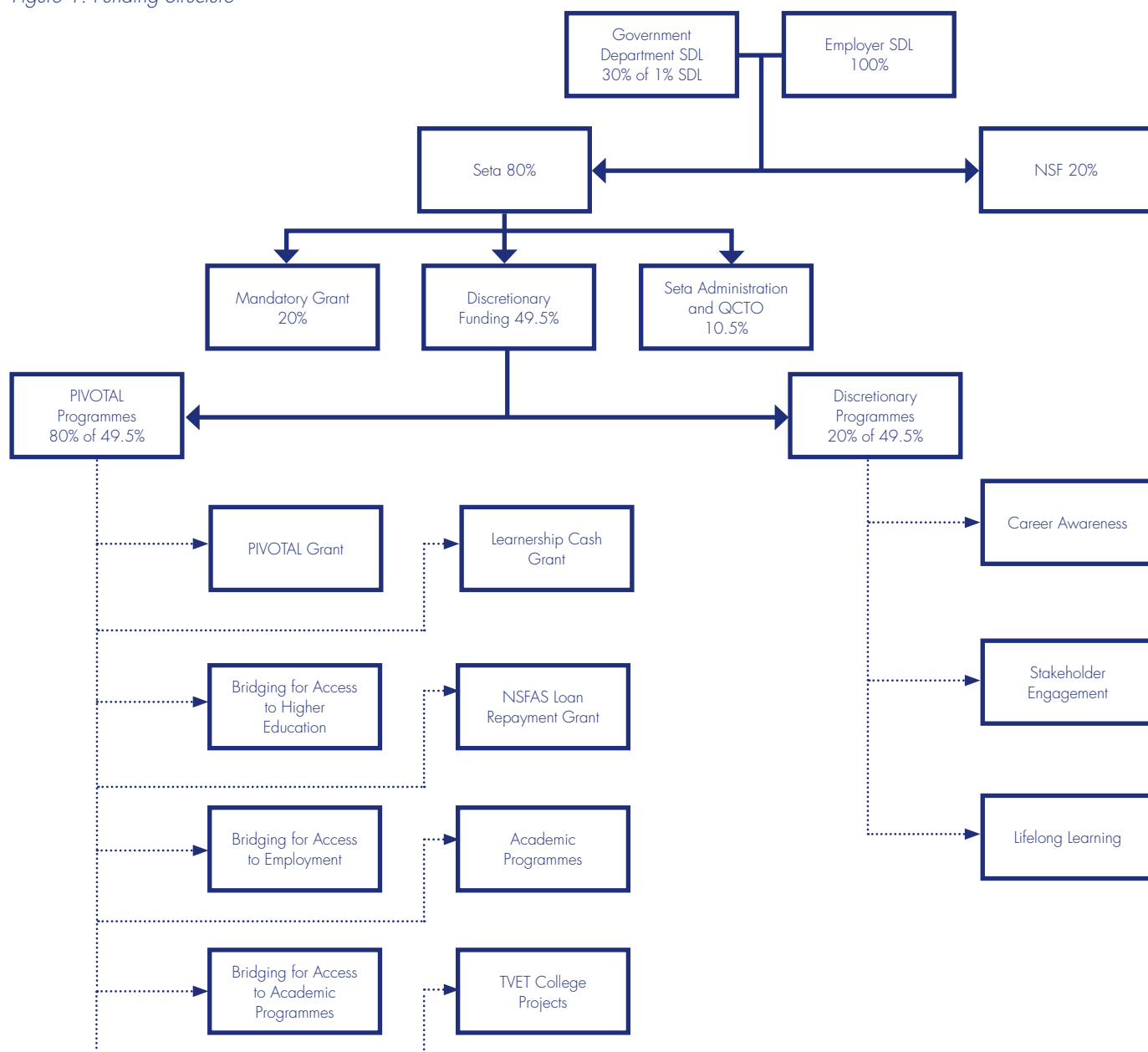
- 20% is paid out in terms of the legislated Mandatory Grants;
- Any unclaimed Mandatory Grants are transferred to the discretionary fund;

- 80% is allocated to discretionary funds and are used primarily for PIVOTAL programmes as well as other strategic interventions as detailed in the strategic plan (SP);
- Of the contribution received from Government Departments, 10% is allocated to the administration budget; a maximum of

0.5% is allocated to the QCTO and the remaining funds are allocated to the Seta's discretionary fund; and

- Any additional income received by the Seta is allocated to discretionary projects.

Figure 1: Funding Structure

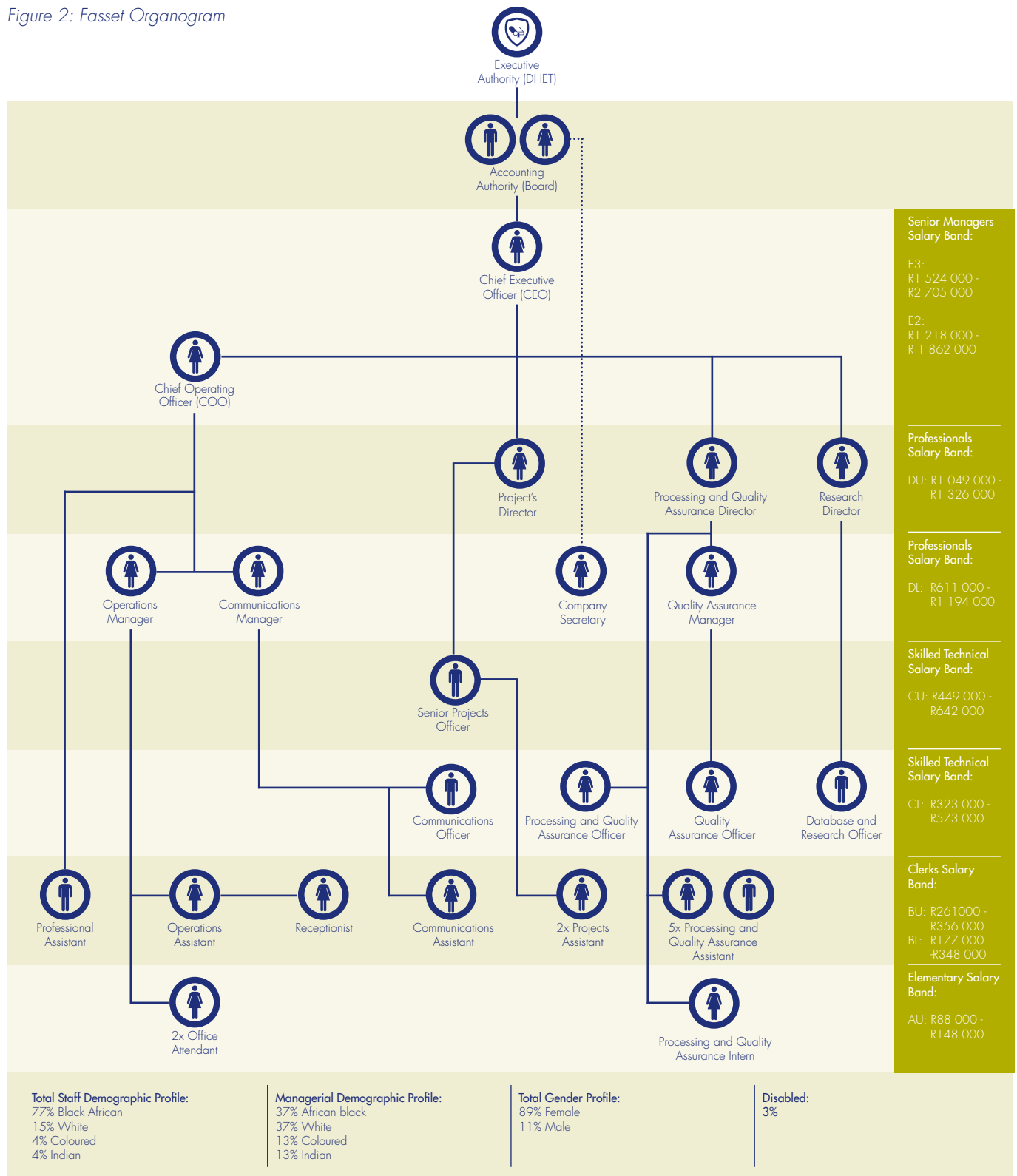


Integrated thinking has compelled our Board and management team to carefully consider the relationships between our various departments, the capitals which we deploy and the impact that our decisions have on delivering against our mandate. We recognise that each capital offers benefits and risks, and that there is always a trade-off when we deploy these capitals.

The drivers of value in our business are performance areas which benefit employers or learners and include Mandatory Grants, Discretionary Grants, bridging programmes and lifelong learning interventions. Our business enablers include our people, our intellectual capital, our systems and processes, IT, SCM, and our partnerships with a range of stakeholders.

Our Organisational Structure

Figure 2: Fasset Organogram



Note: Salary bands include medical aid subsidy and group risk cover

There was one promotion into a senior management position, two resignations and one new appointment at a manager level during the period.

Executive Office



Cheryl James
Chief Executive
Officer



Lesego Lebuso
Chief Operations
Officer



Gugu Moetanelo
Company Secretary



Sello Malatsi
Governance
Administrator



Lauren Derman
Director of Research



Biggie Chidzondo
Database and
Research Specialist

Processing and Quality Assurance



Natércia Faustino
Director of Processing
and Quality
Assurance



Marlie Spencer
Quality Assurance
Manager



Molly Rabaloi
Quality Assurance
Specialist



Nomadlozi Buthelezi
Learnership Specialist



Mando Mahlangu
Grants Specialist



Maphuti Setati
Grants Administrator



Unathi Nkosiyan
Grants Administrator



Berlinda Melamane
Learnership
Administrator



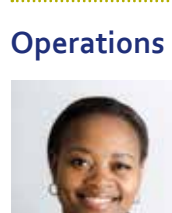
Desirée Rikhotso
Grants Administrator



Simon Mokete
Learnership
Administrator



Khomotso Phetla
Quality Assurance
Administrator



Bomkazi Mnombeli
Operations
Manager



Glodinah Moleko
Operations
Administrator



Queen Maphoto
Operations
Administrator

Projects



Tania Lee
Director of Projects



Amos Nokoane
Projects Specialist



Nomandla Mtetwa
Projects Administrator



Thandiswa Nduna
Projects Administrator



Annah Maseko
Office Assistant



Pearl Thomo
Office Assistant

Communications



Zandile Skosana
Marketing and
Communications
Manager



Thabiso Sebashe
Marketing and
Communications
Administrator

Research



Lauren Derman
Director of Research



Biggie Chidzondo
Database and
Research Specialist

Operations



Bomkazi Mnombeli
Operations
Manager



Glodinah Moleko
Operations
Administrator



Queen Maphoto
Operations
Administrator



Annah Maseko
Office Assistant



Pearl Thomo
Office Assistant

Executive Office: The Executive Office drives the strategy, positioning, development, operations and governance of Fasset.

Research: The Research Department is involved in the strategic planning for Fasset by generating and coordinating research in the sector.

Processing and Quality Assurance: The Processing and Quality Assurance Department is responsible for registering assessors and moderators, accrediting providers and registering learnership agreements as well as assisting Skills Development Facilitators (SDFs) in the Fasset sector, through grant administration (Mandatory and Discretionary Grants).

Projects: The Projects Department is responsible for managing the programmes funded from discretionary funding such as Bridging Programmes, TVET projects and Lifelong Learning Programme.

Communications: The Communications Department is responsible for leading, developing and implementing integrated communication strategies so that stakeholders are regularly informed regarding Fasset, its service offerings and brand.

Operations: The Operations Department manages the office infrastructure and provides general office support, including the development and implementation of policies and procedures, for the effective and efficient operations of Fasset.

Our material issues

Material issues are those issue that can potentially “make or break” our ability to create value by delivering against our core objectives and strategy, and include issues which cause reputational damage. Also included are and issues which can impact on our social licence to operate, as well as our ability to create value over the short to medium-term.

Identifying the issues, which are material to Fasset, focuses attention on core issues which Fasset manages. The process of determining materiality has compelled our Board and management team to adopt integrated thinking when critically evaluating risks and opportunities in our operating environment. This process has resulted in integrated decision-making based on a careful consideration of the impact on the various capitals, and on value creation in the short to medium-term.

In determining materiality, we have considered strategy, governance, performance, prospects and the four capitals that apply to Fasset. Our material issues, the associated risk and potential impact, and how the risks of these material issues are being managed, are outlined in the table below.

Table 1: Fasset's Material Issues

			
Material Issues	Risk and Potential Impact	Managing the Risk	Section and Page Reference
Compliance with general regulatory and Seta-specific legislative frameworks to ensure good governance.	Failure to comply with regulatory and Seta-specific legislative framework could result in fraud; it could also result in Fasset losing its operating licence, a legal breach or a failure to meet objectives.	Fasset ensures compliance and good governance through relevant legislative frameworks.	Who we are p16; Governance and Accountability p43.
Delivering on our Seta mandate.	Failure to deliver on its Seta mandate could result in shortages of finance and accounting skills in the Fasset sector and the economy as a whole.	Fasset signs a Service Level Agreement (SLA) with DHET annually committing Fasset to deliver against NSDS III goals and objectives.	Performance Overview p24.
Driving transformation in the Fasset sector.	The sector does not transform and does not meet the country's demographic profile.	Fasset uses discretionary funding to support African Black learners to drive its transformation agenda. The Seta only funds African Black learners on bridging programmes.	Adding value to stakeholders p28.
Ability to attract and retain appropriate skills (our human capital, and our intellectual capital).	Fasset does not have the requisite skills, knowledge, competence, experience or intellectual capital to deliver against its mandate.	We rely on our employees' knowledge and training to fulfil our mandate. Our Education and Training Policy ensures that staff are upskilled and capacitated to deliver against Fasset's strategic objectives.	Adding Value to Stakeholders p28.
Producing quality skills research that is relevant and enables effective strategic planning and execution of the skills development mandate.	A credible institutional mechanism for skills planning is not in place and misallocation of financial resources.	Our dedicated Research Department conducts research in pertinent areas. Our Board approves the department's research topics.	Performance Overview p24.
Tracking the impact of skills development interventions in the sector.	A credible institutional mechanism for skills planning is not in place thus impacting on our ability to deliver on our mandate.	Our Research Department was tasked with completing M&E 2015 report on the impact of Fasset projects.	Performance Overview p24.
Effective stakeholder engagement.	Stakeholders not engaged and the Seta is not informed of stakeholder needs, concerns and expectations. This could negatively impact on our social licence to operate and misallocation of resources.	We have implemented a Stakeholder Engagement Plan.	Stakeholder Engagement p25.



PART 2

PERFORMANCE
INFORMATION

STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

for the year ended 31 March 2016

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

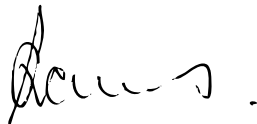
The CEO is also responsible for establishing and implementing a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion as the CEO of Fasset, the Annual Integrated Report fairly reflects Fasset's operations, performance and financial affairs for the financial year ended 31 March 2016.

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

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

Furthermore, the Fasset Board has reviewed and approved the Annual Financial Statements and performance information contained in this report.



Cheryl James
CEO



Mr Shahied Daniels
Acting Chairman

PERFORMANCE OVERVIEW

An overview of our performance during 2015/2016 is outlined below. These should be read in conjunction with Appendix A of this report on our performance against deliverables.



Successes

- Achieved a clean audit for the sixteenth year in succession;
- SSP updated and research agenda for the year fully executed;
- JSE/CSSA annual integrated report award win for the two successive years;
- Six of seven targets for the development of skills at middle level (NQF 1 – 5) successfully achieved;
- 4 322 learners registered on high-level (NQF 6 – 10) learnerships;
- 20 476 workers and unemployed people trained on Lifelong Learning skills programme on middle and high-level;
- 132 TVET College learners completed in-service training for the purposes of completing the National Diploma qualification;
- Eleven research outputs produced to establish institutional mechanism for skills planning;
- Assisted 196 learners at various institutions of higher education and training with a Fasset-funded NSFAS bursary;
- 264 career guidance events across the country especially the rural areas;
- 20 Brand Ambassadors appointed at TVET Colleges, Universities and Universities of Technology;
- 25 partnership agreements entered into with Universities and TVET Colleges;
- Supported 2 937 learners on the Bridging Programme for Academic Support and the completion of qualifications and/or professional designations;
- Retained placement rates of 70% for learners from its Bridging Programmes into Employment despite a challenging economic climate;
- Allocated R120,2 million to the Bridging Programme for Access into Employment, which was completed by 1 098 learners;
- 4 322 learners registered on high-level learnerships;
- 20 476 workers and unemployed people trained on the Lifelong Learning skills programme to the value of R18 million;
- Settled outstanding NSFAS loans for 142 learners to the value of R4,2 million;
- Eleven research outputs produced as part of establishing a credible institutional mechanism for skills planning; and
- 999 large, medium and small firms supported through the Mandatory Grant and Lifelong Learning workshops.



Challenges

- Uncertainty regarding the future Seta landscape;
- Instability in the post-school education environment;
- The small pool of Grade 12 learners with good marks in Pure Maths;
- Complex inter-Seta learnership registration processes which results in delays and impacts target achievement; and
- Performance targets not achieved due to administrative challenges such as lack of supporting documents or learner data not submitted timeously, to enable participation of eligible learners.



Opportunities for 2016/2017

- Position all Fasset learners and project beneficiaries as Fasset Brand Ambassadors;
- Continue to work very closely with our employers to place work-ready beneficiaries from our work readiness programmes and TVET College WBE programme;
- Establish a Fasset Alumni that employers could tap into to access work-ready graduates for placement into employment and as part of the broader Fasset Brand Ambassador network;
- Implement the environment and CSR implementation plan as part of integrating environment and social considerations into Fasset's sustainability imperative;
- Continue to implement discretionary-funded programmes aimed driving the transformation agenda; and
- Embrace the transformation principles of the PPPFA to encourage greater participation of emerging Black providers in Fasset procurement.

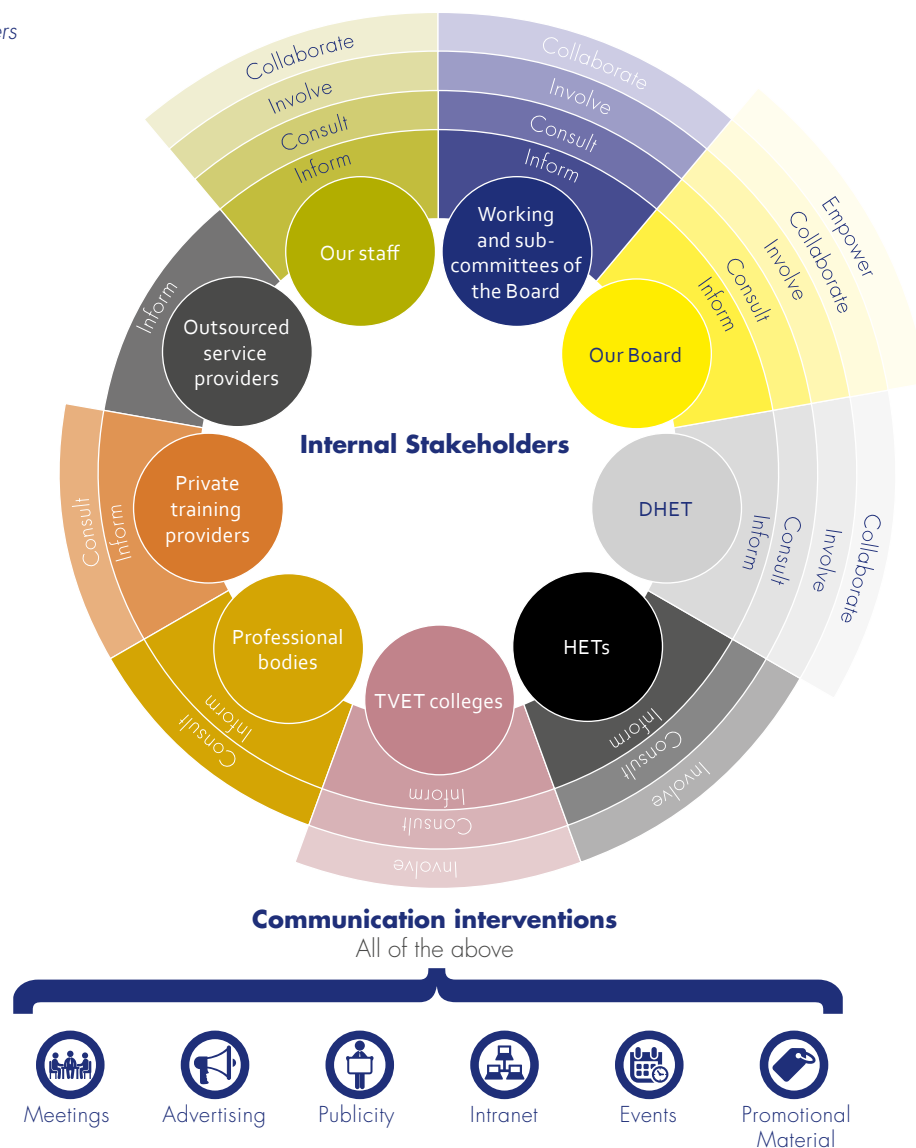
STAKEHOLDER ENGAGEMENT

We recognise that regular engagement with our stakeholders is key to understanding our stakeholders' expectations and concerns, and the importance of us responding to these.

We engage with the following internal and external stakeholders in the implementation of skills development interventions to fulfil our mandate as a Seta:

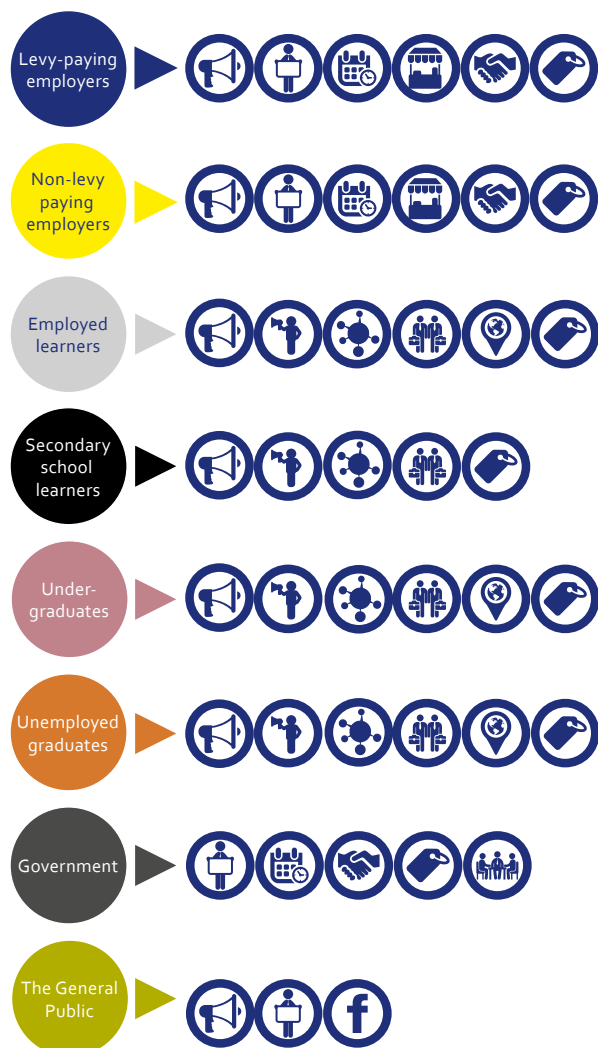
Figure 3 provides a diagrammatic representation of our stakeholders.

Figure 3: Our stakeholders





Communication interventions



A Stakeholder Engagement Plan was drafted and implemented during the year under review. This enabled us to obtain valuable input in areas such as research, grants, the lifelong learning programme, bridging programmes, bursaries, career awareness, communication activities and quality assurance. It also provided us with the opportunity to further position the Fasset brand, inform Fasset employers of benefits and incentives, provide learners with information about careers and learnerships, and share our learner success to showcase the results of the Fasset-funded programmes.

In the year under review, we followed up on feedback received during the Customer Satisfaction Survey (CSS) conducted in 2014 - 2015, where a number of concerns were raised by stakeholders regarding the quality and efficiency of our query resolutions. We took the feedback to heart and developed an action plan, which was implemented during the year under review to specifically engage further with training providers and large employers as stakeholder groups that had raised areas of improvement. A follow-up CSS was conducted among training providers and large employers to ascertain whether our remedial actions yielded positive results. We consider a customer satisfaction rating of 83% the desired performance score as the best practice standard in a service environment.

Key findings include:

- (2014) corporate image 87%; (2015) 84%
- (2014) quality of service 58%; (2015) 79%

- (2014) products and services 79%; (2015) 70%
- (2014) overall satisfaction 63%; (2015) 84%
- (2014) handling of queries 73%; (2015) 78%

The results indicated notable improvement in key areas despite the fact that some of the ratings were below the targeted 83% standard. Large employers, who were particularly concerned in the 2014 CSS, reported in 2015 that Fasset had improved in areas such as effective communication, payment of grant money and providing feedback. An action plan has been drafted to address the issues raised by stakeholders, and includes the following:

- Increased and clear communication of Fasset's strategic and operational plans;
- Ensure user-friendly grant application forms and processes;
- Develop a guideline for employers outlining the various Fasset programme offerings, including information on cross-sectoral learnerships, recruitment of work-ready graduates for placement into employment and lifelong learning interventions;
- Ongoing customer service training programmes for effective and efficient query resolutions; and
- Strengthen communication and awareness of discretionary-funded programmes on various platforms such as the website and other electronic channels.



Fasset's Annual General Meeting and Thank You Event at The Venue in Melrose Arch

ADDING VALUE TO OUR STAKEHOLDERS

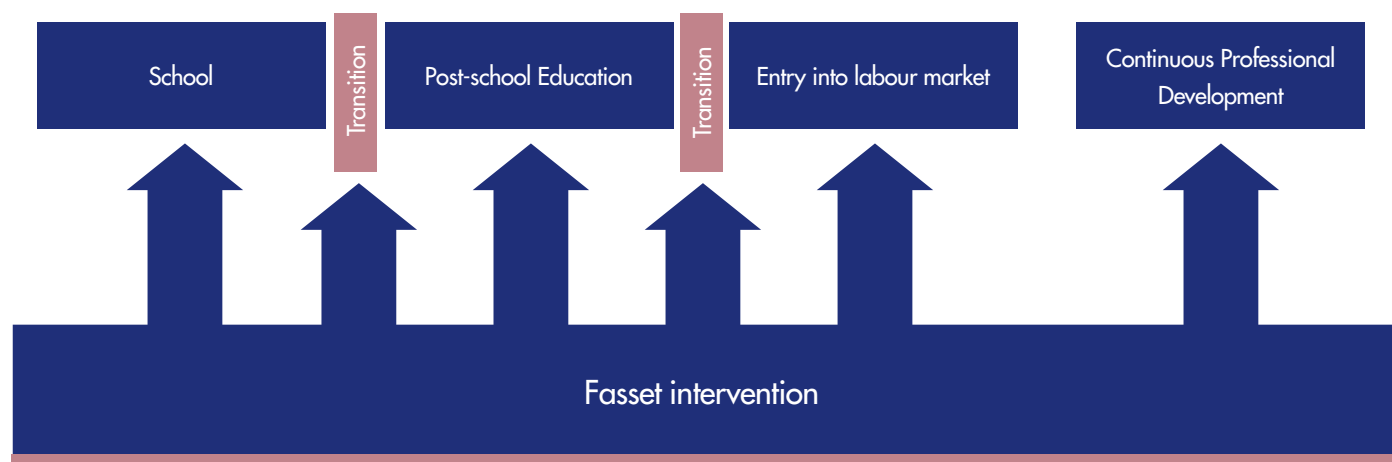
As we reflect on Fasset's achievements over the past sixteen years, it is clear that Setas in general and Fasset specifically have contributed positively to the landscape of learning in the country. Individuals who may not have otherwise received training, including the unemployed, historically marginalised individuals, and individuals such as support staff, who may have been 'overlooked' in the past, have been trained and upskilled as a direct result of the work that Setas do.

Fasset programmes impart world-class skills. This is a driver of value for employers as they are often required to provide accounting and finance support globally. We encourage learners to pursue a career in the sector, bridge them into tertiary education, support them through tertiary education, and bridge unemployed learners into employment. Once in employment, we incentivise employers to upskill learners by way of incentives and grants. We also support learners and professionals throughout their career through our lifelong learning interventions.

Our skills pipeline approach

We have adopted a skills pipeline approach. We support learners at school level, throughout their university or professional body studies, and current employees, through Fasset-funded bridging programmes and lifelong learning events. *Figure 4* provides more information.

Figure 4: Fasset's Pipeline Approach to Skills Development



Key performance information

Fasset enters into a SLA with DHET on an annual basis. Targets are set for specific learning programmes that are linked to NSDS III outputs. We report on our performance in accordance with the pipeline approach. The indicators and targets, achievement and reason for deviation are provided in Appendix A on page 60.

1. Learner interventions

The learner stakeholder group includes employed (referred to as 18.1) and unemployed (18.2) learners. Fasset supports this stakeholder grouping through a variety of interventions including career awareness and bridging programmes.

1.1 Career awareness

Learners often struggle to make informed career choices due to a lack of proper career guidance. Our Career Awareness Programme raises awareness about the various career options at accounting technician through to accounting professional level, delivered in urban and rural areas across the country. We encourage learners to align their career choices with scarce skills shortages so as to enhance their employability as well as assist them in making the correct subject choices.

For the year under review, we participated in 264 career awareness events, which included the following:

- Working World Exhibition in Port Elizabeth;
- Nelson Mandela Bay Stadium in Port Elizabeth;
- Finance, Banking and Investment Career Day in Mokopane, Mapela Region;
- Careers in Finance Day in partnership with Bankseta and Inseta in Bloemfontein;
- Nelson Mandela Day Career Festival hosted by DHET at Esikhawini - Ufolozi TVET College; and
- Career Guidance event at Pella Village Sports Centre, the De Aar Career Guidance event, Ikhalo TVET College, as well as the SABC Careers Indaba held at the Sandton Convention Centre.

We appointed 20 Brand Ambassadors at Universities, Universities of Technology and TVET Colleges. We trained them on careers in the Fasset sector, Fasset grants, our TVET Work Based Experience programme and our bridging programmes. Their role was to disseminate information to students on campus, learners at schools and to learners and parents in the communities in which they live. The Brand Ambassador programme will be extended in the coming year and re-established as the Fasset Alumni programme for current and past Fasset-funded project beneficiaries to “pay it forward” by sharing motivational talks and delivering career awareness talks

to learners at schools and institutions of higher learning. This will form part of an integrated career awareness programme that will include the development of a career portal that can be accessed by learners, teachers, parents and employers.



Fasset Campus Brand Ambassadors



Finance, Banking and Investment Career Day in Mokopane, Mapela region



World of Work Career Expo in Nelson Mandela Bay Stadium



ONKE ANCHORS CAREER ON RISK SKILLS

"Be yourself – everyone else is taken." Wise words from Onke Mkwizwana, a motivated young

man with sights set on making his mark in the business world and inspiring others to emulate his example of grabbing every opportunity that presents itself.

Onke completed the Fasset-funded TVET WBE programme in September 2015, having done his internship with KPMG. The company clearly saw something special in the youngster and appointed him as a risk administrator.

My job involves analysing risks as well as identifying, describing and estimating risks affecting or having the potential to affect the business," he says.

"Risk evaluation entails comparing estimated risks against criteria such as costs, legal requirements and environmental factors, and evaluating the organisation's historic handling of risks. It is also about establishing and quantifying the organisation's risk appetite.

"Risk reporting is an important management tool, as it helps the Board understand the most significant risks and ensures that business heads are aware of risks in their areas, and understand how these are accountable."

Onke's duties include implementing health and safety measures and business continuity plans to limit risks, and providing staff with support and training to raise awareness about risks. The programme has had a profound effect on Onke's outlook and life, transforming him into a professional with integrity and respect who lives and breathes the values of KPMG.

This is only the beginning, he adds. "In ten years' time, I imagine myself as an influential entrepreneur who creates opportunities and changes lives. My legacy will be my empowerment of others to become entrepreneurs."

Onke has some sound advice for up-and-coming businesspeople. "Life is not about measuring yourself against others, because we all have different starting points. It is measuring yourself against the only person standing where you are right now, and that is you."

This philosophy is among the reasons that Onke is well on the way to becoming the "next big thing".

Onke Mkwizwana

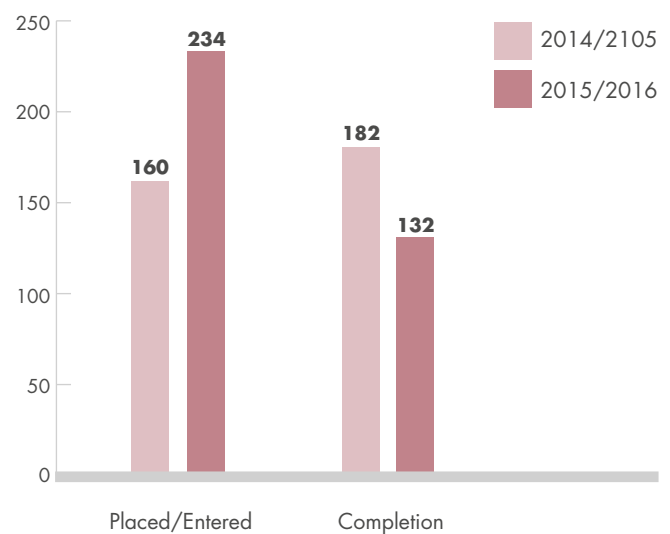
TVET WBE Programme beneficiary

1.2 TVET Workplace Based Experience Programme

Learners who participate in the TVET WBE Programme are drawn from specialisations such as financial management, business management, marketing, management assistance and Human Resources (HR) management. They are placed with Fasset employers for 18 months, enabling them to obtain the practical work experience required to complete their National Diploma. This initiative is also adding value to Fasset employers who now have an additional category of learners from which to recruit. Once they have completed their internship, learners are available to employers in the broader economy.

In last year's report, we reported that Fasset had provided a TVET learner with an internship at the Fasset office. Khomotso Phetla has completed her eighteen-month internship and has joined our permanent staff. She is now well on her way in her career to "become the next big thing."

Figure 5: TVET WBE Programme Learners entered and Completed



1.3 Bridging Programmes

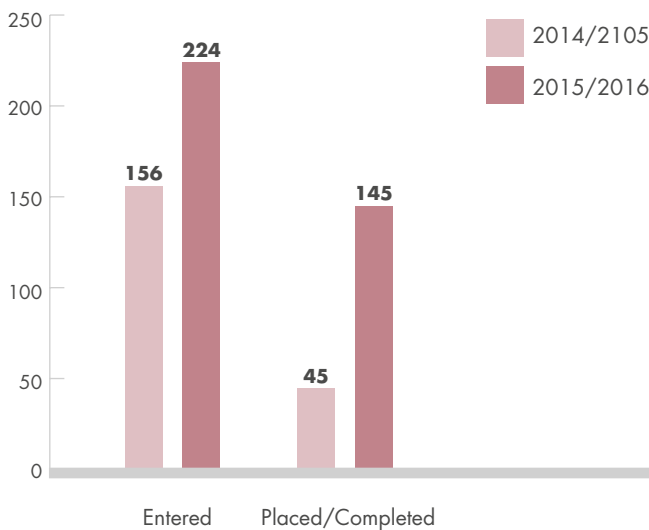
Fasset Bridging programmes encompass the entire skills pipeline. In keeping with its pipeline approach to skills development, Fasset funds Bridging Programmes for Access into Higher Education (NQF Level 5), Bridging Programmes for Access into Employment (NQF Level 6-7) and Academic Programmes (NQF Level 6-8), which lead to the completion of a qualification, and/or a professional designation.

Programme beneficiaries can pursue a career in the finance and accounting services sector or the broader economy. Fasset encourages employers to recruit from these programmes.

Bridging Programmes for Access into Higher Education

These projects target learners who have made incorrect subject choices for entry into a sector-specific educational qualification. These programmes add considerable value to learners as they target learners who would not be funded by employers or other institutions. Without Fasset funding, this potential skills category would be lost to the sector and the economy as a whole. Without support, they would not be able to realise their dreams or become “the next big thing.”

Figure 6: Bridging Programmes for Access into Higher Education



Bridging Programmes for Access into Employment

As part of driving transformation within the sector, in recent years Fasset has mainly funded programmes for access to employment, which target Black African learners and learners with disabilities. Within six months of completing the programme, Fasset expects learners to be placed into employment, onto a learnership or on an internship.

During the period under review, Fasset funded allocated funding for 2 266 learners. We achieved an overall placement rate of 70%. Learners were placed in the Fasset sector and the broader economy.

Besides empowering learners by equipping them with work readiness skills which enhance their employability, project beneficiaries add considerable value to employers because they are work-ready, have undergone psychometric testing, their criminal records have been checked, and employers do not need to pay a recruitment fee for these learners.



I HAVE A BRIGHT FUTURE

“I am giving it my all to become the next big thing. I have learnt that success is not only about hard work but about what you say to yourself. So, every day I say to myself I am a Professional Accountant; I am a Chartered Accountant. This year I am saving so that I will be able to register through University of South Africa (Unisa) to complete my Advanced Diploma and then my Certificate in the Theory of Accounting (CTA); this will lead to me fulfilling my dream of becoming a Chartered Accountant.

In five years I want to qualify as a Professional Accountant. I also want to be well on my way towards achieving my ambition of becoming a Chartered Accountant. I know this is possible. I am very aware of the fact that I am the only one who can limit my own achievements. I am determined. No-one has the power to stop my creating a very bright future.

I am currently employed as a junior accountant at Wayne Smith and Associates. In five years’ time, I will have the letters CPA (SA) behind my name, and in ten years’ time, I will add CA (SA). Thank you Fasset for giving me the push and helping me to take the step needed to climb the corporate ladder and to achieve my dreams.”

Felicia Khadambi

Bonani 19 Bridging Programme beneficiary



THE NEXT IT THING

There's more to Fasset's Business Analyst Programme graduate Koketso Joubert than initially meets the eye. Sure, she exudes confidence and enthusiasm, but she is also fiercely independent, yet a committed team player. And she is a problem solver and detail-oriented employee who believes in adding a touch of fun to every task.

Koketso invests in her future by continuously upskilling herself through in-house training and short courses. Getting ahead also demands faith, belief in oneself, a personal vision, determination and being prepared to work hard, she says. "The first step is to choose a dream, then believe it is achievable, even if it means less spending and more saving, or changing your habits."

"It also means accepting that you do not know it all, being willing to ask for help and recognising that failure is a part of success. Set deadlines and work towards milestones."

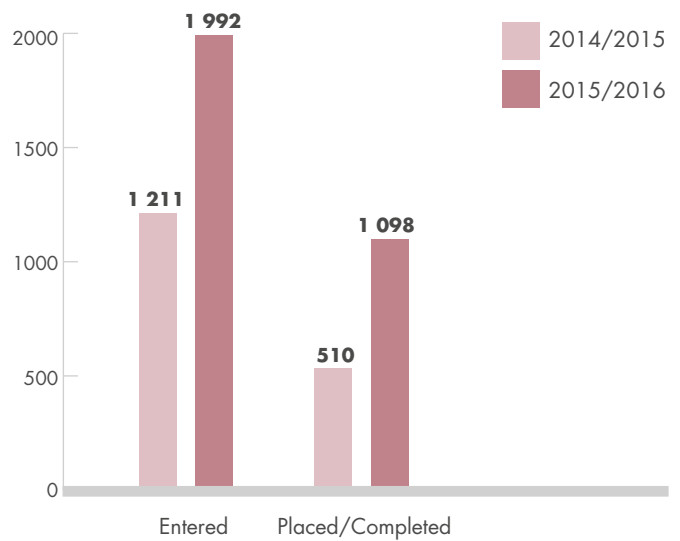
Koketso is a programmer at the Financial Services Board (FSB). Her 'to do' list grows constantly, as her responsibilities include publishing internet and intranet updates, developing documents, assessing technical requirements for new projects, handling data migration; and developing, testing, administering and training interns on portals. She credits the Business Analyst Programme for her good oral and written communication skills, her tact and her ability to relate to senior stakeholders with high expectations, so that she understands and responds to their needs in rapidly changing business environments.

"The programme taught me how to discover an organisation's strengths, weaknesses, opportunities, and threats, and to complete the value chain of the business to ensure sustainable growth and continuous improvement," she says. "It is creating brave, empowered and driven human beings capable of reaching their full potential." Although Koketso acknowledges that she has still much to learn, she aims to become a fully-fledged IT manager within five years.

Koketso Joubert

Rhodes Business School - Certificate in Sustainable Business Analysis Programme beneficiary

Figure 7: Bridging Programme for Access into Employment



Academic Programmes which lead to the completion of a qualification

Fasset funds projects that lead to the completion of scarce skills qualifications and professional designations. In recent years, Fasset has only funded Black African learners. Project beneficiaries are expected to achieve at least a 10% higher pass rate than the national average. Fasset allocated funding to 4 680 learners during the period under review. We achieved a significant improvement in overall pass rates across all universities, however, the #FeesMustFall campaign impacted negatively on the results of many students due to additional classes also being affected.

During the period, Fasset funded offerings from professional bodies such as SAICA, Association of Chartered Certified Accountants (ACCA), the Institute of Certified Bookkeepers (ICB), and Rhodes University.

2. What we do for employers

Over the past sixteen years, Fasset, together with employers in the sector, has weaved a tapestry of learning and development. By upskilling young South Africans, Fasset in partnership with employers is enabling young South Africans to become "the next big thing."

Fasset facilitates skills development for those already in employment, through its learnerships, grants and lifelong learning events.

2.1 Learnerships

Professional bodies in the Fasset sector belong to international bodies; therefore learners, who complete Fasset learnerships, which are aligned to professional bodies, have the assurance that their qualifications are world-class.

Employees can improve their skills levels incrementally as qualifications range from NQF levels 3 (Grade 11) to NQF Level 10, doctoral degrees. Qualifications include Certificates, advanced certificates, Further Education and Training Certificates and Diplomas, Postgraduate Diplomas and professional qualifications.

As at 31 March 2016, Fasset had registered 32 learnerships with DHET. (A full list of learnerships is available on our website.) Our learnerships range from NQF Level 3 to NQF Level 8 and offer various entry and exit points for accounting technicians and professionals alike.

Table 2 provides more information about the number of learners signed onto and completed Fasset learnerships during the year under review.

Table 2: Fasset Learnerships

Number of learners registered on Fasset learnerships (1 April 2015 to 31 March 2016)	Quantity
Number of learners signed onto Fasset learnerships (1 April 2015 to 31 March 2016)	4 322
18.1 learners (previously employed)	176
18.2 learners (previously unemployed)	4 146
Number of learners who have completed their learnerships (1 April 2000 to 31 March 2016)	2 183
18.1 learners (previously employed)	232
18.2 learners (previously unemployed)	1 951

Fasset is a professional sector; 33% of employees hold the minimum of a first degree. The majority of employees have completed NQF Level 6 or above (Diploma and Advanced Certificate).

Table 3 provides statistics on the number of learners who have completed Fasset learnerships.

Table 4: Lifelong learning Attendance

Influencing and Negotiation Skills Workshop	1 148
Fasset Incentives Event	92
Management and Leadership Skills Workshop	1 263
Labour Legislation Update	1 030
Effective Client Services and Return on Investment Workshop	1 691
Compliance with Changes in Legislation 2015 Update	2 000
Time and Stress Management Workshop	1 458
Project Management Workshop	1 074
Ethics, Risk, Governance and Fraud Workshop	1 825
Fasset Incentives Event	117
Office Etiquette and Diversity in the Workplace	2 036
Budget and Tax Update 2015	7 074

Table 3: Learners Completed per NQF Level

Learnership NQF Level	Completed Learners
NQF Level 6 and above	2 183
NQF Level 3 to 5	197

2.2 Lifelong learning programme

Being a professional sector, it is imperative that employees remain abreast of the latest thinking and legislative requirements. This can be challenging for our sector as the majority of member organisations are SMME practitioners and, therefore, have very small training budgets.

Our lifelong learning interventions are offered nationally, including in rural areas. Facilitated by experienced trainers, these interventions ensure that employees at all levels of the organisation can keep their soft skills and their technical skills current. Our lifelong learning events target employed learners, SDFs, HR professionals and middle and senior managers.

These interventions also create value for both Fasset and its stakeholders as they enable Fasset to engage on a one-on-one basis with its stakeholders. They also provide a marketing and branding opportunity for disseminating Fasset information.

Attendance of our lifelong learning events has declined in the year under review compared to previous periods. We attribute this to the fact that in the current tough economic climate, employers may not always be able to release employees to attend these events.

Table 4 provides more information about attendance at our lifelong learning events.

Table 5: Attendance at Fasset Lifelong Learning Interventions

Attendance at Lifelong Learning Interventions	Number of Attendees
1 April 2015 to 31 March 2016	20 476

2.3 Grants

Fasset disburses grants to incentivise employers to train their staff and to drive transformation. Due to the over-representation of White and Indian learners, and the adequate representation of Coloured learners in the sector, Fasset has only funded African Black learners since the 2012/2013 financial year.

Table 6 provides more information about Fasset grants that were offered during the period.

Table 6: Fasset Grants

Grant	Objective	Sdl Paying Employers	Non-SDL Paying Employers	Eligible Employees	Target Achieved
Mandatory Grant	To incentivise employers to train their staff. The submission of an Annual Training Report (ATR) combined with a Skills Development Plan (SDP) allows employers to claim 20% of the SDL paid to Fasset.	Yes	No	All	64%
PIVOTAL Grant	To incentivise employers to undertake education or training interventions in certain strategic priority areas. The PIVOTAL Grant enables employers to claim back a maximum of 49,5% of their SDL.	Yes	No	All	122%
Learnership Cash Grant (LCG)	To drive transformation within the sector, by incentivising employers with fewer than 150 employees to place African Black learners and learners with disabilities on a learnership.	Yes	Yes	African Black and learners with disabilities	72%
Assessor and Moderator Grant (AMG)	To incentivise individuals to become a registered assessor and/or moderator with Fasset.	Yes	Yes	All	Yes
NSFAS Loan Repayment Grant (NLRG)	To incentivise graduate African Black learners and learners with disabilities to complete their Learnership by assisting them to repay their NSFAS loans.	Yes	Yes	African Black and learners with disabilities	142%



FASSET'S NLRG CHANGES LIVES

Fasset introduced its National Student Financial Aid Scheme (NSFAS) Loan Repayment Grant (NLRG) to relieve learners on learnerships at Fasset-registered employers of their financial burden associated with the need to repay their NSFAS loans.

"Many of our trainees with outstanding NSFAS loans are also the breadwinners in their families. They do not have the luxury of a care free lifestyle due to family commitments such as putting food on the table or putting siblings through school. Having the burden of the NSFAS loan repayment taken away, our trainees now have some financial flexibility, which also contributes significantly to them focusing on their learnerships," Deloitte SDF, Subashni Naidoo explains.

Naidoo says many learners drop out of their CA learnership due to financial commitments. "Learners tend to hop from job to job for more money to cover their living expenses. Fasset's NLRG not only assists in repaying a debt on the learner's behalf, but also encourages learners to remain on the learnership as the grants are paid out in tranches, based on the progression of the learnership," she informs.

Deloitte Human Resource Learning Manager, Luyanda Samsam applied for Fasset's NLRG during his final year as a trainee accountant. Fasset repaid his outstanding NSFAS debt of R10 500. "Repaying your student loan is difficult, especially in these turbulent economic times. Another aspect that makes it much harder is your background; where you come from. As a black graduate, the moment you start working, you immediately step into the shoes of your parents and become the breadwinner. You have to ensure that your siblings, and in some cases, your parents or guardians are taken care of," Samsam observes.

Cathwell Sinyage, a second-year trainee accountant at Deloitte, is also a beneficiary of Fasset's NLRG. He is currently attending the Accounting Profession Training course in preparation for the last Board exam.

"I always wondered how I was going to survive in Johannesburg earning so little, paying for rent, food, and transport to work. On the other hand, NSFAS started contacting me about paying off the debt, which was around R80 000. Coming from a poor background, I was the main breadwinner. I provide for my parents and all my siblings. Everyone looked up to me for financial relief. On many days my mom and siblings went to bed with an empty stomach, just so that I could eat and be able to study. Paying off my NSFAS loan was not feasible in my current position. I had no disposable income left after taking care of my essential needs and my family's needs. I have learnt that it becomes very difficult for a young African man to save and create wealth for himself and his children. Most of us sink into debt with study loans. We start working, only to spend our money on debt repayments," he recounts.

Sinyage applied for Fasset's NLRG. "Fasset will be paying off R60 000 in total for my loan by the end of next year," he describes.

Fasset's NLRG has proved to be life-changing for Samsam and Sinyage. "My heart is overwhelmed with gratitude. I cannot express how thankful I am," Samsam concludes. Sinyage adds: "No words can express how I feel about being a beneficiary of this programme. I thank you (Fasset) from the bottom of my heart."

Photo: Subashni Naidoo - Deloitte

Table 7: provides more information about the number of applications for these grants over the past two years.

Table 7: Approved Grant Applications

Grant	2015/2016			2014/2015		
	Target	Achievement	Pay-out	Target	Achievement	Pay-out
PIVOTAL Grant	1 250	1 526	80%	1 285	1 321	91%
Learnership Cash Grant	350	251	47%	220	171	97%
NSFAS Loan Repayment Grant	100	142	100%	150	56	19%



EMPLOYERS VALUE THE LEARNERSHIP CASH GRANT

LAGAB Financial Services is a small firm. The firm currently employs three Fasset learners and two non-Fasset learners. "We have recently been approved to employ two TVET learners. We will have ten employees by the end of September 2016," LAGAB Managing Director, Kgotsi Mohlala explains.

Fasset's LCG incentivises employers to recruit learners onto learnerships. "The LCG has enabled the company to grow from two employees to six in 2009. We have been able to utilize the LCG to cover travelling, fuel, stationery and refreshments costs," Mohlala informs.

Since 2008 the firm has placed ten learners onto learnerships as a direct result of Fasset's LCG.

Mohlala would like to encourage employers to apply for this grant: "We need to provide the youth in this country with hope. It pains me to advertise two learnership positions and end up with thousands of deserving graduates applying. Learning centres, which provide experiential training must be supported wholly."

He believes the LCG adds considerable value: "We will always be grateful to Fasset for having provided opportunities to the learners, who are now contributing to the growth of this country and their families. Keep on supporting the underprivileged."

Photo: Kgotsi Mohlala - LAGAB Financial Services

3. Working with Government Entities

The Government stakeholder group includes DHET, the Higher Education and Training Portfolio Committee, South African Qualifications Authority (SAQA), the QCTO, SARS, National Treasury, the AGSA, Parliament and inter-Seta Forums.

Fasset reports on its financial and non-financial performance to DHET, the Higher Education and Training Portfolio Committee, National Treasury, the AGSA, and Parliament. It receives its SDL funding from SARS. Seta forums provide opportunities for Setas to collaborate on initiatives such as lifelong learning events or career awareness.

Fasset works closely with SAQA to recognise qualifications and part-qualifications on the NFQ, and the QCTO, to develop occupational qualifications for the sector. Partnerships with these entities are critical for enabling Fasset achieve its vision and mission and to meet NSDS III and SLA's.

We engage with these stakeholders on a consultative basis by submitting reports, attending meetings and discussion forums and responding to requests for information. [Table 8](#) provides more information about how Fasset engaged with each of these stakeholders during the period.

DHET

We have provided information about how we have engaged with DHET in [Table 8](#). In addition, Fasset also engaged with DHET through Fasset's comment on the Minister's draft proposal for the new NSDS and Seta landscape.

4. Education and training providers

Fasset's education and training provider stakeholders include professional bodies, private education and training providers, universities, Universities of Technology and TVET colleges.

Schools are also included in this group of stakeholders. Fasset engages with schools through its Career Awareness Programme. Representatives from this stakeholder grouping sit on various Fasset committees.

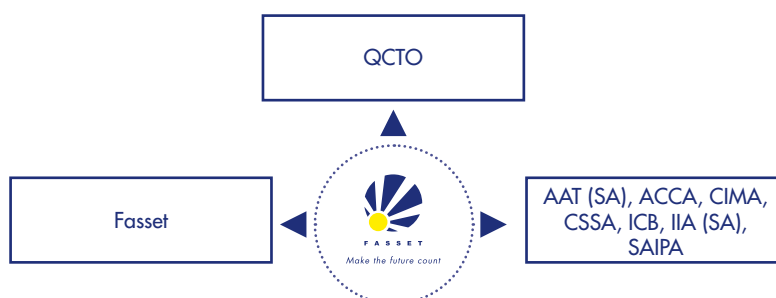
Sector professional bodies are responsible for quality-assuring most qualifications in the Fasset sector in consultation with professional bodies. During the past financial year, Fasset has taken over the certification of all qualifications; this was previously the domain of professional bodies. [Figure 7](#) provides more information about our Quality Assurance Providers (QAPS).

Fasset registered the first group of ten learners on the occupational certificate Financial Markets Practitioner Learnership, in partnership with the South African Institute of Stockbrokers (SAIS).

Table 8: Fasset Engagements with Government Stakeholders

Type of engagement	Participation	Stakeholder(s)
Strategic and Financial Reporting	The consolidation and submission of Fasset's comments to DHET on the Seta landscape discussion paper.	DHET, government entities and other departments
Quality Assurance	Fasset participates in and contributes to the DHET's planning of the implementation of a Central Application System (CAS) for access to PSET.	DHET
	The National Learner Records Database (NLRD) Forum aims to optimise the process of reporting and contributing to the credibility and validity of the NQF.	SAQA
	Assessment Quality Partner (AQP) forums are in place to discuss the processes and requirements related to accreditation, assessment and certification of newly developed occupational qualifications.	QCTO
	Development Quality Partner (DQP) forums are in place to discuss the processes and requirements related to the development of occupational qualifications as per the updated curriculum-based model.	QCTO
	Fasset assisted with developing a process for skills development provider accreditation for newly developed QCTO model qualifications.	QCTO
Research	EU Dialogue Forum on Skills Development	EU
	PSET Research Forum	DHET
Regional Co-ordination	Numerous fora are convened to discuss province or region specific projects. Fasset has contributed to these but has been most active in the following provinces: <ul style="list-style-type: none"> • Free State • Northern Cape • Western Cape • Mpumalanga • Eastern Cape 	Provincial Skills Development (PSDF) Human Resource Development Council (HRDC) Setas
Parliament	Responded to requests for information	Setas
	Submitted the SP, (APS) and Annual Integrated Report for tabling.	

Figure 7: Fasset's Quality Assurance Service Providers



A list of acronyms has been provided on page 68 of this report.

5. Engaging with the general public

We engage with the general public through our media coverage, our project showcases, learner graduations, national career exhibitions and our CSR initiatives.

5.1 Working with our suppliers

As a public entity, we are required to comply with the PFMA. We engage with a number of suppliers for the procurement of goods and services, including the implementation of discretionary-funded programmes that are awarded through the open tender system.

In the last year, we made use of the Prospective Provider List (PPL), which consisted of 394 companies (this was an increase from 332 in the previous year) registered on the Fasset procurement database. In the coming year, the PPL will be replaced and instead Fasset will make use of the Central Supplier Database (CSD) in line with the National Treasury directive.

We complied with a number of practice notes issued by National Treasury and amendments to our SCM policy will be finalised in the new financial year. We also continued to pay suppliers within 30 days from the date of receiving an invoice in line with PFMA stipulations.

The Fasset Board has identified the need to develop and increase procurement from emerging Black providers. An implementation plan has been developed, which includes an enterprise development programme, which will be implemented in the new financial year. Our procurement guide and compulsory tender briefing sessions continued to be provided in the year under review.

5.2 Corporate Social Responsibility (CSR) initiatives

The PFMA precludes public entities from using public funds to support CSR initiatives. Our CSR initiatives are therefore staff-driven and voluntary in line with our commitment to make a difference in the communities where we operate, however limited this may be.

Fasset is a Seta with a heart. As a good corporate citizen, we have a responsibility to help some of the most vulnerable people in South Africa. Apart from assisting learners to make informed career choices, we have reached out to the orphaned children at Ratang Bana in Alexandra and delivered career awareness

information and also inspired them to choose a career in the finance and accounting services sector. In addition to this, Fasset staff handed-over several pairs of school shoes that staff had collected, as part of a shoe donation drive. While the gesture may be small, the impact on the recipient was considerable. We will be building on this initiative in the coming year and have developed a CSR plan, which outlines the activities that we will undertake to make a difference in the communities we serve.



Learners from Ratang Bana Orphanage in Alexandra

5.3 Managing our environmental impact

Environmental impact is influenced by choices that individuals make about where they are housed, clothed, and how they consume food, energy and water. Decisions made in the workplace also impact on the environment directly and indirectly.

Fasset's operations consume water, electricity, cleaning materials, paper and other office consumables, toner and printer cartridges. Delivering our lifelong learning events, our Campus Brand Ambassador Campaign, our bridging programmes, attending meetings and travelling from home to our workplace and back also leaves a carbon footprint.

We encourage our employees to manage their environmental impact by conserving water and electricity, using cleaning materials and office consumables efficiently, printing hard copies only when necessary and disseminating Board and Committee packs electronically where possible. In the last year, we drafted an Environmental Policy and Implementation Plan, which will be implemented in the next financial year. This will focus primarily on creating awareness with staff on the importance of good environmental practices, and introduce areas of measurement where we can reduce our direct environmental impact.

6. Internal stakeholders

Our internal stakeholders include our staff, Board and committees.

Our people

Our human capital consists of individual's knowledge, skills, competencies, alignment with our values and their ability to understand and implement Fasset's strategy.

Our staff complement grew to 29 in the year under review with additional people appointed to address growing operational requirements. The Fasset team has remained stable since its inception, growing proportionately over time and is characterised by several long-serving team members. This has ensured that the institutional knowledge of the organisation is retained.

Recruitment and selection

Skills development and internal capacitation of our own staff is integral to our ability to deliver on our mandate. Our mode of operation includes a multi-skilling approach that provides opportunities for exposure to a variety of work assignments and enables us to manage in times of operational constraints.

The permanent team is kept to the minimum for the implementation and maintenance of core functions as defined by the SDA, and is tasked with implementing strategies and policies outlined in the legislation and agreed to by the Fasset Board. This is in line with our commitment to ensuring that the highest possible proportion of the SDL is allocated to skills development interventions rather than administrative processes. Non-core functions such as internal audit, IT, call centre and finance are outsourced, and specific expertise is procured, as and when required. This approach has enabled us to consistently deliver on our mandate.

Training and development

We rely on the knowledge and training of our employees to fulfil the obligations of our mandate. Through our Education and Training Policy, we ensure that our staff is upskilled on an ongoing basis to meet their development potential and are capacitated to deliver on Fasset's strategic priorities.

For the period under review, we prepared and submitted the Mandatory Grant (containing a Workplace Skills Plan (WSP) and ATR); this document outlines our training and development plans to be undertaken for our employees and the training conducted in the preceding period. In alignment with this approach, we have a Recruitment and Selection Policy and an Employment Equity Plan (EEP) that drives human resources management. During the

period, 28 staff attended training interventions. Fasset spent R193 071 on training.

Talent management and succession planning

With Setas being re-established for two years until 31 March 2018, there is a risk that employees may leave the employment of Fasset at any time, particularly during key periods of delivery. A succession and transitional plan as well as retrenchments and retention policies have been revised and put in place. The reality of staff putting in place their own exit strategies remains, and the risk will be managed accordingly, should it materialise.

Measuring our people practices

We are an Investors in People (IiP) organisation. The IiP standard provides a well-respected benchmark against which to align our people development initiatives. It also allows all staff to prioritise people development and to be directly involved in improving our standards at the same time. Finally, it enables us to benchmark against other best practice organisations and to learn from their experiences.

Recognition and reward

An integrated performance management system is also in place, which includes individual performance contracts, personal learning and development plans and three performance reviews per annum. The performance management system and incentive scheme, with a maximum value of 14% of the annual remuneration package, are also in place and aimed at rewarding exceptional performance. These are aligned to and support the attainment of the strategic priorities (mission), goals and outcomes, outlined in the SP and APP. The incentive scheme is paid annually at Exco and Remco's discretion.

We have disclosed our CEO and our COOs remuneration in our Financial Statements on page 53. We provide more information about our salary bands in our organogram on page 19 of this report.

Employee wellness

The success of any organisation depends heavily on the productivity and work performance of its human resources. The welfare of employees therefore needs to be taken into account, focused on maximising individual's potential for functioning properly within a particular work environment. Fasset introduced a wellness programme aimed at increasing employee morale, engagement and productivity whilst at the same time reducing absenteeism and organisational health risk exposure. The

wellness programme was facilitated by staff and delivered the following initiatives in the year under review:

- Birthday celebration, which had element of team building and encouraged staff to sign and write birthday messages for each other;
- Wellness screenings and voluntary HIV counselling and testing done with the support from the medical aid scheme; and
- Team building events that included Heritage Day, Youth Day and year-end functions.



Fasset staff members celebrating Heritage Day

An employee forum was also established in 2015/2016 as a platform to facilitate communication between employees and senior management, and to provide employees with an opportunity to participate in and contribute constructively to the operations of the organisation. The forum is composed of all staff members below management level and was properly constituted. A minimum of four meetings were held during the period and pertinent matters were raised with senior management on areas such as reward and recognition, training and development, issues that impact the Seta's operations and strategic matters.

Delivery against performance objectives

Setas deliver against NSDS III objectives. Fasset signs on SLA with DHET every year, committing the Seta to deliver against specific NSDS III goals and objectives. Fasset had a total of 39 targets, of which 29 have been achieved and 10 under-achieved.

Research

The research targets relating to updating the SSP and the ten research outputs were achieved, in line with the research plan for the year.

Middle-level Skills (NQF Level 1-5)

Seven targets were set at this level. All targets except the learnerships target were met. The latter was not achieved mainly as a result of the inter-Seta processes for registering learnerships, which resulted in delays.

High-level Skills (NQF Level 6-10)

Thirteen targets were set at this level. Ten were achieved and three were under-achieved. The target for the LCG was under-achieved by 32%. Reasons include fewer African Black learners being applied for, double-dipping across grants, learners were not registered on a learnership, learners were not South African citizens or rejection of the prerequisite Mandatory Grant application.

Completion of the bridging programme for entry into employment (work readiness) target was under-achieved by 12% due to learner contracts of employment not being in place.

Learners on the bridging programme for the completion of academic programmes were under-achieved by 15% due to the #FeesMustFall campaign, which resulted in examination results not being received timeously.

Engaging with TVET Colleges

Two targets were set, with one target of the two targets set, being achieved. The TVET College graduate placement target was under-achieved due to TVET Colleges not providing learner data timeously. Further engagements with the colleges continue to take place, including DHET to assisting in getting this matter resolved to ensure that learners are not disadvantaged.

Support to Employers

Targets relating to the support to large, medium and small firm was under-achieved due to the fact that Fasset received fewer Mandatory Grant applications than expected. Furthermore, fewer delegates than expected attended the Seta's lifelong learning interventions. The target for government departments participating in skills development in the sector was achieved.

Communications

The communications targets were achieved except for the target of establishing relationships with TVET colleges and HETs. This target was not achieved due to the required supporting documents not being available.

More information about our achievements against our NSDS targets is provided in Appendix A on page 60.



GOVERNANCE AND ACCOUNTABILITY

Fasset is committed to good governance practices, which seek to promote transparency and accountability to all of its stakeholders and also promote the Seta's ability to create value in the short to medium-term. We comply with all applicable regulations, standards and frameworks. In addition, robust governance structures and processes are in place to ensure the execution of Fasset's strategy and the management of risks.

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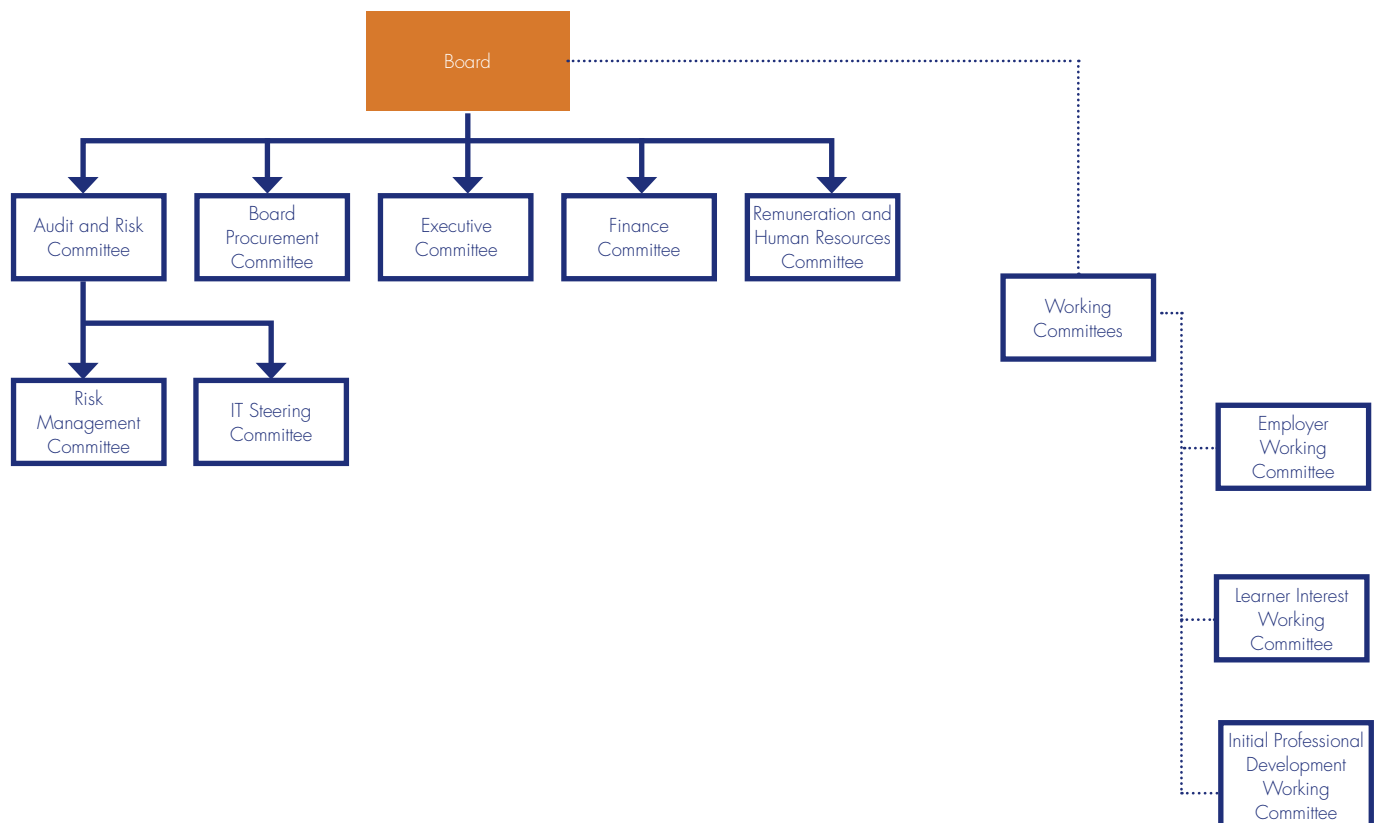
Fasset commitments to internal controls include a Code of Conduct, SLAs, Declarations of Conflict of Interest; and a Gifts and Hospitality Register.

Fasset Board and Committees

The Board is Fasset's Accounting Authority. As the highest governing structure, the Board retains full and effective control over Fasset; it monitors the CEO's performance and ensures that the we address decisions on material issues and that the Seta carries out its fiduciary duties.

Figure 8 provides more information about our Board and Sub-committees.

Figure 8: Fasset Board and Sub-committees




















- 1 Bongani Mathibela
- 2 Amanda Dempsey
- 3 Sathie Gounden
- 4 Samantha Louis
- 5 Patricia Stock
- 6 Kate Hlongwane
- 7 Corné Karsten
- 8 Shahied Daniels
- 9 Holger Fischer
- 10 Stadi Mngomezulu
- 11 Shirley Machaba
- 12 Mopo Mushwana*
- 13 Mauwane Kotane*
- 14 Siphon Sono
- 15 Prabir Badal*

* Picture of Board member was not available at time of going to print.

Figure 9: Fasset's Board and Sub-committee Meeting Attendance and Remuneration (excludes costs and expenses for meetings)

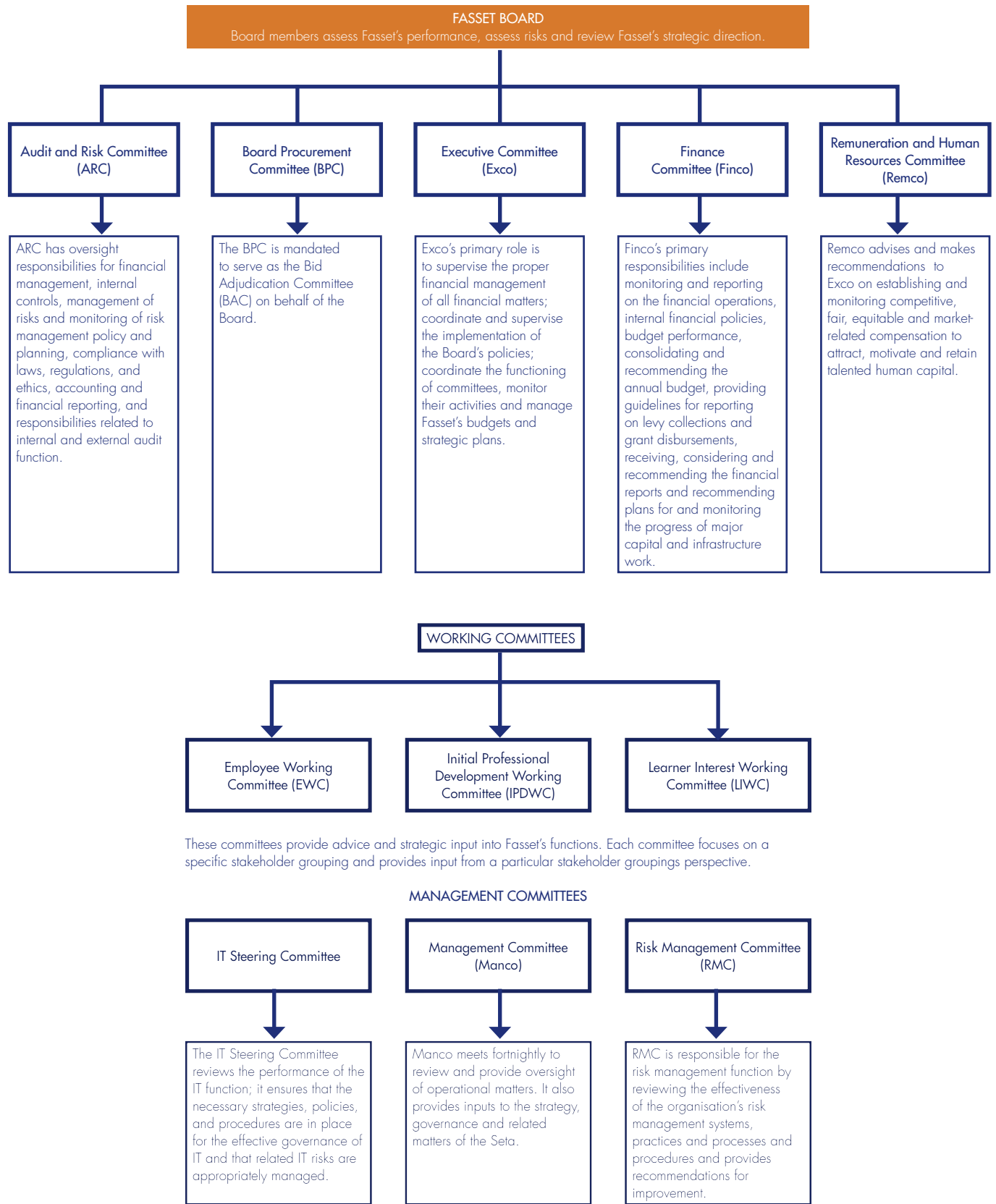
Name	Chairman	Board Meetings Attended	ARC Meetings Attended	BPC Meeting Attended	Exco Meetings Attended	Remco Meetings Attended	Finco Meetings Attended	Total % of Meetings Attended	Total Amount Paid
 Prabir Badal	Remco	5/7				3/3		8/10	R37 613
 Shahied Daniels		6/7	3/4		1/1			10/12	R69 364
 Amanda Dempsey	Finco	6/7					6/6	12/13	R49 741
 ► Holger Fischer	Learner Interest Working Committee	6/7			2/4			8/11	R65 126
 Sathie Gounden		6/7		2/2				8/9	R40 768
 Kate Hlongwane		7/7		2/2	3/4			12/13	R49 728
 Corné Karsten		6/7		1/2	1/4			8/13	R44 173
 Mauwane Kotane	Employer Working Committee	6/7						6/7	R46 592
 Samantha Louis	Initial Professional Development Working Committee	6/7			2/4			8/11	R43 904
 Shirley Machaba	Audit and Risk Committee	4/7	3/4					7/11	R51 712
 ► Mathumo Mapaya		1/1						1/1	R7 168
 ► Bongani Mathibela		6/7			3/4		0/6	9/17	R39 648
 ► Stadi Mngomezulu		4/7		0/2				4/9	R43 008
 Mopo Mushwana	Board Procurement Committee	7/7		2/2			4/6	13/15	R45 222
 Sipho Sono	Board and Exco	1/7			2/4			3/11	R19 284

- Paid to IDC
- Paid to Basamandla Consulting (Pty) Ltd
- Paid to National Treasury
- Paid to KPMG



The Board and Sub-committee responsibilities are outlined below.

Figure 10: Fasset Board and Sub-Committee Responsibilities



MANAGING RISKS

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

The Fasset Board has overall responsibility for risk management with oversight of this function provided by ARC. A RMC is in place as a sub-committee of ARC with responsibilities for enterprise risk management.

Our Enterprise-wide Risk Management Framework deploys three lines of defence as depicted in *Figure 11*.

Figure 11: Our Three Lines of Defense

<ul style="list-style-type: none"> Board and Exco accountability and involvement in business management, supported by appropriate internal control, risk management and governance structures; 	<ul style="list-style-type: none"> Regular monitoring of risks and performance across all departments and business processes; and 	<ul style="list-style-type: none"> Independent assurance provided by the internal audit function and the AGSA.
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The details of the Risk Management Plan are contained in the suite of documents, which include the Risk Management Framework, Risk Management Policy, Risk Appetite and the Risk Register, which is reviewed fortnightly by the RMC and reported to ARC and the Board every quarter. An annual risk assessment is also held to review the entire risk universe of the Fasset environment.

As part of managing our risk, we also define the material issues that can potentially impact on our ability to deliver against our mandate as a Seta, the associated risk and potential impact, and how the risks of these material issues are being managed. These are detailed on page 21 of this report.

During the period, Fasset was confronted with a number of risks that relate to the future of the Seta landscape. This included the need to manage the political risk associated with this uncertainty by providing comments to the draft paper on the Seta landscape as well as continuing to engage constructively with DHET on an ongoing basis. This was done to address the strategic risk as well as operational risks that relate to the day-to-day functions of the

Seta. The risk of losing key staff, particularly during peak periods, was also addressed by Fasset through retention and retrenchment bonuses being put in place, together with a succession plan, which outlines how operational functions will be managed in the event of key staff leaving the Seta. An EAP was also approved by the Fasset Board and put in place aimed at providing support to employees during the transitional period. Other risks that were addressed during the period related to ensuring the delivery of discretionary-funded projects being completed on time, within budget and in line with set requirements.

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

REPORT OF THE AUDIT AND RISK COMMITTEE

Report of the ARC in terms of Regulations 27 (1) (10) (B) and (C) of the PFMA.

We are pleased to present our report for the financial year ended 31 March 2016.

ARC Responsibility

The ARC has adopted appropriate terms of reference as its ARC Charter.

The Charter is updated on a regular basis and complies with the principles of good governance and with the requirements of the PFMA. The ARC is accountable to the Board and has an oversight function for:

- Financial management;
- IT governance;
- Risk management and the Internal Audit function;
- Compliance with laws, regulations and good ethics;
- Reporting practices; and
- External audit.

The ARC has satisfied its responsibilities for the year, in compliance with its terms of reference and charter.

Report on the Operations of the ARC

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

- Reviewed quarterly management accounts;
- Updated ARC Charter;
- Considered the risk management process;
- Considered the Internal Audit reports and made recommendations as appropriate;
- Monitored progress with the internal audit coverage plans as well as management's follow-up on matters requiring attention;
- Monitored compliance with Fasset policies and applicable legislation;
- Conducted separate informal meetings with both internal and

external audit, and management;

- Reviewed external audit plans and management's follow-up of matters requiring attention;
- Provided guidance to the Board on IT governance issues and alignment to applicable legislation; and
- Conducted self-assessment during the year. Results concluded that the ARC is effective in the execution of their duties. Minor areas of improvement were identified and action plans were put in place.

The effectiveness of internal control

The ARC is satisfied that:








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

Evaluation of financial statements

The ARC has:

- Reviewed and discussed with the auditor the management the audited financial statements to be included in the Annual Integrated Report;
- Reviewed the auditor's management report and management's response thereto;
- Reviewed and discussed the auditor report; and
- Reviewed the information on predetermined objectives included in the Annual Integrated Report.

Table 9: ARC Attendance and Remuneration 2015/2016

Members	Shirley Machaba 	Amanda Botha ² 	Shahied Daniels 	Veronica du Preez 	Mathumo Mapaya ¹ 	Edson Ragimana 	Mdu Zakwe 
Position	Board Member	Independent Member	Board Member	Independent Member	Board Member	Independent Member	Independent Member
Meetings							
22 May 2015	✓	✓	✗	✓	✓	✗	✓
24 July 2015	✓	✓	✓	✓	N/A	✓	✓
5 November 2015	✓	✓	✓	✓	N/A	✓	✓
26 February 2016	✗	✓	✓	✓	N/A	✓	✓
Meetings Attended	3 of 4	4 of 4	3 of 4	4	1 of 4	3 of 4	4 of 4
Remuneration during year for financial year ending 31 March 2016	R27 657	R24 000	R21 504	R24 000	R7 168	R18 000	R24 500
Travel reimbursement	R388	-	-	R1 233		-	R165

¹ Deceased

² Committee fees paid to: ASB iro A Botha and KPMG iro M Mapaya



Indian



Coloured



White



African Black

Remuneration rate

Chairman (Board member)	R9 219 per meeting
Board member	R7 168 per meeting
Independent Member	R6 000 per meeting
Independent Chairman	R6 500 per meeting



Shirley Machaba

Audit and Risk Committee Chairman



PART 4

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

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

It is responsible for establishing and implementing a system of internal control to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

In our opinion, the Financial Statements fairly reflect the operations of Fasset for the financial year ended 31 March 2016.

The external auditors have a statutory duty to express an independent opinion on Fasset's Annual Financial Statements for the year ended 31 March 2016. The AGSA's report is on page 54.

The Annual Financial Statements of Fasset have been approved. The full set of statements can be found on our website, and a summary of financial information can be found on page 56-58 of this report.



Shahied Daniels
Acting Chairman

REPORT OF THE ACCOUNTING AUTHORITY

We, as the Board, have applied our collective mind to the preparation and presentation of this Annual Integrated Report. It is our view as the Board that Fasset's Annual Integrated Report provides insights into the Seta's organisational strategy and how this relates to Fasset's ability to create value for the Fasset sector. The report also provides a holistic picture of the combination, interrelatedness, and dependencies between the factors that affect the Seta's ability to deliver on its mandate. All material matters, both positive and negative, have been included in the report in a balanced manner.

To the best of our knowledge, and in accordance with the applicable reporting principles, it is our considered opinion that the report provides a fair representation of Fasset's financial and non-financial performance for the year ending 31 March 2016. Furthermore, it is our view that appropriate accounting policies, supported by reasonable and prudent judgement and estimates, have been applied on a consistent, going concern basis and that the Annual Financial Statements comply with GRAP and the PFMA.

Fasset complies with all other applicable legislation and the Board discharges its responsibilities regarding:

- Providing strategic direction to the organisation;
- Determining strategies and policies; and
- Monitoring performance against these objectives and goals as well as the APPs.

Fasset's systems and internal controls include a delegation of responsibilities within a clearly defined framework, effective accounting system and adequate segregation of duties. In addition, all the necessary structures, policies and procedures are in place to ensure compliance with various requirements, frameworks, and standards, including compliance with King III Code on Corporate Governance; this includes placing greater emphasis on IT governance in recognition of the increasingly prominent role of IT as a strategic enabler for organisations.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

An investigation into SCM requirements was instituted during the current year. The investigation had not been concluded at the time of reporting and therefore any possibility of litigation has not been determined. However, an item of irregular expenditure, arising from this process has been disclosed in the Annual Financial Statements.

It is our opinion as the Accounting Authority that Fasset will continue as a going concern for the ensuing year as it has met its budgetary requirements for the current year and will continue to do so in the future.

Remuneration

The Fasset CEO and COO are full time employees. They are remunerated in line with the approved salary bands for the period and as aligned to the Fasset remuneration policy. Details of their remuneration appear in [Table 10](#) overleaf. In terms of the HR policy, all employees are required to have a Performance Agreement as well as a Learning and Development Plan for the

financial year against which performance is assessed three times a year. The necessary performance appraisals were conducted for all staff during the period, including the CEO and COO, which resulted in performance bonuses being paid in December 2015 and retention bonuses being awarded in March 2016 for all staff who remained in Fasset's employ at the end of the five-year licence period.

Board members are remunerated for attending Board and Sub-committee meetings in accordance with the National Treasury Guidelines Level S. The amount paid to each Board member appears in *Table 10* of this report.

Table 10: CEO and COO Remuneration

	2015/2016	2014/2015
CEO's remuneration		
Allowances: travel	42 000	42 000
Base remuneration	2 180 000	2 031 028
Total guaranteed cost to company	2 222 000	2 073 028
Non-guaranteed (at risk) remuneration	382 000 ¹	248 763
Total guaranteed and non-guaranteed remuneration	2 604 000	2 321 791
COO's remuneration		
Allowances: travel	-	-
Base remuneration	1 479 000	1 366 453
Total guaranteed cost to company	1 479 000	1 366 453
Non-guaranteed (at risk) remuneration	239 000 ¹	55 350 ²
Total guaranteed and non-guaranteed remuneration	1 718 000	1 421 803

¹ Remuneration relates to a performance and retention bonuses being paid in the period

² Performance bonus was paid in respect of 9 months due to maternity leave in the period

REPORT OF THE AUDITOR-GENERAL

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

Report on the financial statements

Introduction

1. I have audited the financial statements of the Financial and Accounting Services Sector Education and Training Authority (FASSET), which comprise the statement of financial position as at 31 March 2016, statement of financial performance, statement of changes in net assets, statement of cash flow and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the financial statements

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

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of FASSET as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA and SDA.

Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2016:
 - Strategic objective 1: Establish a credible institutional

mechanism for skills planning on page 60.

- Strategic objective 2: Increasing access to occupationally-directed programmes middle level skills on pages 60 to 61.
 - Strategic objective 3: Increasing access to occupationally-directed programmes high level skills on pages 61 to 64.
 - Strategic Objective 4: Engage with TVET institutions on page 65.
 - Strategic Objective 5: Workplace support through the mandatory grant and other registration on pages 65 to 66.
9. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
11. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:
- Strategic objective 1: Establish a credible institutional mechanism for skills planning
 - Strategic objective 2: Increasing access to occupationally-directed programmes middle level skills
 - Strategic objective 3: Increasing access to occupationally-directed programmes high level skills
 - Strategic Objective 4: Engage with TVET institutions
 - Strategic Objective 5: Workplace support through the Mandatory Grant and other registration

Additional matter

12. Although we did not identify any material findings on the reliability of the reported performance information for the selected objectives, we draw attention to the following matter

Achievement of planned targets

13. Refer to the annual performance report on [page(s) 60 to 67] for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

14. I identified material misstatements in the originally submitted annual performance report relating to usefulness. These material misstatements were on the reported performance information of Strategic Objective 2: Increasing access to occupationally-directed programmes middle level skills and Strategic Objective 3: Increasing access to occupationally-directed programmes high level skills. As management subsequently corrected the misstatements, we did not raise any material findings on the reported performance information.

Compliance with legislation

15. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

16. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other reports

17. I draw attention to the following engagement that could potentially have an impact on the public entity's financial, performance and compliance related matters. My opinion is not modified in respect of this engagement that is still in progress at audit report date.

Investigation

18. An independent consulting firm is performing a forensic investigation, requested by FASSET, regarding supply chain irregularities as disclosed in note 29 of the annual financial statements. This matter at reporting date has not been concluded and is still ongoing.

Auditor-General

Pretoria

31 July 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

SUMMARISED ANNUAL FINANCIAL STATEMENTS

The full set of Annual Financial Statements can be viewed electronically on the Fasset website. 

STATEMENT OF FINANCIAL POSITION *as at 31 March 2016*

	2016 R'000	2015 R'000
Assets		
Current assets		
Inventories	49	35
Receivables from exchange transactions	541	816
Receivables from non-exchange transactions	1 721	2 864
Cash and cash equivalents	276 729	216 478
	279 040	220 193
Non-Current Assets		
Property, plant and equipment	572	651
Intangible assets	36	33
	608	684
Total assets	279 648	220 877
Liabilities		
Current liabilities		
Operating lease liability	-	262
Payables from exchange transactions	23 792	16 262
Payables from non-exchange transactions	11 968	11 563
Provisions	8 205	9 154
Total liabilities	43 965	37 241
Net Assets	235 683	183 636
Reserves		
Administration reserve	608	684
Discretionary reserve	233 994	182 504
Mandatory reserve	1 081	448
	235 683	183 636


STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2016

	2016 R'000	2015 R'000
Revenue from exchange transactions		
Investment revenue	16 679	16 934
Revenue from non-exchange transactions		
Transfer revenue		
Levies	449 324	412 434
Other income	34	64
	449 358	412 498
Total revenue	466 037	429 432
Employee costs	(17 282)	(14 048)
Depreciation and amortisation	(455)	(408)
Impairment of receivables	(293)	(87)
Repairs and maintenance	(158)	(204)
Employer grant and project expenses	(372 031)	(373 479)
General expenses	(23 769)	(22 513)
Total expenditure	(413 988)	(410 739)
Loss on disposal assets	(2)	-
Surplus for the year	52 047	18 693

CASH FLOW STATEMENT *as at 31 March 2016*

	2016 R'000	2015 R'000
Cash flows from operating activities		
Receipts		
Levies, interest and penalties received	448 227	412 021
Other cash receipts from stakeholders	34	64
Interest income	16 722	16 882
	464 983	428 967
Payments		
Grants and project payments	(363 389)	(372 305)
Compensation of employees	(17 198)	(14 092)
Payments to suppliers	(23 764)	(10 182)
	(404 351)	(396 579)
Net cash flows from operating activities	60 632	32 388
Cash flows from investing activities		
Purchase of property, plant and equipment	(327)	(116)
Purchase of other intangible assets	(54)	(38)
Net cash flows from investing activities	(381)	(154)
Net increase in cash and cash equivalents	60 251	32 234
Cash and cash equivalents at the beginning of the year	216 478	184 244
Cash and cash equivalents at the end of the year	276 729	216 478



PART 5

APPENDICES

APPENDIX A: NSDS TARGETS AND ACHIEVEMENTS

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

No	NSDS Goal	Strategic Objective Title	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Variance	Reason for Deviation
1.1	Establish a credible institutional mechanism for skills planning.	Produce research, such as the annual SSP update and the annual grant analysis.	Commission and conduct research on relevant areas as agreed by Fasset Board and distribute to relevant stakeholders.	6	10	11 research outputs delivered.	+1	This target has been marginally over-achieved due to an additional research output being completed.
1.2				1	1	1	0	This target has been achieved. SSP produced, signed off by all parties, presented to Fasset stakeholders and submitted to DHET by the due date.
2.1	Increase access to occupationally directed programmes, mid-level.	Learners who register for learning programmes.	Number of learners (employed and unemployed) who register for learnerships at middle-level.	791	700 learners on learnerships (employed 280; unemployed 420)	468 workers and unemployed people registered on learnerships (employed 115; unemployed 353).	-232 employed and unemployed people that have registered on learnerships (employed -165; unemployed -67)	The annual target has not been achieved. Many of the mid-level skills targets are achieved through other Seta learnerships, particularly complex processes for registering learnership agreements, which resulted in delays.
2.2		Learners who complete learning programmes.	Number of learners (employed and unemployed) who complete learnerships at middle-level..	461	140 (employed 40; unemployed 100)	197 workers and unemployed people have completed learnerships (employed 46; unemployed 151).	+57 employed and unemployed people (+6 employed; unemployed +51).	This target has been over-achieved due to more learners than expected completing learnerships.

No	NSDS Goal	Strategic Objective Title	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Variance	Reason for Deviation
2.3		Learners who are funded on learnerships.	Number of workers and unemployed people funded via Learnership Cash Grant (LCG).	7	5 (employed 0; unemployed 5).	18 learners funded on LCG (employed 1; unemployed 17).	+13 learners funded (employed +1); unemployed +12).	This target has been significantly over-achieved mainly due to two employers registering the bulk of unemployed learners for mid-level skills, and one employed learner.
2.4		Workers register and complete skills programmes at middle-level.	Number of workers who register and complete Lifelong Learning.	12 014	13 500	13 569 workers people that have registered and completed Lifelong Learning interventions.	+69 workers.	This target has been marginally over-achieved due to more delegates than expected attending the Lifelong Learning seminars.
2.5		Learners who register on bridging programme.	Number of unemployed learners who register on Bridging Programme, entry into higher education.	156	200	224 unemployed learners registered on Bridging Programme, entry into higher education.	+24 unemployed learners.	This target was over-achieved due to a greater number of learners than expected being recruited.
2.6		Number of learners who complete bridging programme.	Number of workers and unemployed learners who complete Bridging Programme, entry into higher education.	45	115	145 unemployed learners learners completed Bridging Programme, entry into higher education.	+30 unemployed learners.	This target is over-achieved due to more learners than the minimum required (70%) who entered this programme in the previous year.
2.7		Learners who register for skills programmes at middle level.	Number of employed and unemployed people who register on the Assessor intervention at middle-level.	71	80	84 employed people registered on the Assessor intervention at middle-level.	+4 employed people.	This annual target has been slightly over-achieved due more assessors than expected registering with Fasset.

No	NSDS Goal	Strategic Objective Title	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Variance	Reason for Deviation
3.1	Increase access to occupationally-directed programmes, high-level.	Learners who register for learning programmes.	Number of learners (employed and unemployed) who register for learnerships.	3 302	3 330 (employed 360; unemployed 2 970).	4 322 workers and unemployed people that have registered on learnerships (employed 176; unemployed 4 146).	+992 workers and unemployed people (employed -184; unemployed +1 176).	The annual target has been over-achieved. This is due to more SAICA registrations than expected were uploaded for unemployed people while fewer registrations were received for employed learners.
3.2		Learners who register for learning programmes.	Number of learners (employed and unemployed) who complete learnerships.	3 453	2 360 (employed 95; unemployed 2 265).	2 183 workers and unemployed people that have completed learnerships (employed 232; unemployed 1 951).	-177 workers and unemployed people (employed +137; unemployed -314).	The annual target has been under-achieved. This is due to fewer SAICA completions than expected were uploaded for unemployed learners while more completions were received for employed learners.
3.3		Workers and unemployed people registered and funded on learnerships (LCG).	Number of learners registered and funded on LCG.	164	345 (employed 130; unemployed 215).	233 workers and unemployed people funded on LCG (employed 110; unemployed 123).	-112 workers and unemployed (employed -20; unemployed -92).	The yearly target has not been achieved. Although sufficient applications were received, an insufficient number of unemployed learner applications that could be approved were received. Reasons for rejection mainly concerned African Black learners not being applied for, double dipping, the learner not being registered on a learnership, learner not a SA citizen and the Mandatory Grant not being approved. A greater number of applications than were expected was received for employed learners.

No	NSDS Goal	Strategic Objective Title	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Variance	Reason for Deviation
3.4		Workers register and complete skills programmes at high-level.	Number of workers and unemployed people who register and complete Lifelong Learning.	10 043	6 500	6 907 workers people that have registered and completed on Lifelong Learning.	+407 workers.	This target has been over-achieved due to more delegates than expected attending the Lifelong Learning seminars.
3.5		Learners who register on bridging programmes.	Number of unemployed learners who register on bridging programme, employment readiness.	1 211	2 000	1 992 unemployed people that have registered on Bridging Programme - employment readiness.	-8 unemployed people.	This target has been slightly under-achieved due to challenges related to the impact of the #FeesMustFall campaign where exams were delayed or deferred.
3.6		Learners who completed bridging programmes.	Number of unemployed learners who completed on bridging projects, employment readiness.	510	1 400	1 098 unemployed learners that have completed on Bridging programme, employment readiness.	-302 unemployed learners.	The target was under-achieved due to fewer learners than expected were placed into employment than anticipated. Learners have been placed into employment. However, the employment contract documentation is not in place for all learners hence the under-achievement.
3.7		Learners who register on bridging programmes.	Number of unemployed people who register on bridging programme, academic support programme and professional designations.	2 096	1 600	2 096 unemployed people that have registered on Bridging programme, academic support programme and professional designations.	+496 unemployed people.	The annual target is over-achieved due to a higher than anticipated number of new projects approved, which resulted in more learners than initially budgeted for being supported.

No	NSDS Goal	Strategic Objective Title	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Variance	Reason for Deviation
3.8		Learners who complete on bridging programme.	Number of unemployed people who complete Bridging Projects – Academic Programme and Professional Designations.	2 326	1 120	841 unemployed people that have completed on Bridging programme for learners, academic programmes and professional designations.	-279 unemployed people	The target is under-achieved due to insufficient number of completions of qualifications and/or designations due to the #FeesMustFall protests where exams results were not received timeously from universities.
3.9		Learners who register for skills programmes at high-level.	Number of workers and unemployed people who register on the Moderator intervention at high-level.	19	15	18 employed and 0 unemployed people registered on the Moderator intervention.	+3 employed people.	This target has been over-achieved. More moderators than anticipated registered.
3.10		PIVOTAL Grant Bursaries.	Number of employed and unemployed people funded via the PIVOTAL Grant.	565	550 (internal bursaries - employed 100; external bursaries - unemployed 450).	551 of employed and unemployed people funded via PIVOTAL bursaries (internal bursaries - employed 73; external bursaries - unemployed 478).	+1 employed people (employed -27; unemployed +28).	The annual target has been marginally achieved due to more unemployed learners than planned being approved for funding via this programme while fewer applications that met the criteria were approved for employed learners.
3.11		PIVOTAL Grant Learnerships.	Number of employed and unemployed learners on learnerships funded via the PIVOTAL Grant.	756	700 (employed 0; unemployed 700).	975 of employed and unemployed learners on learnerships funded via PIVOTAL Grant (employed 135; unemployed 840).	+275 employed and unemployed learners (employed +135; unemployed +140).	The annual target has been over-achieved. More learners on high-level learnerships than expected were approved for employed while fewer learnerships were approved for unemployed learners.

No	NSDS Goal	Strategic Objective Title	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Variance	Reason for Deviation
3.12		NSFAS Grant.	Number of employed learners funded on NSFAS Loan Repayment Grant.	56	100	142 employed funded through the NSFAS Loan Repayment Grant.	+42 employed people.	The target has been over-achieved due to more applications received than anticipated as a result of continuous advocacy and marketing efforts by Fasset to encourage learners to apply for the grant.
3.13		NSFAS Bursary.	Number of learners funded on Fasset-funded NSFAS bursary.	900	150	196 learners assisted with a Fasset funded NSFAS bursary.	+46 learners.	The target is over-achieved due to higher number of completions than anticipated.
4.1	Engaging with TVET institutions.	TVET Graduates placed in in-service training.	Number of learners placed in workplace experience training.	160	300	234 graduates placed into employment.	-36 graduates.	The target was under-achieved due to TVET Colleges not providing learner data timeously for eligible learners to participate in this programme.
4.2		TVET Graduates complete in-service training.	Number of learners completed in-service training.	182	100	132 learners completed in-service training for the purposes of completing the NDip qualification.	+32 learners.	The target is over-achieved due to higher number of completions than anticipated.
5.1	Workplace support through the Mandatory Grant and other registration schemes.	Large firms WSP/ATRs approved and Lifelong Learning attendance.	Large firms participate in skills development initiatives.	95	65	61 firms were supported through Mandatory Grant and Lifelong Learning workshops.	-4 firms	Fewer Mandatory Grants than expected were approved, which has been impacted by the decrease of the Mandatory Grant allocation from 50% to 20% as per the grant regulations. The remainder of the target, which consists of the Budget and Tax Lifelong Learning seminar, had fewer delegates attending than anticipated.

No	NSDS Goal	Strategic Objective Title	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Variance	Reason for Deviation
5.2	Workplace Support through the Mandatory Grant and other registration schemes.	Medium-sized firms WSP/ ATRs approved and Lifelong Learning attendance.	Medium-sized firms participate in skills development initiatives.	159	115	89 firms were supported through Mandatory Grant and Lifelong Learning workshops.	-26 firms.	Fewer Mandatory Grants than expected were approved, which has been impacted by the decrease of the Mandatory Grant allocation from 50% to 20% as per the grant regulations. The remainder of the target, which consists of the Budget and Tax Lifelong Learning seminar, had fewer delegates attending than anticipated.
5.3		Support to small levy-paying firms includes Mandatory Grants approved, LL attendance, the uptake of Bridging project learners.	Small levy-paying small firms participate in skills development.	1 592	1 390	849 small firms were supported through Mandatory Grant and Lifelong Learning workshops.	-541	Fewer Mandatory Grants than expected were approved, which has been impacted by the decrease of the Mandatory Grants allocation from 50% to 20% as per the grant regulations. The remainder of the target, which consists of the Budget and Tax Lifelong Learning seminar, had fewer delegates attending than anticipated.
6	Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives.	Support to non-levy paying firms includes attendance at LL events, discretionary grant approvals, the uptake of Bridging project learners.	Non-levy paying firms participate in skills development.	426	500	304 non-levy-paying firms were supported through Mandatory Grant and Lifelong Learning workshops.	-196 firms.	Fewer Mandatory Grants than expected were approved, which has been impacted by the decrease of the Mandatory Grants allocation from 50% to 20% as per the grant regulations. The remainder of the target, which consists of the Budget and Tax Lifelong Learning seminar, had fewer delegates attending than anticipated.

No	NSDS Goal	Strategic Objective Title	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Variance	Reason for Deviation
7	Increase public sector capacity for improved service delivery and support the building of a developmental state.	Government departments encouraged to participate in skills development.	Government departments supported in skills development.	6	5	5 Government departments supported.	0	The annual target has been achieved.
8.1	Stakeholders are engaged and Building career and vocational guidance.	Career Guides are developed with labour market information from Setas, addressing sub-sectors within their sector.	Career Guide update including a guide to bursaries within the Fasset sector.	The national learner print and online media campaign was updated.	1 Career Guide is updated.	1 career guide updated.	0.	This target has been achieved.
8.2		National learner print and online media campaign update.	National learner print and online media campaign update.	The national learner print and online campaign was updated.	1 National learner print and online media campaign update.	1 national learner print and online campaign was updated.	0	This target has been achieved.
8.3		Advertisements placed.	learner print and online media advertisements placed.	28 learner print and online media advertisements placed.	32	32 learner print and online media advertisements were placed.	0	This target has been achieved.
8.4		Career events supported.	National Career Guidance events supported.	209 National Career Guidance events were supported.	260	264 National Career Guidance events were supported.	+4 career events	This target has been over-achieved slightly due to the increased number of exhibitions Fasset has participated in.
8.5		Establish relationships and upskill career guidance/ student support offices at HETs/ TVETs.	Establish relationships and upskill career guidance/ student support offices at TVETs/ HETs.	22 relationships were established with TVETs and HETs.	10	4 relationships were established with TVETs and HETs.	-6 relationships established.	This target has been under-achieved due to the required supporting documentation being available to confirm the relationships/ partnerships established .
8.6		Brand Ambassadors appointed.	Fasset Brand Ambassadors at TVET/HET institutions.	15 Fasset Brand Ambassadors were appointed.	20	20 Fasset Brand Ambassadors were appointed.	0	This target has been achieved.
8.7		Production of learner e-zine to be distributed to learner database.	Produce learner e-zines.	4 learner e-zines were produced.	4	4 learner e-zines were produced.	0	The target has been achieved.

APPENDIX B: ACRONYMS

AAT (SA)	Associate Accounting Technician	LCG	Learnership Cash Grant
ACCA	Association of Certified Chartered Accountants	LIWC	Learner Interest Working Committee
AGM	Annual General Meeting	MANCO	Management Committee
AGSA	Auditor-General of South Africa	MTSF	Medium Term Strategic Framework
APP	Annual Performance Plan	NDP	National Development Plan
AQP	Assessment Quality Partner	NGP	National Growth Plan
ARC	Audit and Risk Committee	NLP	Non-levy paying
ASB	Accounting Standards Board	NLRG	NSFAS Loan Repayment Grant
ATR	Annual Training Report	NQF	National Qualifications Framework
BPC	Board Procurement Committee	NSA	National Skills Authority
CA (SA)	Chartered Accountant South Africa	NSDS	National Skills Development Strategy
CEO	Chief Executive Officer	NSF	National Skills Fund
CHE	Council on Higher Education	NSFAS	National Student Financial Aid Scheme
CIMA	Chartered Institute of Management Accountants	PCHET	Portfolio Committee on Higher Education and Training
COO	Chief Operating Officer	PFMA	Public Finance Management Act
CPA (SA)	Chartered Professional Accountant South Africa	PIVOTAL	Professional, Vocational, Technical and Academic Learning Programme
CSD	Central Supplier Database	SDF	Skills Development Facilitator
CSR	Corporate Social Responsibility Initiatives	POPI	Protection of Personal Information
CSS	Customer Satisfaction Survey	PPL	Preferred provider list
CSSA	Chartered Secretaries Southern Africa	PPPFA	Preferential Procurement Policy Framework Act
DHET	Department of Higher Education and Training	PSET	Post-school Education and Training
DPISA	Department of Public Service and Administration	QAP	Quality Assurance Partner
DQP	Development Quality Partner	QCTO	Quality Council for Trades and Occupations
EEA	Employment Equity Act	REMCO	Remuneration and Human Resource Committee
EEP	Employment Equity Plan	RMC	Risk Management Committee
EU	European Union	ROI	Return on Investment
EWC	Employee Working Committee	SAICA	South African Institute of Chartered Accountants
EXCO	Executive Committee	SAIPA	South African Institute of Professional Accountants
Fasset	Finance and Accounting Services Sector Education and Training Authority	SAQA	South African Qualifications Authority
FINCO	Finance Committee	SARS	South African Revenue Services
FSB	Financial Services Board	SCM	Supply Chain Management
GRAP	Standards of Generally Recognised Accounting Practice	SDL	Skills Development Levy
GRI	Global Reporting Initiative	SDLA	Skills Development Levy Act
HET	Higher Education and Training	SETAB	Sector Education and Training Advisory Boards
HR	Human Resources	SIC	Standard Industrial Classification
HRDS-SA	Human Resources Development Strategy for South Africa	SLA	Service Level Agreement
ICB	Institute of Certified Bookkeepers	SMME	Small, Medium and Micro Enterprises
ICT	Information and Communications Technology	SP	Strategic Plan
IIA (SA)	Institute of Internal Auditors	SSP	Sector Skills Plan
IiP	Investor in People	TVET	Technical, Vocational Education and Training
IIRC	International Integrated Reporting Committee	UNISA	University of South Africa
IPDWC	Initial Professional Development Working Committee	WBE	Work-based Experience
IT	Information Technology	White	Paper White Paper for Post-school Education and Training
JSE	Johannesburg Stock Exchange	WSP	Workplace Skills Plan
King III	King III Code of Governance Principles for South Africa		

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