

thinking
self-concept
cognitive social
competencies literacy
knowledge
workplace behavior

attitudes
employability
higher-order
teamwork
respect constructs
relationships completion
century task
communication effective

technology

Skills



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



Make the future count



**STRATEGIC
PLAN**

2020 -
2025



ABBREVIATIONS

Abbreviation	Description
APP	Annual Performance Plan
ATR	Annual Training Plan
DG	Discretionary Grants
DHET	Department of Higher Education & Training
DoT	Department of Transport
DPME	Department of Monitoring and Evaluation
ETQA	Education & Training Quality Assurance
FASSET	Financial and Accounting SETA
FLC	Foundational Learning Competency
HET	Higher Education Training
HETLA	Higher Education & Training Laws Amendment Bill
HRDS	Human Resource Development Strategy
IPAP	Industrial Policy Action Plan
MG	Mandatory Grants
MHEST	Minister of Higher Education, Science and Technology
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NQF	National Qualification Framework
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSF	National Skills Fund
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PFMA	Public Finance Management Act
PIVOTAL	Professional Vocational Technical and Academic Learning programmes that result in a qualification or part of a qualification on the NQF
PPE	Programme Performance Evaluation
PSET	Post-School Education and Training
PTP	PIVOTAL Training Plan
PTR	PIVOTAL Training Report
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SBDS	Small Business Development Strategy
SDA	Skills Development Act
SDL	Skills Development Levies
SETA	Sector Education and Training Authority
SIC codes	Standard Industrial Classification codes
SIPS	Strategic Infrastructure Programmes
SLA	Service Level Agreement
SSP	Sector Skills Plan
SWOT	Strengths, Weaknesses, Opportunities and Threats
TVET	Technical, Vocational, Education & Training

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STATEMENT FROM THE ACCOUNTING AUTHORITY (CHAIRPERSON OF THE BOARD)

It is our privilege, as the Finance and Accounting Services Sector Education and Training Authority (FASSET) Board, to submit the Strategic Plan (SP) to the Department of Higher Education, Training, Science and Technology (DHET) for the period 1 April 2020 to 31 March 2025. As a Sector Education and Training Authority (SETA), we are focused on continuing to deliver on our mandate of facilitating skills development across the Post-School Education and Training (PSET) pipeline. We are doing this by continuing to partner with all our stakeholders, including DHET, and various delivery partners for the benefit of the FASSET sector and the broader economy.

This version of the SP is FASSET's response to the National Skills Development Plan (NSDP) and in it we have sought to ensure that our intended plans align to the outcomes of the NSDP and addresses the challenges faced by South Africa in these times of job scarcity coupled with the impact of technology and its consequences.

The SP incorporates input from the FASSET Management Team, Board and Governance and Strategy Committee.

FASSET is a public entity listed in Part A of Schedule 3 of the PFMA, established in accordance with section 9 of the SDA as amended, and having all the powers granted to it in terms of the Act. The scope of coverage of FASSET is the financial and accounting sector, as determined by the Minister of Higher Education, Training, Science and Technology (MHET) in terms of section 9(2) of the SDA, read in conjunction with Government Gazette No 42589, of 22 July 2019.

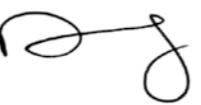
As a SETA that has been in operation since 2000, our re-establishment as indicated in the above-mentioned gazette to 31 March 2030, the extended licence period allows FASSET to plan longer term and implement programmes over a longer period where the impact can be measured.

Post the re-establishment of the SETA, the FASSET Board in late July 2019 re-evaluated the SETA's strategy, taking into account developments within the skills development environment, whilst remaining mindful of the need to be agile and respond to the skills needs of our sector timeously and in a coordinated manner to ensure success.

To this end, FASSET will continue to focus on two core areas; firstly, the facilitating of learner placement and enhancing their employability prospects for sustained employment, and secondly, supporting the achievement of Professional, Vocational, Technical and Academic Learning (PIVOTAL) programmes. In tackling these two core areas, FASSET is more mindful of the need to address various national governmental strategic imperatives. As such new interventions which FASSET has piloted in the 2019/20 year, inter alia the SETA response to the National YES programme targeting unemployed graduates and unemployed matriculants, initiatives assisting the Community colleges, Technical and Vocational Education and Training (TVET) facilitator development programmes and small business learner placement programmes will be continued and expanded in the SP we submit here. FASSET will also ensure we continue to respond on the career guidance programmes so essential for learners in the schooling system and will continue to fund wrap around bursaries to university learners in our sector. TVET Bursaries will also be offered in this new planning phase as we seek to ensure we grow the economy. Skills programmes for entrepreneurs has become a key focus area of FASSET and we will look to ensure impactful interventions here. Transformation remains key to all we do at FASSET and in this planning period, a priority will be the development of females at executive level.

The DPME Framework for Strategic Plans (SPs) and APPs has been used as the basis for the preparation of this SP. Additionally, this SP is submitted in accordance with the requirements of DHET, the PFMA, Treasury Regulations and the FASSET Constitution. In preparing this SP, we have taken into account the funding regulations, which govern the SETA levy-grant system. No changes to the regulations have been introduced, however the existing regulations are incorporated in FASSET's planned interventions and related budget.

As the FASSET Board, we endorse this SP and look forward to our continued working with DHET and delivering against FASSET's refined strategic goals and objectives in the upcoming year for the benefit of our stakeholders and the country.



Mr Njabulo Ngwenya (CA) SA
Chairperson of the Board

OFFICIAL SIGN-OFF

It is hereby certified that this Annual performance Plan:

- Was developed by the management of the FASSET under the guidance of the Chairperson of the Board.
- Considers all the relevant policies, legislation and other mandates for which the FASSET is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the FASSET will endeavour to achieve over the period FY2020/21 – FY2024/25


Ms Ayanda Mafuleka CA (SA)
Chief Executive Officer

Signature:

Approved by:


Njabulo Ngwenya CA (SA)
Chairperson of the Board

Signature:

PART A: OUR MANDATE

1 CONSTITUTIONAL MANDATE

1.1 Constitutional Mandate

The Constitution of the Republic of South Africa is the supreme law governing the country of South Africa. It provides the legal foundation for the existence of the Republic, sets out the rights and duties of its citizens and defines the structure of the government. The relevant sections of the Constitution that have a direct bearing on the governance of FASSET are the following:

- Chapter 2 outlines the Bill of Rights which enumerates the civil, political, economic, social and cultural human rights of the people of South Africa.
- Chapter 4 defines the structure of Parliament and lays down the process for enacting bills into law, amongst others.
- Chapter 10 on Public Administration, which lists values and principles for the administration of the civil service.
- Chapter 13 deals with Public Finance which requires effective and transparent budgeting at all levels of government; it gives the National Treasury the power to oversee budgetary processes and places some restrictions on government procurement and borrowing.
- Chapter 14 outlines general provisions dealing with transitional and incidental provisions such as requiring that obligations imposed by the Constitution be carried out without delay; providing that some executive powers may be delegated by one organ of state to another; and as the Constitution is published in all eleven official languages, providing that the English text is authoritative in the event of a conflict.

FASSET does not directly draw its mandate from the Constitution. However, the SETA's functions specifically seek to uphold the following rights, as outlined under Chapter 2:

- The right to freedom of trade, occupation and profession

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

- The right to Education

29. (1) Everyone has the right—
- to a basic education, including adult basic education; and
 - to further education, which the state, through reasonable measures, must make progressively available and accessible.
- (2) Everyone has the right to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to, and implementation of, this right, the state must consider all reasonable educational alternatives, including single medium institutions, considering—
- equity;
 - practicability; and
 - the need to redress the results of past racially discriminatory laws and practices.
- (3) Everyone has the right to establish and maintain, at their own expense, independent educational institutions that—
- do not discriminate on the basis of race;
 - are registered with the state; and
 - maintain standards that are not inferior to standards at comparable public educational institutions.

As a public entity, FASSET reports to the MHEST as the Executive Authority of the SETA (i.e. the Board). FASSET is accountable to Parliament and are also under the oversight of National Treasury in terms of performance management and financial administration. FASSET engages with a broad range of stakeholders in fulfilment of the SETA mandate which requires FASSET to uphold principles of good governance in the interest of making a meaningful contribution in skills development for the benefit of the FASSET sector and the country.

2 LEGISLATIVE AND POLICY MANDATES

The following Legislative and policy mandates impact FASSET.

2.1 Skills Development Act, No. 97 of 1998

Chapter 3 of the Skills Development Act, No. 97 of 1998, outlines the establishment and functions of the SETAs.

The functions of the SETAs are outlined in the excerpt below.

- 10(1). A SETA must, in accordance with any requirements that may be prescribed—
- develop a sector skills plan within the framework of the national skills development strategy;
 - implement its sector skills plan by—
 - establishing learning programmes;
 - approving workplace skills plans and annual training reports;
 - allocating grants in the prescribed manner and in accordance with any prescribed standards and criteria to employers, education and skills development providers and workers; and
 - monitoring education and skills development provision in the sector;
 - promote learning programmes by—
 - identifying workplaces for practical work experience;
 - supporting the development of learning materials;
 - improving the facilitation of learning; and
 - assisting in the conclusion of agreements for learning programmes, to the extent that it is required;
 - register agreements for learning programmes, to the extent that it is required;
 - perform any functions delegated to it by the QCTO in terms of section 26l;
 - when required to do so as contemplated in section 7(1) of the Skills Development Levies Act, collect the skills development levies, and must disburse the levies, allocated to it in terms of sections 8(3)(b) and 9(b), in its sector;
 - liaise with the National Skills Authority on—
 - the national skills development policy;
 - the national skills development strategy; and
 - its sector skills plan;
 - submit to the Director-General—
 - any budgets, reports and financial statements on its income and expenditure that it is required to prepare in terms of the Public Finance Management Act; and
 - strategic plans and reports on the implementation of its service level agreement;
 - liaise with the provincial offices and labour centres of the Department and any education body established under any law regulating education in the Republic to improve information—
 - about placement opportunities; and
 - between education and skills development providers and the labour market;
 - (iA)liaise with the skills development forums established in each province in such manner and on such issues as may be prescribed;
 - subject to section 14, appoint staff necessary for the performance of its functions;
 - (jA) promote the national standard established in terms of section 30B;
 - (jB) liaise with the QCTO regarding occupational qualifications; and
 - perform any other duties imposed by this Act or the Skills Development Levies Act or consistent with the purposes of this Act.
- (2) A SETA has—
- all such powers as are necessary to enable it to perform its duties referred to in subsection (1); and
 - the other powers conferred on the SETA by this Act or the Skills Development Levies Act.

The Skills Development Act (No. 97 of 1998) (SDA) makes provision for the establishment of SETAs for each national economic sector. In terms of this, a SETA Constitution is drawn up in accordance with the requirements of section 13, as further provided for in terms of section 9 (1) of the Act, and provides an institutional framework for the SETA to develop and implement national, sectoral and workplace strategies, in order to develop and improve the skills of the South African workforce.

2.2 Skills Development Levies Act, No. 9 of 1999

This Act regulates a compulsory levy scheme to fund education and training in businesses within various sectors in South Africa. It aims to expand the knowledge and competencies of the labour force and in so doing increase the supply of skilled labour in South Africa, providing for greater productivity and employability.

The criteria currently used for employers to become eligible to pay Skills Levies

- SARS collects all SDLs of which 20% goes to the National Skills Fund and 80% to the SETAs. SETAs retain 10.5% for their own administration, with 0.5% of this going to the Quality Council for Trades and Occupation (QCTO) for quality assurance, 20% is dispersed back to compliant and participating employers (Mandatory Grant) and allocate 49.5 % to their Pivotal pool of funds.
- 80% of this Pivotal pool of funds is available to employers in the form of a Pivotal Grant (subject to application and success submission of a Pivotal Grant Plan) and 20% is reserved for Discretionary funding of compliant employers (subject to application/allocation).
- Non-compliant or non-participating employers' Mandatory Grant is swept into the discretionary pool. SETAs may also apply for additional funding from the National Skills Fund for special projects. Should the SETA not use the funds at their disposal they have to be returned to the National Skills Fund (NSF).

2.3 Other Legislation & Policy Mandates

Other key legislation includes:

- a) Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997),
- b) Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003),
- c) Division of Revenue Acts
- d) Employment Equity Act, 1998 (Act No. 55 of 1998),
- e) Income Tax Act, 1962 (No. 58 of 1962).
- f) Labour Relations Act, 1995 (Act No. 66 of 1995),
- g) National Qualifications Framework Act, 2008 (Act No. 67 of 2008),
- h) Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000),
- i) Public Audit Act, 2004 (Act No. 25 of 2004),
- j) Public Finance Management Act, 1999 (Act No. 1 of 1999),

Other policy mandates include:

- a) White Paper for Post-School Education and Training (2014) (PSET)

3 INSTITUTIONAL POLICIES AND STRATEGIES OVER THE PLANNING PERIOD

FASSET's impacts and outcomes are aligned to the NSDP, the Human Resources Development Strategy for South Africa (HRDS-SA) (which outlines the human resources development strategy for the country), the MTSF (which is a broad government framework that indicates economic growth drivers) as well as the National Skills Accord (NSA) (which is brokered between Government, Labour, Business and Civil Society to speed up the skilling of young South Africans as a key element of Government's New Growth Path (NGP)) has been taken into account.

The following institutional policies and strategies have been identified:

- National Development Plan (NDP),
- New Growth Path (NGP),
- National Skills Development Plan (NSDP), and
- Medium Term Strategic Framework (MTSF) (presented in 2019).

These plans are further elaborated upon in the sections below.

Other institutional policies and strategies that have been incorporated:

- Human Resources Development Strategy for South Africa (HRDS-SA),
- National Skills Accord (NSA),
- Industrial Policy Action Plan (IPAP),
- B-BBEE Codes of Good Practice.

3.1 National Development Plan

The NDP 2030, which is aimed at growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society, has also shaped the policy imperatives which have been considered. Furthermore, the White Paper on the PSET System (released in 2014) outlined the policy direction that will be adopted by the DHET. Although an implementation plan on the White Paper has not yet been issued, FASSET has considered the contents of the policy document. It is within FASSET's understanding that several gaps need to be addressed relating to areas such as centralisation of shared SETA services, the increased focus on research, monitoring and impact assessment of SETA interventions, the employability pipeline of individuals entering the sector, and the effective use of the SDL. We will continue to participate in the process with DHET to craft a workable implementation plan which is, as far as possible, geared towards ensuring that the policy imperatives of the White Paper are operationalised.

By 2030, the South African Government seeks to:

- Eliminate income poverty – Reduce the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39% to zero;
- Reduce inequality – The Gini coefficient should fall from 0.69 to 0.6.

Chapter 9, Improving Education, Training and Innovation, is directly linked to the SETAs, which outlines the following objectives and actions:

Figure 1: Chapter 9 of the National Development Plan (Objectives)

CHAPTER 9: EDUCATION, TRAINING AND INNOVATION
Objectives
1. Make early childhood development a top priority among the measures to improve the quality of education and long-term prospects of future generations.
2. Dedicated resources should be channelled towards ensuring that all children are well cared for from an early age and receive appropriate emotional, cognitive and physical development stimulation.
3. All children should have at least 2 years of pre-school education.
4. About 90 percent of learners in grades 3, 6 and 9 must achieve 50 percent or more in the annual national assessments in literacy, math's and science.
5. Between 80 – 90 percent of learners should complete 12 years of schooling and or vocational education with at least at least 80 percent successfully passing the exit exams.
6. Eradicate infrastructure backlogs and ensure that all schools meet the minimum standards by 2016.
7. Expand the college system with a focus on improving quality. Better quality will build confidence in the college sector and attract more learners. The recommended participation rate of 25% would accommodate about 1.25 million enrolments.
8. Eradicate infrastructure backlogs and ensure that all schools meet the minimum standards by 2016.
9. Expand the college system with a focus on improving quality. Better quality will build confidence in the college sector and attract more learners. The recommended participation rate of 25 percent would accommodate about 1.25 million enrolments.
10. Provide 1 million learning opportunities through Community Education and Training Centers
11. Improve the throughput rate to 80 percent by 2030.
12. Produce 30 000 artisans per year.
13. Increase enrolment at universities by at least 70 percent by 2030 so that enrolments increase to about 1.62 million from 950 000 in 2010
14. Increase the number of students eligible to study towards math's and science-based degrees to 450 000 by 2030
15. Increase the percentage of PhD qualified staff in the higher education sector from the current 34 percent to over 75 percent by 2030
16. Produce more than 100 doctoral graduates per million per year by 2030. That implies an increase from 1420 in 2010 to well over 5000 a year
17. Expand science, technology and innovation outputs by increasing research and development spending by government and through encouraging industry to do so.

Figure 2: Chapter 9 of the National Development Plan (Actions)

CHAPTER 9: EDUCATION, TRAINING AND INNOVATION
ACTIONS
Early Childhood development
Schooling
<ul style="list-style-type: none"> The interests of all stakeholders should be aligned to support the common goal of achieving good educational outcomes that were responsive to community needs and economic development. Introduce incentive schemes linked to the annual national assessments to rewards schools for consistent improvements Top performing schools in the public and private sectors must be recognised as national assets. They should be supported and not saddled with unnecessary burdens. Strengthen and expand Funza Lushaka and ensure that graduates of the programme are immediately absorbed into schools. It should not be left to graduates to find placements in schools Investigate introducing professional certification. Newly qualified teachers would need to demonstrate certain competencies before they are employed in schools, and after that they would be offered preliminary or probationary certification, to be finalised based on demonstrated competence. The professional certification of all teachers would need to be renewed periodically. Change the appointment process to ensure that competent individuals are attracted to become school principals.
Further Education and training
<ul style="list-style-type: none"> Support the development of specialized programmes in universities focusing on training college lecturers and provide funding for universities to conduct research on the vocational education sector Build the capacity of FET institutions to become the preferred institutions for vocational education and training. Learners should be able to choose the vocational pathway before completing Grade 12. Expand the geographical spread of FET institutions. <i>Build a strong relationship between the college sector and industry. SETAs have a crucial role in building relationships between education institutions and the employers.</i>
Higher Education
<ul style="list-style-type: none"> Implement a National Programme to develop the Next Generation of Academics for South African Higher Education. Complete the construction of two new universities in Mpumalanga and the Northern Cape; new medical schools in Limpopo and a number of academic hospitals: expand the infrastructure of existing institutions and allow all universities the use of distance education to reach more learners Provide an option of a four-year university degree, combined with bridging courses and more support for universities to help students from disadvantaged backgrounds. Provide all students who qualify for the National Student Financial Aid Scheme with access to full funding through loans and bursaries to cover the cost of tuition, books, accommodation and other living expenses. Students who do not qualify should have access to bank loans, backed by state sureties. Both the National Student Financial Aid Scheme and bank loans should be recovered through arrangements with the South African Revenue Service. Service-linked scholarships should be available in areas such as nursing, teaching and social work. Relax immigration requirements for highly skilled science and mathematics teachers, technicians and researchers. All graduates from foreign countries should be granted 7-year work permits.

As highlighted above, a critical FASSET related action is, *build a strong relationship between the college sector and industry. SETAs have a crucial role in building relationships between education institutions and the employers.*

As such, FASSET will continue to focus on the key recommendations of our SSP. These include the:

- Continued promotion of the SETA's Skills Development Strategy and the National Skills Development Plan
- Delivery of effective projects that impact on the skills needs of our sector and beyond, and across the PSET pipeline
- Emphasising the need for transformation in the sector i.e. the transformation agenda, to ensure that more African Black people, Coloured people in the Western and Northern Cape and people with disabilities are assisted to gain access to the sector and that B-BBEE imperatives are addressed in all our interventions
- Continued focus on tracking the impact of our skills development interventions will also be maintained

3.2 National Growth Plan¹

In 2013, the NGP called for the need to improve skills in every job and target 1,2 million workers for certified on-the-job skills improvement programmes annually. Whilst there has been significant progress made in this regard, there remains work to be done in achieving this goal. Every Sector Education and Training Authority (SETA) should therefore aim to facilitate and co-finance training for approximately 10% of the workforce annually. The NGP also commits government to improve SETA performance by strengthening governance, accountability and administrative systems. It emphasises that SETAs must prioritise the identification and funding of the main sector skills needs based on the NGP.

The National Growth Plan (NGP) emphasises the importance of skills development and, as indicated above, looks to the National Skills Development Plan for guidance. This challenge translates into a question: What skills are required for the implementation of its five main job drivers:

1. Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy;
2. Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and tourism and high-level services;
3. Taking advantage of new opportunities in the knowledge and green economies;
4. Leveraging social capital in the social economy and the public services; and
5. Fostering rural development and regional integration.

3.2.1 Role of SETAs on the demand and supply side:

The role of SETAs needs to be clarified from a demand and supply perspective. FASSET plays a crucial role in identifying sector skills needs and addressing them through FASSET programmes.

On the demand side:

1. Conduct labour market research and develop Sector Skills Plans (SSP);
2. Develop Strategic Plans (SP), Annual Performance Plans (APP) and Service Level Agreements (SLA); and submit quarterly reports.

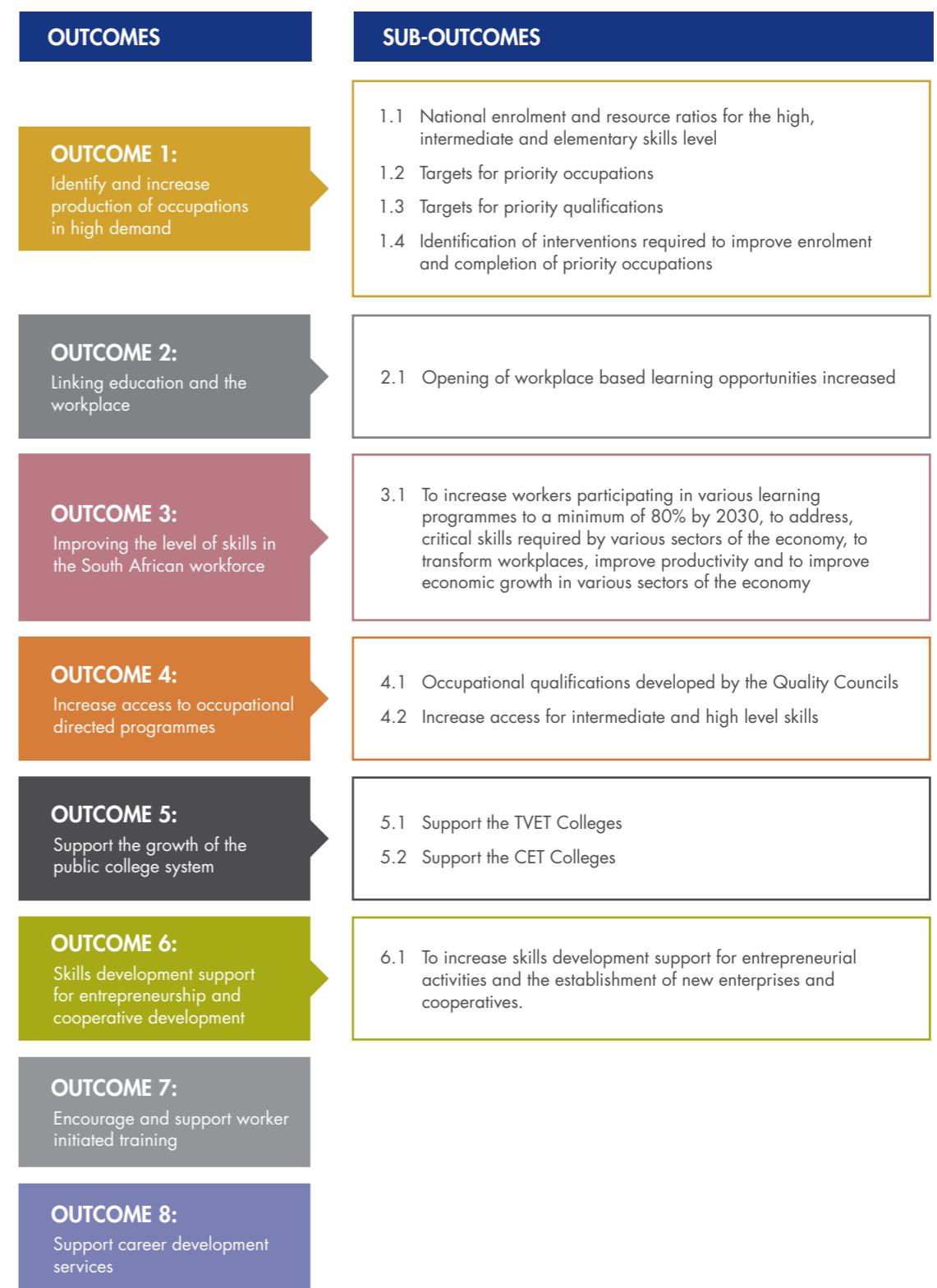
On the supply side:

1. Address sector skills needs and priorities;
2. Address scarce and critical skills (PIVOTAL) through implementation of learning programmes (i.e. Artisans and Learnerships);
3. Facilitate easy access and different entry points (Articulation and RPL);
4. To collaborate with the relevant Quality Council, especially the Quality Council for Trades; and occupations to ensure quality and provision of learning programmes.

3.3 National Skills Development Plan

The National Department of Higher Education and Training (DHET) promulgated the NSDP in March 2019. The NSDP aligns to the outcomes of the National Development Plan and outlines outcomes and sub-outcomes for 2030. These are summarised in Figure 3:

Figure 3: NSDP Outcomes and Sub-Outcomes



¹ Taken from the National Skills Development Plan

Each of these outcomes are inputs into the SSP and SP as shown in the summary table below:

Table 1: NSDP Outcomes Linked to FASSET Outcomes and Programmes

NSDP OUTCOMES	LINKED FASSET IMPACTS	LINKED FASSET OUTCOMES	PROGRAMME
Outcome 1: Identify and increase production of occupations in high demand	Facilitating the timeous and relevant upskilling of the FASSET sector	<ul style="list-style-type: none"> Outcome 2 Appropriate skills intervention determined as informed by research Outcome 3 Reduced critical skills and skills shortages in the sector 	<ul style="list-style-type: none"> Programme 2 Programme 3
Outcome 2: Linking education and the workplace	Facilitating the timeous and relevant upskilling of the FASSET sector	<ul style="list-style-type: none"> Outcome 2 Appropriate skills intervention determined as informed by research Outcome 3 Reduced critical skills and skills shortages in the sector 	<ul style="list-style-type: none"> Programme 2 Programme 3
Outcome 3: Improve the level of skills in the South African workforce	Facilitating the timeous and relevant upskilling of the FASSET sector	<ul style="list-style-type: none"> Outcome 1 Efficient and effective organisational support system with an enabling culture Outcome 2 Appropriate skills intervention determined as informed by research Outcome 3 Reduced critical skills and skills shortages in the sector Outcome 4 Improved quality assurance system for the sector learning programs 	<ul style="list-style-type: none"> Programme 1 Programme 2 Programme 3 Programme 4
Outcome 4: Increase access to occupationally directed programmes	Facilitating the timeous and relevant upskilling of the FASSET sector	<ul style="list-style-type: none"> Outcome 3 Reduced critical skills and skills shortages in the sector 	<ul style="list-style-type: none"> Programme 3
Outcome 5: Support the growth of the public college system	Facilitating the timeous and relevant upskilling of the FASSET sector	<ul style="list-style-type: none"> Outcome 3 Reduced critical skills and skills shortages in the sector 	<ul style="list-style-type: none"> Programme 3
Outcome 6: Skills development support for entrepreneurship and cooperative development	Facilitating the timeous and relevant upskilling of the FASSET sector	<ul style="list-style-type: none"> Outcome 3 Reduced critical skills and skills shortages in the sector 	<ul style="list-style-type: none"> Programme 3
Outcome 7: Encourage and support worker-initiated training	Facilitating the timeous and relevant upskilling of the FASSET sector	<ul style="list-style-type: none"> Outcome 2 Appropriate skills intervention determined as informed by research Outcome 3 Reduced critical skills and skills shortages in the sector 	<ul style="list-style-type: none"> Programme 2 Programme 3
Outcome 8: Support career development services	Facilitating the timeous and relevant upskilling of the FASSET sector	<ul style="list-style-type: none"> Outcome 3 Reduced critical skills and skills shortages in the sector 	<ul style="list-style-type: none"> Programme 3

² Programme 1 – Administration, Programme 2 – Skills Planning, Programme 3 – Learning Programmes and Projects, Programme 4 – Quality

3.4 Medium-Term Strategic Framework (MTSF)

Linked to the NDP in 2019, the following priorities were highlighted for the Medium-Term Strategic Framework:

Figure 4: Medium-Term Strategic Framework



4 RELEVANT COURT PROCEEDINGS

In 2013, Business Unity South Africa (BUSA) launched a court case against DHET on the SETA Grant Regulations Regarding Monies Received by a SETA and Related Matters, which was gazetted on 3 December 2012 and came into effect on 1 April 2013. The primary contention relates to DHET allegedly not following due process when implementing the December 2012 funding regulations. BUSA also did not agree with the decrease in the Mandatory Grant percentage from 50% to 20% and that unspent SETA funds be transferred to the National Skills Fund (NSF). DHET filed a response to the BUSA case with the High Court and BUSA has, in turn, responded by filing a counterclaim.

The final court ruling was issued in August 2015 in BUSA's favour where BUSA's arguments were upheld and the SETA Grant Regulations providing for the Mandatory Grant decrease and the transfer of unspent SETA funds to the NSF were declared invalid and set aside. The effect of the Order of the Court was suspended until 31 March 2016. This enabled the MHEST to consult with the National Skills Authority (NSA), which supported the re-promulgation of the Mandatory Grant at 20%. This was gazetted on 13 January 2016 and remains in force until the court makes a ruling on the matter.

In the meantime, SETAs are required to continue to disclose uncommitted surpluses that are transferrable to the NSF as a contingent liability at the end of each financial year and applications must continue to be made to National Treasury for the retention of surpluses. Concurrently, NSF will continue to disclose a contingent asset for uncommitted surpluses receivable from SETAs at the end of each year.

BUSA has subsequently lodged another challenge on 30 June 2016 pertaining to the Mandatory Grant being decreased from 50% to 20%. At this stage, there is no court ruling on the matter and the regulation remains in force as per the MHEST's gazette of 13 January 2016. FASSET will continue to implement the current funding regulations until a different directive is received from DHET.

PART B: OUR STRATEGIC FOCUS



VISION

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



MISSION

Our mission is:

- To inject relevant Finance and Accounting Services skills into the South African economy;
- To position FASSET as a thought leader in skills development and training;
- To demonstrate continued excellence in Finance and Accounting Services;
- To drive transformation and promote inclusivity in the Finance and Accounting Services workforce.



Our Values:

PROFESSIONALISM & ACCOUNTABILITY

We are high performance, professional team; we strive for excellence through hard work and by taking responsibility and being accountable within an accepted and agreed code of conduct

ETHICS

We work with integrity and honesty and respect internal and external stakeholders at all times

MAKING A DIFFERENCE

We make a difference to the lives of all our stakeholders by identifying their needs and exceeding expectations

VALUING PEOPLE

We strive to create a motivating and supportive culture by understanding, respecting, developing and valuing each other

INNOVATION

We continuously innovate and improve to add value to all our stakeholders

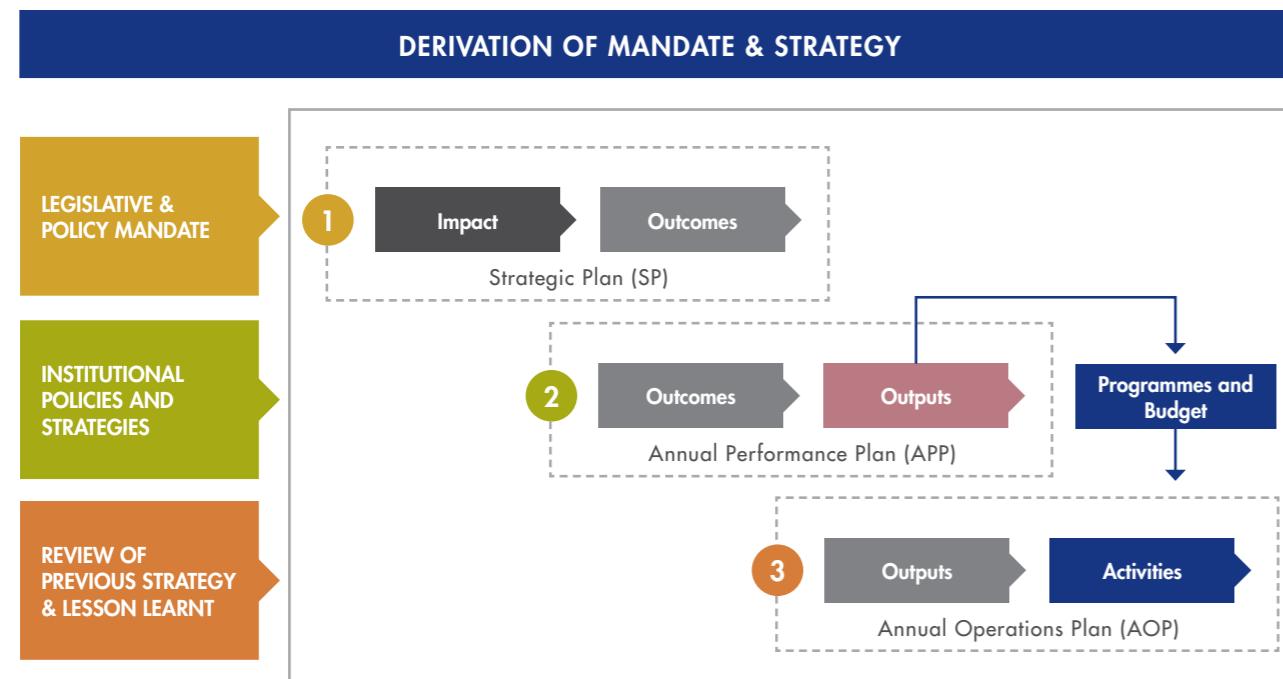
8 SITUATIONAL ANALYSIS

FASSET exists in a complex environment, with multiple stakeholders with varying demands. The environment is continuously changing, with the following key skills issues which need to be addressed by FASSET:

- The need to retain a long-term and holistic view of the skills pipeline and to address the key challenges that occur in the pipeline;
- Ensuring that new entrants reach professional, associate or required status;
- Strengthening the capacity of the TVET colleges and improving the absorption of TVET graduates in the labour market;
- Supporting the transformation of the sector.

To understand how these key skills issues, need to be dealt with, an understanding of the FASSET environment is required. The following figure provides this.

Figure 5: FASSET Operating Environment



Industry needs are identified and communicated to FASSET by external stakeholders, these include many of the Finance and Accounting sector professional bodies, amongst others. These needs are then aligned to national imperatives, through which a directed strategy is developed that addresses both industry and national needs. Funding is provided, ensuring skills development, which then in turn feeds into FASSET's industry needs identification process. The complications experienced in this process is that industry changes at a higher rate than which FASSET can adapt. This speaks to FASSET's research functionality being able to pre-empt the trends to create proactive adaptation to the industry needs.

First world factors such as financial technology, widening skills requirements of an individual and third world issues of South Africa create a complexity for FASSET. The new strategy seeks to blend the requirements of the first and third world factors to ensure it is improving the status quo on skills within the Financial and Accounting sector and achieving its mandate.

8.1 External Environment Analysis

A PESTEL was conducted to understand the external environment that directly has an impact on FASSET.

Political

Enterprise development and business incubation initiatives are saturating the market. Many of these initiatives focus on entrepreneurial skills development which includes an element on finance and accounting. The President allocated R1 billion towards the SME Fund to increase access to resources by SMEs. The increased access will create an increased demand in training and skills development services through enterprise development and business incubation services.

South Africa's credit rating remains a high-risk threat for the country. However, the employment trends show an increasing number of individuals employed, as shown by the following figure.

Figure 6: Employment Trends 2008 – 2018



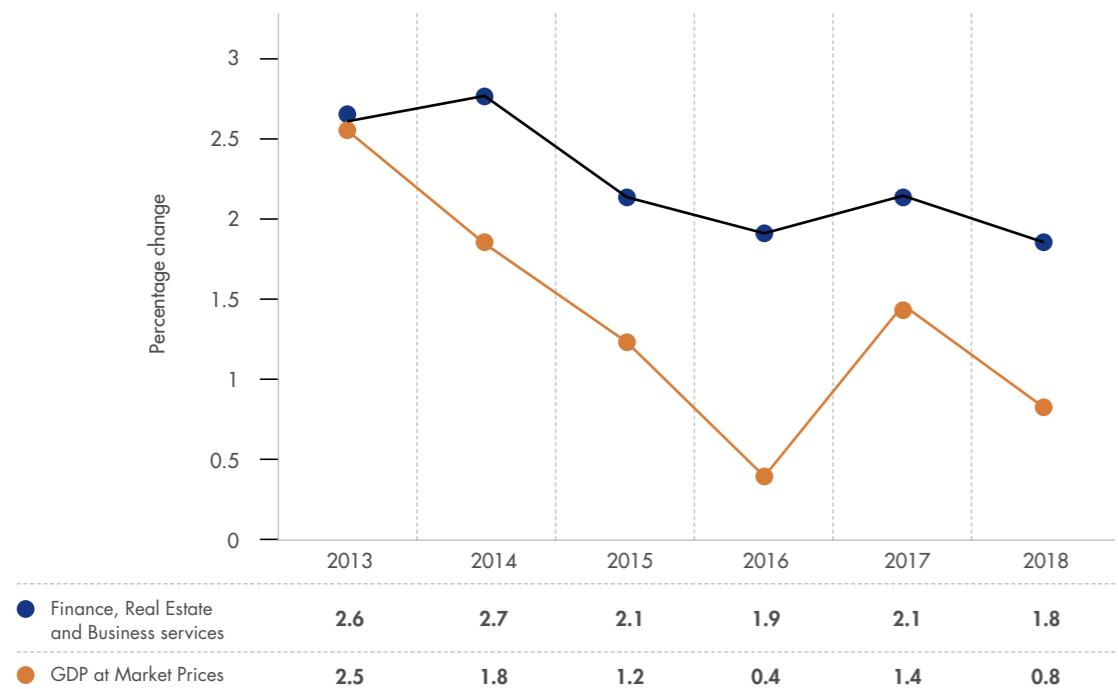
Economic

Job creation and alignment to national economic development mandates are key factors which will determine how FASSET disburses its grants. Currently, alignment to DHET (which automatically aligns to national imperatives) ensures alignment to economic development mandates. The method of delivering these needs to be considered based on the skills issues experienced in South Africa.

Economic Performance of the Sector

The Finance, Real Estate and Business services sector as the broader sector of the Finance and Accounting Services (FAS) sector has remained the strongest non-primary sector in the South African economy. The sector outperformed all sectors including agriculture and became the main supporter of growth in 2018 increasing by 1.8% (Figure 7).

Figure 7: Growth rates in industry value added and GDP (constant 2010 prices, seasonally adjusted and annualised): 2013-2018



Source: Statistics South Africa (Stats SA), PO441, Fourth Quarter 2018

The Finance, Real Estate, and Business services sector contributed 19.8% to the Gross Domestic Product (GDP) in 2017, 9% coming from finance and insurance, 5.7% real estate, and 5.1% from business services. Business services includes categories such as accounting, auditing and tax services. The sector experienced a decline in the first quarter of 2017, compared to previous years, contracting by 0.5% but recovered in the second, third and fourth quarter of 2017. In the fourth quarter of 2018, the Finance, Real Estate, and Business services sector increased by 2.7%, relatively higher compared to the 2.3% increase in the second quarter. The sector was the main supporter of growth leading the economy out of technical recession entered in the second quarter of 2018. The sector's performance can, in part, be attributed to loosening in the monetary conditions which further supported credit growth and helped sustain the increase in the financial intermediation activity.

The SARS has over the years demonstrated its resilience to sustain revenue collection. In the 2017/18 financial year, SARS collected an amount of R1 216.6 billion, 0.6% close to the forecasted estimate of R1 217.4 billion announced by the Minister of Finance in the 2018 budget speech. The amount collected represented a R2.4 billion (6.3%) growth compared to the 2016/17 financial year. In the 2018/19 financial year however, the tax revenue estimate was revised downwards recording a shortfall of R42.8 billion. This revenue collection shortfall was caused, in part, by problems with tax administration at SARS, in addition to broad economic weaknesses and higher than expected VAT refunds.

The stockbroking and financial markets subsector have experienced some turbulence. The Johannesburg Stock Exchange (JSE) all share index which represent 99% of the full market capitalisation of all eligible equities listed on the main board of JSE increased by 8 019 points or 15.64% since the beginning of 2019. The South African market capitalisation, which measures the size of the stock market in the country, accounted for 260.2% of the country's nominal GDP in December 2018, lower compared with a percentage of 332.2% in the previous year. Any market capitalization above 50% is viewed as an emerged or performing stock market. The investment and unit trust subsector performed poorly in 2018 compared to the previous year. The local market share in unit trusts declined by more than 11% in 2018.

Social

Awareness of Financial and Accounting professions as well as community access to FASSET are some of the key social considerations. Finance and Accounting are popular choices for aspiring students, however, the progression into financial technology means interest can be raised towards niche skills required to fill gaps in industry.

Community access to FASSET are critical to ensure ease of communication and increasing awareness of the FASSET brand.

Technological

The fourth industrial revolution (4IR) as well as South Africa's high popularity on financial technology solutions requires FASSET to meet the demands of industry. As 4IR technology consumes the workplace, older financial and accounting skills are becoming obsolete. Professionals need to be re-skilled and re-purposed for new demands. For example, Blockchain technology and the distributed ledger will be vital for professional Accountants.

Environmental

FASSET must adhere to national imperatives on reducing carbon emissions. Unlike the energy sector, environmental regulations in the Finance and Accounting are relatively less.

Legal

Audit scandals and unethical finance operations are increasing. Ensuring ethical practice proves to be harder when the environment, especially financial technology, continuously changes. Driving ethical practice is key and requires concerted engagement with professional body stakeholders to continuously communicate and uphold.

Findings from the 2019 SSP

As indicated in Chapter 1 of the SSP, out of 29 209 employers in the sector, a total of 8 067 organisations paid the SDL. Most organisations in the FAS sector are very small and 99% of the organisations in the sector employ fewer than 50 people. Thirty-nine per cent of the workforce in the FAS sector are Black African, 35% are White, 12% are coloured and 9% Indian. The majority (58%) of the employees in the FAS sector are women. About 80% of workers in the sector are 45 years or younger.

In Chapter 2 of the SSP, it was highlighted that the drivers of change include technological advancements, regulations and issues of globalisation. The advent of the developments in technology known as 4IR are having an impact on the nature of work. The FAS sector is a highly regulated sector and changes in legislation and in the regulatory environment are affecting the skills situation in the sector. The most important changes are the implementation of the Companies Act of 2008 which introduced new responsibilities for a range of professionals, including accountants, auditors, company secretaries, risk managers and internal auditors. Other changes include the expanding regulatory and governance requirements that follow on the revised King Codes, changes in the tax regimen, changes in the regulation of the financial markets, changes in the registration requirements for professionals and the continuously changing regulation of the accountancy professions.

In the public sector the commitment of the newly elected government to combating corruption, strengthening the capacity of the public service and improving service delivery will result in new and increased demand for finance and accounting skills.

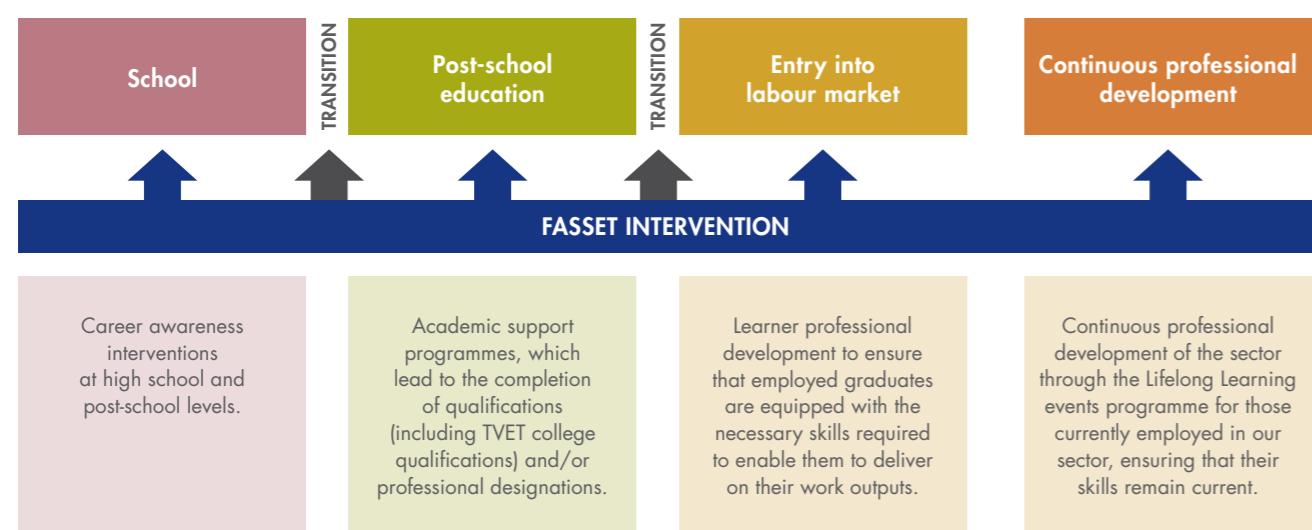
FASSET's planning is to a very large extent influenced by national policies and strategies, especially the NDP, the recently adopted NSDP and the White Paper for Post-School Education and Training. Consideration was also given to IPAP and the requirements of the SIPs.

The FASSET Board in 2018/19 identified the three most important skills issues that FASSET needs to contend with and that need to be addressed in its priority setting. These are:

- The need for a long-term and holistic view of the skills pipeline and identifying the specific gaps and blockages that need to be promoted and supported
- Ensuring that new entrants, particularly Black graduates, reach professional status
- Strengthening the capacity of the TVET colleges and improving the absorption of TVET college graduates in the labour market

The analysis presented in Chapter 3 of the SSP clearly indicates that the supply of financial skills does not meet the demand for these skills in the FAS sector and in the rest of the economy. Skills shortages are to a large extent interlinked with the transformation goals of the organisations in the sector and will only be relieved through larger numbers of Black graduates in specific provinces delivered by the education and training sector. The reasons for the current mismatches in the sectoral labour market can be found at different points in the skills pipeline and consequently, in the setting of skills development priorities, the Board took into consideration the skills formation process as it spans the lifetimes of individuals. This process is illustrated in figure 6. As indicated in Chapter 3 of the SSP, skills formation already starts at school level. It then continues through post-school education to the point where a person enters the labour market for the first time. Two very important transitional moments in this process are the transition from school to post-school education and from post-school education to the labour market. Once established in the labour market, people need to continue with the development of skills in order to progress in their careers and in order to stay abreast with changes in the world of work. In the conceptualisation of skills development priorities and interventions for the SETA, FASSET seeks to understand the full pipeline, identify gaps and blockages and work with stakeholder partners to address them.

Figure 8: The education and skills formation pipeline and FASSET's interventions along the process



As noted in Chapter 4 of the SSP, FASSET shares the responsibility of skills formation with many other role players, including government, the post-school education and training system, professional bodies and employers. As such partnerships have been entered to advance skills development in the sector and for the rest of the economy. In its strategic decision-making, FASSET's Board has also considered the SETA's responsibilities and available resources in relation to the responsibilities and resources of other role players.

In Chapter 5 of SSP, FASSET highlighted its approach to M&E including areas where challenges have been experienced. A reflection on the outcomes of SSP priority actions was conducted, demonstrating the areas where FASSET has achieved the predetermined objectives. An action plan to improve M&E has been set out which includes operationalising the M&E unit, reviewing the M&E framework and institutionalising the reviewed framework.

Recommended Actions from the SSP

After considering the analysis presented in the SSP, the requirements of the FASSET sector as well as certain national imperatives and cross-cutting objectives emanating from Government's national strategies and policies and the skills needs of the broader economy, three skills development priorities were identified and are described below. These are:

- 1) Increasing the flow of new finance and accountancy entrants into employment;
- 2) Developing and growing the skills required in the sector; and
- 3) Supporting transformation of the Finance and Accounting Services Sector.

Increasing the flow of relevant finance and accountancy entrants to employment

FASSET's first overarching priority is to ensure an increase in the flow of new finance and accountancy entrants to the sector and into the financial divisions in organisations in the rest of the economy. This increase should be large enough to provide for the systematic eradication of the skills shortages that are currently experienced, for the expected growth of the economy, and for the replacement demand that exists in the sector. New entrants should possess the professional and/or technical qualifications required by the sector and should increasingly reflect the racial composition of the South African economically active population. This priority focuses on different places in the access routes into the sector. The priorities also address the different components of the education and training pipeline into the sector – from FET level through to workplace training.

FASSET's interventions start before FET level, with career guidance initiatives at school level and continue through to full professional levels. FASSET addresses the skills needs in the sector, as well as the broader economy, via its role as a SETA.

Table 2: Skills development priorities (aligned to NSDP outcomes) to increase the flow of new entrants to the labour market

NO	PRIORITY	ENTRY ROUTE ⁴	LEVEL OF SKILLS
1	Increasing the flow of new finance and accounting entrants to employment	Entry route 1	Middle level skills
2	Increasing the number of entrants at HET level	Entry route 2	High level skill
3	Increasing the number of entrants to employment	Entry route 3 and 4	High level skill
4	Developing work readiness of entrants at HET level	Entry route 2	High level skill
5	Increasing the number of learners who qualify on professional body learnerships	Entry route 3 and 4	High level skill
6	Increasing the retention, work readiness and employment absorption of learners on learnerships	Entry route 3 and 4	High level skill
7	Increasing the number of learners that enter employment through internships	Entry route 6	High level skill

Developing and growing the relevant skills required in the sector and the economy

FASSET's overall priority is to ensure that all employees in the sector have access to quality education and training. This education and training should be linked to the business objectives of employer organisations and specifically in medium-sized-and large organisations; it should support the employment equity plans of the organisations. The specific skills development priorities that will be addressed in the planning period covered by the 2019 SSP are listed in the table below.

Public sector organisations will become more involved in skills development initiatives owing to a directive issued by the Department of Public Service and Administration (DPSA) ordering government departments to pay a percentage of the one per cent skills development levy to SETAs.

Table 3: Skills development priorities to develop and maintain the skills base of the current workforce

NO	PRIORITY	LEVEL OF SKILLS
1	Increasing the number of employees in employment at FET and HET levels	Mid and high-level skill
2	Ensuring that employees receive training (short courses and skills programmes)	Mid and high-level skill
3	Supporting skills development in small organisations	Mid and high-level skill

Entry route 1 - move straight from the FET qualification to professional body qualification

Route 2 – Move from HET qualification to learnerships

Route 3 & 4 - move from a HET certificate to professional learnerships (internships) like SAICA ones.

Facilitating transformation and inclusivity of the FASSET sector workforce

African Black and Coloured people in specific provinces, as well as people living with disabilities, are under-represented at a professional, management and senior management level in the FASSET sector. FASSET, professional bodies associated with FASSET and educational institutions, have, for many years been engaged in initiatives to ensure that this skewed demographic is transformed.

Financial professionals form the core of employment in the sector and it is therefore imperative that young talented African Black and Coloured professionals in specific provinces and people living with disabilities are attracted into the sector and complete relevant further and tertiary qualifications, as well as professional body learnerships in order to become full members of the professional bodies active in the sector.

The only population groups that are under-represented in FASSET's sector are African people across the country and additionally Coloured people in the Northern Cape and Western Cape. People living with disabilities of all races are also under-represented in this sector. For this reason, one of the fundamental goals of FASSET is to address the demographic imbalance of employment in the sector by directing funding into numerous initiatives for African Black people across the educational and career pipeline.

Table 4: Skills development priorities to facilitate transformation in the FASSET sector

NO	PRIORITY	ENTRY ROUTE ⁴	LEVEL OF SKILLS
1	Increasing the number of African Black and Coloured entrants in specific provinces into employment at FET level	Entry route 1	Mid-level skill
2	Increasing the number of African Black and Coloured entrants in specific provinces at HET level	Entry route 2	High-level skill
3	Increasing the number of African Black and Coloured entrants in specific provinces into employment	Entry route 3 and 4	High-level skill
4	Developing work readiness of entrants at HET level	Entry route 2	High-level skill
5	Increasing the number of learners who qualify on professional body learnerships	Entry route 3 and 4	High-level skill
6	Increasing the retention, work readiness and employment absorption of learners on learnerships	Entry route 3 and 4	Mid- and high-level skill
7	Increasing the number of learners that enter employment through internships	Entry route 6	High-level skill
8	Increasing the number of employees in employment at a FET and HET levels	Entry route 3 and 4	Mid- and high-level skill
9	Ensuring that employees receive training (short courses and skills programmes)		Mid- and high-level skill
10	Supporting skills development in small organisations (Middle and high-level skills)		Mid and high-level skill

8.2 Internal Environment Analysis

The analysis examines three core elements, (a) the capacity of the SETA to delivery upon the mandate, (b) the status of the institutions regarding compliance with the BBBEE Act (No. 46 of 2013) as well as transformational demographics of staff, and (c) a SWOT analysis diagnosing the Strengths, Weaknesses, Threats and Opportunities of FASSET.

8.2.1 Capacity to Delivery Upon the Mandate

FASSET Programmes

The SETA is structured through four programmes: Programme 1 – Administration, Programme 2 – Skills Planning, Programme 3 – Learning Programmes and Programme 4 – Quality Assurance. The programme purposes are detailed below.

Programme 1: Administration

The purpose of this programme is to enable effective and efficient capabilities for core and supporting functions. These capabilities include governance, leadership, organisational, process and system components. Supporting functions include Finance, Operations, Human Capital, Information Technology, Communications and Supply Chain Management. This programme also aims to establish and maintain enabling, integrated core and supporting systems, as well as ensure a capacitated, capable workforce, empowered by an enabling culture.

It is important to note that FASSET has undergone significant internal change over the past two years. The composition of the executive management team has changed significantly over this period. There has also been a significant increase in staffing given the insourcing of a number of supporting functions that were previously outsourced. Given this context, it is key that internal FASSET capabilities are stabilised and strengthened to acceptable levels.

Programme 2: Skills Planning

The purpose of this programme is to establish an effective mechanism for skills planning and research. It is responsible for researching skills needs within the sector and developing the SSP that guides skills development priorities for the finance and accounting sector; as well as informing the SETA's SP and APP.

Programme 3: Learning Programmes and Projects

This programme is one in which the SETA invests the bulk of its resources and energy and is most aligned to the outcomes of the NSDP.

The learning programmes and projects programme is focused on enabling and enhancing skills development in and for the finance and accounting sector in partnership with relevant stakeholders. It also aims to promote the finance and accounting sector as a preferred career choice for new entrants into the labour market. Through the targeted funding of skills interventions, the SETA expects to transform the finance and accounting profession and sector. This programme needs to ensure that delivery of skills interventions meets with compliance requirements. Ultimately this programme is expected to deliver the requisite value and impact through the SETA's funded interventions.

To deliver on FASSET's strategic outcomes, collaboration with TVET colleges needs to form a key component of the SETA's partnership approach. Pilot implementations at TVET colleges over the past 5 years have informed the way forward; including establishment of FASSET offices at TVETs and relevant qualification development. Collaboration with other sector stakeholders is also key – the SETA is in the process of establishing various stakeholder working committees to address this need.

Programme 4: Quality Assurance

Programme four is focused on supporting the professional organisations to align their qualifications to the new dispensation (as introduced through QCTO) while ensuring quality. The support role assumed by the SETA in this regard acknowledges the key role played by professional organisations in the development and implementation of qualifications for the finance and accounting sector.

FASSET Organogram & Staff Count

Internally, FASSET's human capital consists of individual employees' knowledge, skills, competencies and their ability to understand and implement the FASSET strategy. FASSET's staff complement has grown to 53 people to address growing operational requirements and a change in SETA strategy to insource several of our previously outsourced functions. Due to ongoing recruitment, the staff complement has been on the rise.

Since inception, FASSET had outsourced the Finance and Information Technology (IT) functions. Both these functions are now insourced to enable greater control and implementation capacity.

In 2019, two critical positions were filled permanently: a new CEO was appointed in January 2019 (a position that has been vacant since 2017) while a new CFO was appointed in September, a position which was filled by an acting CFO since December 2018. The Executive team is thus capacitated and better enabled to make decisions related to the effective execution of the mandate. Additionally, a Corporate Services Director joined the executive team in September 2019, and this has allowed for better execution of the very important area of Human Capital, Marketing and Facilities Management.

Non-core functions relevant to the organisation, such as Internal Audit and the SETA's Call Centre are currently outsourced. Additional expertise is procured as and when required (for example in the field of research).

To ensure that FASSET remains focused on the recruitment and retention of talented staff, as well as driving transformation within the workforce, FASSET follows a Recruitment and Selection Policy and an Employment Equity Plan (EEP). These policies are reviewed and updated regularly.

The current skills capacity described above is well poised to meet the operational requirements to enable FASSET to effectively deliver on its mandate as contained in this delivery plan for the upcoming financial year.

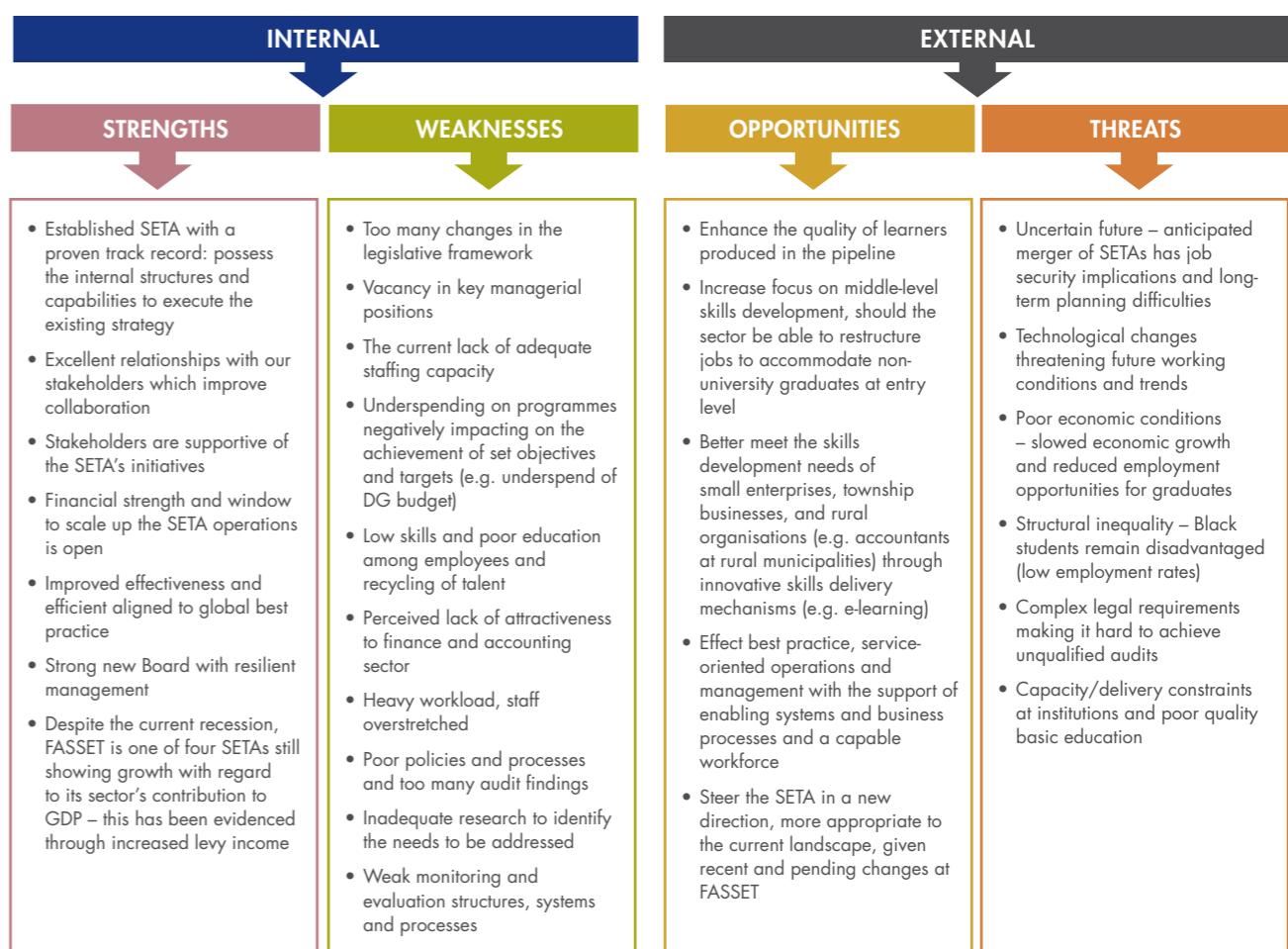
Figure 9: Compliance with the BBBEE Act (No. 46 of 2013) and Transformational Demographics

Categories	African		Coloured		Indian		Grand Total
	Female	Male	Female	Male	Female	Male	
Junior management	10	5	0	0	0	0	15
Management	2	4	0	0	0	0	6
Professional	1	1	0	0	0	0	2
Semi-Skilled	13	2	0	0	0	0	15
Senior management	2	1	0	1	0	0	4
Top management	1	0	1	0	0	1	3
Intern	4	2	0	0	0	0	6
Unskilled	3	0	0	0	0	0	3
Grand Total	36	15	1	1	0	1	54

8.2.2 Internal Analysis

An understanding of environment is done through a SWOT framework that looks at strengths and weaknesses which are internally focused, and opportunities and threats which are usually externally focused. The following figure provides an overview of the SWOT:

Figure 10: Organisational SWOT Analysis



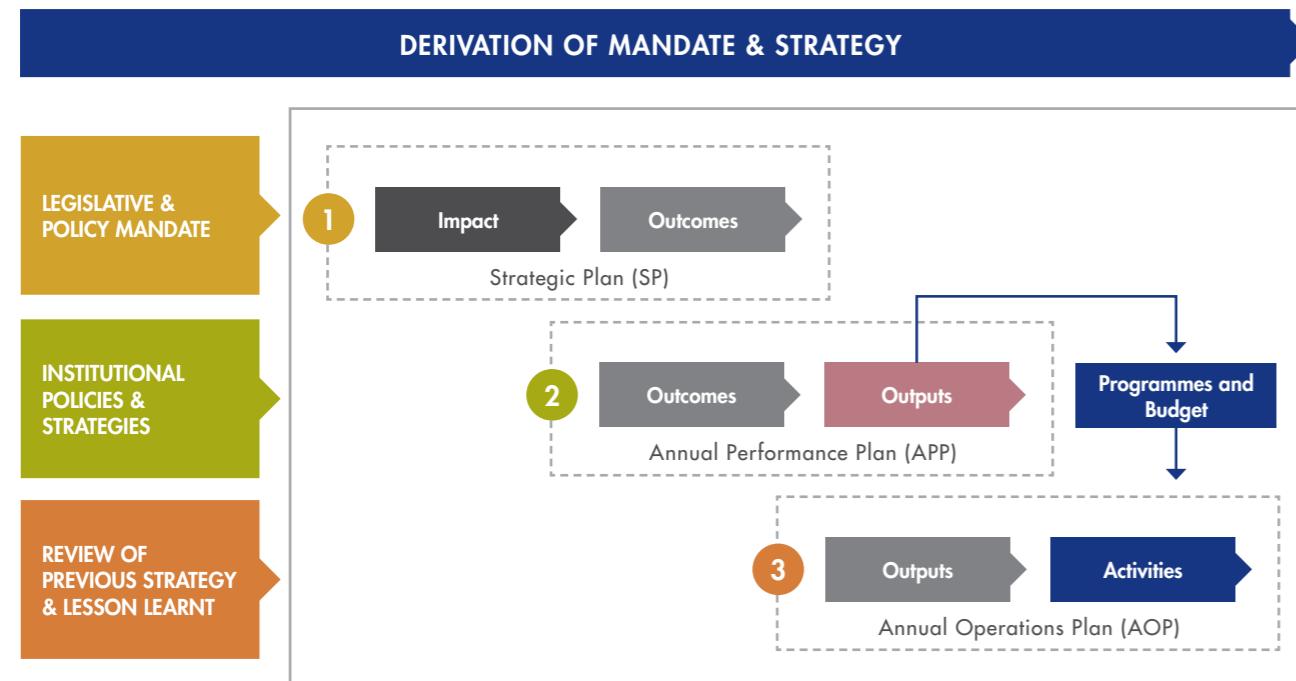
Internally, FASSET needs to consider 3 key factors which will shape the delivery of its mandate:

- 1. Technological Advancements (examples indicated below)**
 - Change in curricula of education and training institutions
 - Understanding of blockchain and distributed ledger will be vital for professional Accountants
 - Professions will require digital technology skills and understanding how to align to ever-changing financial - technology
 - Accountants roles are becoming more strategic
- 2. Globalisation (examples indicated below)**
 - From a skills perspective, it is important that there is a good understanding within enterprises of the changing nature of global markets and how it relates to their products and customer base.
 - Future accountants will increasingly need education and awareness in globalisation (outsourcing of accounting services) and evolving regulations which includes tax regulation, new forms of corporate reporting
- 3. Changes in Regulation and Governance (examples indicated below)**
 - The market-demand is shifting towards higher qualified, professional tax practitioners
 - Tax practitioners who don't meet the educational requirements of the professional bodies, need training in order to comply with the requirements

9 INSTITUTIONAL PERFORMANCE INFORMATION

FASSET followed a structured approach in developing the present strategy and annual performance plan. This process is highlighted in the image below:

Figure 11. Strategic Planning Process Followed



The legislative and policy mandates of FASSET were examined, together with the identification and review of institutional policies and strategies, as well as a review of previous strategies and lessons learnt. Applying the new DPME framework, these served as inputs into deriving the new impacts, outcomes, outputs and activities linked to existing programmes of the organisation.

FASSET exists within a complex environment, with a legislative and policy mandate to adhere to, together with institutional policies and strategies to incorporate. FASSET has identified the following MTSF priorities which it incorporates into the strategic plan.

Figure 12. MTSF Priorities

PRIORITIES	OUTCOMES
PRIORITY 1: Economic Transformation and Job Creation	<ul style="list-style-type: none"> Create more decent jobs Inclusive economic growth Re-industrialisation of the economy and emergence of globally competitive sectors Increased access to and uptake of ICT Increased ownership and participation by historical disadvantaged individuals Competitive and accessible markets through reduced share of dominant firms in priority sectors A macroeconomic framework that supports growth, employment and inclusion Reduced illicit activity and improved tax collection
PRIORITY 2: Education, Skills and Health	<ul style="list-style-type: none"> Improved education, training and innovation Universal access to good quality health care for all South Africans achieved A long and healthy life for all South Africans
PRIORITY 6: A Capable, Ethical and Developmental State	<ul style="list-style-type: none"> Functional and integrated government Honest and capable state with professional and meritocratic public servants Professional and ethical the public service Improved governance and intergovernmental and engagement with citizens Development state and compact with citizens, responsiveness, public trust Strengthen relations and efficiency in government

Strategic planning is not a stop-start activity, and FASSET's 2020-25 strategy reflects continuity in terms of its strategic intent, built on its enabling mandate. The FASSET's 2020-25 strategy therefore draws on the strategic goals captured in the FASSET 2015-20 Strategic Plan.

Lastly, the impacts identified incorporate the recommendations from the SSP.

SSP Recommendation	LINKED IMPACT
Increasing the flow of new finance and accountancy entrants into employment	Facilitating the timeous and relevant upskilling of the FASSET sector
Developing and growing the skills required in the sector	Facilitating the timeous and relevant upskilling of the FASSET sector
Supporting transformation of the Finance and Accounting Services Sector	Facilitating the timeous and relevant upskilling of the FASSET sector

9.1 Measuring the Impact

Building on the external focused FASSET 2015-2020 Strategic Goals and government priorities, strengthening the alignment with the FASSET's mandate and taking cognisance of the external situational analysis, the FASSET 2020-25 Strategic Plan is built around the following Impact Statement:

Impact Settlement

Facilitating the timely and relevant upskilling of the FASSET sector

9.2 Measuring Outcomes, Narratives and Key risks

Programme 1: Administration

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE YEAR TARGET
Efficient and effective organisational support system with an enabling culture	Number of administration targets achieved	42	70

Explanation of Planned Performance over the Five -Year Planning Period

Attainment of the FASSET Outcome 1: Efficient and effective organisational support system with an enabling culture supports the attainment of the following NDSP outcome:

- NSDP Outcome 3, Improving the level of skills in the South African workforce
- FASSET seeks to enable the internal organisation in order to support and enhance continued excellence within the sector. The outcome supports Chapter 13 of the NDP and Priority 6 of the MTSF by supporting:
- A functional and integrated government;
 - An honest and capable state with professional and meritocratic public servants;
 - A professional and ethical the public service;
 - An improved governance and intergovernmental and engagement with citizens;
 - A developmental state and compact with citizens, responsiveness, public trust; and
 - To strengthen relations and efficiency in government.

The outcome links to the enablers of Priority 1 of the MTSF, Economic Transformation and Job Creation:

PRIORITY 1:
Economic Transformation
and Job Creation

- Create more decent jobs
- Inclusive economic growth
- Re-industrialisation of the economy and emergence of globally competitive sectors
- Increased access to and uptake of ICT
- Increased ownership and participation by historical disadvantaged individuals
- Competitive and accessible markets through reduced share of dominant firms in priority sectors
- A macroeconomic framework that supports growth, employment and inclusion
- Reduced illicit activity and improved tax collection

FASSET believes that in order to achieve its' mandate, we must ensure that the SETA's administration is efficient and effective where staff have the requisite skills to execute what should be achieved and ensure adherence to financial regulations and good and ethical governance.

FASSET seeks to ensure a culture of accountability, transparency and the optimal use of resources in building a SETA capable of fulfilling its developmental and transformational role. Moreover, innovation, continuous improvement, learning, recognition and high performance is essential in enabling the achievement of our mandate. Developing a team of skilled leaders, managers and staff with expertise in core and support functions of the SETA remains critical in achievement of FASSET mandate.

The key enablers are:

- Human Resource Department'
- ICT Department
- Corporate Services Department

Key Risks

Impact	Outcome	Key Risk	Risk Mitigation
		<ul style="list-style-type: none"> 1. Efficient and effective organisational support system with an enabling culture 2. Reputational risk (Negative stakeholder perception) 3. Non-conformance to administrative, procurement and financial management policies, legislation and procedures 4. Ineffective contract management 5. Poor implementation of organisation-wide M&E Framework 6. Poor implementation of staff training and development 7. Loss / unavailability key ICT services 8. Lack of compliance to prescripts 9. Ineffective contract management 	<ul style="list-style-type: none"> a) Continuous engagements with DHET and attending of DHET meetings and workshops conducted by DHET when required b) Approved Media Communication Policy All communication (brochures, newsletters, advertisements, mailers etc.) to FASSET's stakeholders are signed off by the Marketing and Comms Manager before printing and dissemination. When advertisements are placed, the design drafts are received and signed off by the Marketing and Comms Manager. c) Content to be placed on FASSET's website is reviewed and approved by the Marketing and Comms Manager and other Core Function Managers. d) All press articles are signed off by the official Spokesperson and all official pronouncements to the media are attended to by the Media Liaison office and the Spokesperson. e) Stakeholder engagement plan is in place and implemented. Research conducted on sector skills development needs. f) Policy and process reviews to promote transparency Strict adherence to SCM policies and procedures Regular procurement audits Compliance schedule/register maintained monthly Full time employed compliance Officer Submission of quarterly SETA governance compliance charter to DHET g) Regular review of the contract management schedule Regular review of the commitment's registers h) Provide capacity building on M&E Report on non-compliance to M&E activities Report on non-compliance to FMPII i) Staff development budget and individual development plans Encourage personal development and team building Succession planning of critical positions Regular performance appraisals j) Strict SLA in terms of monitoring performance Service monitoring reports Quarterly ICT steering committee meetings to review contract performance Monthly SLA meeting with various functional managers Review of the ICT policies and procedures Develop operational ICT risk register k) Policy and process reviews to promote transparency l) Regular review of the contract management schedule

Programme 2: Skills Planning

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE YEAR TARGET
Appropriate skills intervention determined as informed by research	Number of research initiatives implemented	40	50
	Number of skills planning initiatives implemented	5 019	3 850

Explanation of Planned Performance over the Five -Year Planning Period

Attainment of the FASSET Outcome 2: Appropriate skills intervention determined as informed by research supports the attainment of the following NDSP outcomes:

- NSDP Outcome 1, Identify and increase production of occupations in high demand
- NSDP Outcome 2, Linking education and the workplace
- NSDP Outcome 3, Improving the level of skills in the South African workforce
- NSDP Outcome 7, Encourage and support worker-initiated training

As the 4th industrial revolution continues to pervade all aspects of the world we operate in, FASSET continues to plan and implement initiatives which ensure that the FAS sector is constantly aware of the changing skills needs in the occupations and industries which constitute our sector.

Advances in automation of functions, globalisation, artificial intelligence, technology, and consumer markets, local and international regulations mean the sector and its' workers need to be agile in adapting to these changes. The reality is that new jobs will emerge while others disappear. FASSET must ensure that the skilling and reskilling of the current workers, new entrants and future workers should not only focus on current and intermediate needs but future needs.

Key enablers are:

- Research and Skills Planning Department
- Processing, Quality Assurance Department
- Employers
- Professional bodies
- Learners
- Research consultants

Research will determine the skills required and direct the entity on the interventions to be undertaken to address skills shortages and gaps in the sector.

Key Risks

OUTCOME	KEY RISK	RISK MITIGATION
Appropriate skills intervention determined as informed by research	<ul style="list-style-type: none"> a) Insufficient participation from sector b) Delayed identification of new skills c) Limited research capacity d) Low impact in closing the scarce skills gap in the FASSET sector e) Changes in the National Skills Development Plan 	<ul style="list-style-type: none"> a) New channels and approaches to increase participation b) International benchmarking to predict trends before they come to South Africa c) Outsourcing of technical and large-scale research projects d) Employment of staff, should research agenda grow e) Develop research strategy and annual research plan

Programme 3: Learning Programmes and Projects

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE YEAR TARGET
Reduced critical skills and skills shortages in the sector	Number of learning programmes and projects implemented	150	220

Explanation of Planned Performance over the Five -Year Planning Period

Attainment of the FASSET Outcome 3: Reduced critical skills and skills shortages in the sector supports the attainment of the following NDSP outcomes:

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

A critical action for FASSET, taken from NDP 2030, Chapter 9, Action 62 is to build a strong relationship between the college sector and industry. SETAs have a crucial role in building relationships between education institutions and the employers.

The outcome and impact links closely to impact 1, with specific focus on transformation and inclusivity of the sector. Transformation and inclusivity underpin all chapters within the NDP. Pursuance of transformation and inclusivity will foster inclusive economic growth (support Priority 1) through targeted injection of critical skills.

PRIORITY 1:
Economic Transformation
and Job Creation

- Create more decent jobs
- Inclusive economic growth
- Re-industrialisation of the economy and emergence of globally competitive sectors
- Increased access to and uptake of ICT
- Increased ownership and participation by historical disadvantaged individuals
- Competitive and accessible markets through reduced share of dominant firms in priority sectors
- A macroeconomic framework that supports growth, employment and inclusion
- Reduced illicit activity and improved tax collection

Outcome 3.1 is measured through (i) Minimum percentage of black African learners funded; (ii) Minimum percentage of female learners funded; (iii) Percentage of women in senior management funded; and (iv) Minimum percentage of learners with disability funded.

However, transformation and inclusivity are bigger than injecting vulnerable groups with critical skills, as it requires broader societal acceptance and change. This imperative will be supported primarily by supporting vulnerable groups, but will, through the FASSET thought leadership and internal environment, facilitate greater change.

Whilst our knowledge creation looks at the skills the sector requires to be competitive and respond to challenges, it is our learning programmes interventions which are critical to ensuring the required skills for the FASSET sector are implemented and thus ensure new entrants are equipped to enter the FASSET sector whilst also ensuring those already in the sector are at the cutting edge of the skills requirements.

FASSET is committed to playing its very important role in the development of a PSET system which addresses the needs of the SA economy at large and the FAS sector.

Partnering with our stakeholders (labour, business, professional bodies, education and training institutions and government) is essential as we seek to execute our mandate and ensure collaboration on skills development initiatives aimed at addressing current and future skills gaps thereby growing the economy and ultimately the country. Implementation of learning interventions will enhance the injection of critical skills and reduce the skills shortages in the sector.

Key enablers are:

- Processing, Quality Assurance Department
- Employers
- Professional bodies
- Learners
- Institutions of higher learning

OUTCOME	KEY RISK	RISK MITIGATION
Reduced critical skills and skills shortages in the sector	a) Insufficient participation from sector b) Low training uptake within designated groups c) Low uptake on available programmes	a) New channels and approaches to increase participation b) Identify and conduct different types of evaluation studies to determine the impact of learning programmes in increasing the uptake by designated groups into the sector c) Adequate advertising and steady build-up of programme. Offer programme to internal suppliers first.

Programme 4: Quality Assurance

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE YEAR TARGET
Improved quality assurance system for the sector learning programs	Number of quality assurance interventions conducted for the sector learning programmes	12	20

Explanation of Planned Performance over the Five -Year Planning Period

Attainment of the FASSET Outcome 4: Improved quality assurance system for the sector learning programs supports the attainment of the following NDSP outcome:

- NSDP Outcome 3, Improving the level of skills in the South African workforce

The outcome supports Chapter 13 of the NDP and Priority 6 of the MTSF by supporting:

- A functional and integrated government;
- A developmental state and compact with citizens, responsiveness, public trust; and
- To strengthen relations and efficiency in government.

The outcome links to the enablers of Priority 1 of the MTSF, Economic Transformation and Job Creation:

PRIORITY 1: Economic Transformation and Job Creation	<ul style="list-style-type: none"> • Create more decent jobs • Inclusive economic growth • Re-industrialisation of the economy and emergence of globally competitive sectors • Increased access to and uptake of ICT • Increased ownership and participation by historical disadvantaged individuals • Competitive and accessible markets through reduced share of dominant firms in priority sectors • A macroeconomic framework that supports growth, employment and inclusion • Reduced illicit activity and improved tax collection
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Quality and excellence are critical for successful navigation of the rapid changes which the Finance and accounting services sector faces currently.

Through effective partnerships with professional bodies, institutions and employers, FASSET will ensure that the skills offered to new entrants and existing workers within the sector allow the worker to operate at optimum efficiency and with the latest skills as identified and required for excellence.

Key enablers are:

- Processing, Quality Assurance Department
- QCTO
- Professional bodies

OUTCOME	KEY RISK	RISK MITIGATION
Improved quality assurance system for the sector learning programs	a) Slow process for updating occupational qualifications and part-qualifications relevant to the FASSET sector b) Changes in the QCTO business model and processes c) Low uptake on available programmes	a) Participate in QCTO structures to influence QCTO policies based on research evidence and best practice models b) Continuous engagement with the QCTO through attendance of various forums to gage on anticipated changes for proactive planning

10 PUBLIC ENTITIES

Not applicable to FASSET.

PART D: TECHNICAL INDICATOR DESCRIPTION (TID)

The following tables provide descriptions of the indicators linked to the specific outcomes laid out in this document. The TIDs identify key narratives for the indicator.

Outcome 1: Efficient and Effective organisational support system with an enabling culture

Indicator Title	Number of administration targets achieved
Definition	This indicator includes Company secretary, HR, IT, Finance, SCM, Marketing and Communications and Operations departments targets
Source of Data	Recording of achievement on the Fasset Management Information System
Method of Calculation/ Assessment	Simple count
Assumptions	All information will be received from each Manager
Reporting Cycle	Quarterly
Indicator Responsibility	1. HR Manager 2. IT Manager 3. Marketing and Communications Manager 4. Company Secretary

Outcome 2: Appropriate Skills intervention determined as informed by research

Indicator Title	Number of skills planning, and research initiatives implemented
Definition	Companies in the sector submit WSP/ATR and research conducted
Source of Data	Approved WSP/ATR and Research reports
Method of Calculation/ Assessment	Simple count
Assumptions	WSP/ATR submitted, and Research conducted
Reporting Cycle	Quarterly
Indicator Responsibility	1. Research Director 2. Project Manager

Outcome 3: Injection of relevant critical skills and reducing skills shortages

Indicator Title	Number of learning programmes and projects implemented
Definition	All learning programmes and interventions
Source of Data	Recording of achievement on the Fasset Management Information System
Method of Calculation/ Assessment	Simple count
Assumptions	All learning programmes except learnership are funded by Fasset
Reporting Cycle	Quarterly
Indicator Responsibility	1. Chief Operations Officer 2. Projects Manager

Outcome 4: Improved quality assurance system for the sector learning programmes

Indicator Title	Number of quality assurance interventions conducted for the sector learning programmes
Definition	Provider accreditation, monitoring and certification reports
Source of Data	Recording of achievement on the Fasset Management Information System
Method of Calculation/ Assessment	Simple count
Assumptions	Providers will submit files for accreditation
Reporting Cycle	Quarterly
Indicator Responsibility	Chief Operations Officer

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