



FASSET

Make the future count

2023/24 ANNUAL *Report*

Finance and Accounting
Services Sector Education
and Training Authority.

*Making an influential impact
towards an inclusive landscape*



On the cover are the beneficiaries of the FASSET Executive Women Development Programme facilitated by Wits Business School, International Women's Forum South Africa and Duke Corporate Education.



F A S S E T

Make the future count

"A Transformative Impression"

*Making an influential impact towards
an inclusive landscape*

FASSET's 2023/24 financial year brought about a narrative that spoke to transformation at all fronts. The reporting year prioritised participation of the sector towards making a difference and giving a voice to the underrepresented. Through programmes such as the Women Executive Development Programme and the Women Creating Wealth Programme, FASSET solidified itself as a believer in transformation as a humanity project and not only a tick box exercise.

The story to be told by FASSET in 23/24 is the importance of achieving the skills development mandate not only through the depiction of achieved data but also ensuring that this data is transferrable into meaningful stories on the change effected in the lives of our beneficiaries and the sector at large. This transformation agenda was met with positive responses from the sector and this is worthy of acknowledging and celebrating as this indicated the presence of an appetite for change.

It is also this focused approach that gained FASSET recognition at the 2023 Standard Bank Top Women Awards as "Highly Commended" in the category Public Service Award.

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General Information

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Financial and Accounting Services Sector Education and Training Authority (FASSET)
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2. LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution
AA	Accounting Authority
AET	Adult Education and Training
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AIR	Annual Integrated Report
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ATR	Annual Training Reports
ATSA	Accounting Technician South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BCM	Business Continuity Management
BRICS	Brazil, Russia, India, China and South Africa
CPD	Corporation for Public Deposits
CPD	Continuous Professional Development
CEO	Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
CGC	Colleges Governors' Council
CIMA	Chartered Institute of Management Accountants
CPD	Corporation for Public Deposits
CRMPs	Compliance Risk Management Plans
CSR	Corporate Social Responsibility
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
EDP	Executive Development Programme
ERP	Enterprise Resource Planning
ERRP	Economic Reconstruction and Recovery Plan
ETDP	Education, Training and Development Practices
EXCO	Executive Committee
FAS	Financial and Accounting Services
FASSET	Financial and Accounting Services Sector Education and Training Authority
FINCO	Finance Committee
GSC	Governance and Strategy Committee
GRAP	Generally Recognised Accounting Practice
HEI	Higher Education Institution
HET	Higher Education and Training
HIRA	Hazard Identification and Risk Assessment
HREMCO	Human Resources and Remuneration Committee

ISA	International Standards on Auditing
ICT	Information Communications Technology
LMS	Learner Management System
LPD	Learner Professional Development
MIS	Management Information System
MTSF	Medium-Term Strategic Framework
NARSSA	National Archives and Records Service of South Africa
NDP	National Development Plan
NESITA	National Electronic Mocks Institute of South Africa
NGO	Non-Government Organisation
NLRG	NSFAS Loan Repayment Grants
NQF	National Qualifications Framework
NSDP	National Skills Development Plan
NSFAS	National Student Financial Aid Scheme
OHS	Occupational Health and Safety
PMFA	Public Finance Management Act, Act 1 of 1999
PIVOTAL	Professional, Vocational, Technical and Academic Learning
POPIA	Protection of Personal Information Act, Act 4 of 2013
PQA	Programmes Quality Assurance
PSET	Post-School Education and Training
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
SARS	South African Revenue Services
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDA	Skills Development Act, Act 97 of 1998
SDLA	Skills Development Levies Act, Act 9 of 1999
SETA	Sector Education and Training Authority
SETMIS	Sector Education and Training Management Information System
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SOE	State-owned enterprise
SP	Strategic Plan
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training
UWC	University of the Western Cape
WBE	Work-Based Experiences
WIL	Work Integrated Learning
WSP	Workplace Skills Plan

3. FASSET APPROACH TO INTEGRATED REPORTING

3.1 Scope

This Annual Integrated Report (AIR) provides a strategic, operational and financial overview of the activities of the FAS Sector Education and Training Authority (FASSET) for the period 1 April 2023 to 31 March 2024.

3.2 Reporting framework

The report is compiled in compliance with:

- The Public Finance Management Act, Act 1 of 1999 (PFMA);
- The Companies Act, Act 71 of 2008;
- Standards of Generally Recognised Accounting Practice (GRAP); and
- The Skills Development Act, Act 97 of 1998 (Amended).

The content of the report also takes into consideration:

- The National Treasury Annual Report Guide for Schedule 3A and 3C Public Entities 2022; and
- The King IV Report on Corporate Governance for South Africa, 2016 (King IV).

3.3 Assurance

The AA is satisfied with the integrity of the report and the level of assurance applied. The sector education and training authority's (SETA's) consolidated Annual Financial Statements (AFS) have been Audited by the independent external Auditor, the AGSA. The AGSA's unqualified report can be found on pages 96 to 102.

The Audited AFS presented in this AIR were prepared in accordance with GRAP issued by the Accounting Standards Board and in accordance with the Skills Development Act (SDA), Act 97 of 1998 and the Skills Development Levy Act (SDLA) 1999, Act 9 of 1999, as amended). The AA is satisfied with the level of assurance on the AIR.

Accounting Authority responsibility: The AA acknowledges its responsibility to ensure the integrity of the AIR and believes that the report addresses all material issues and fairly presents the performance and impact of FASSET.

3.4 Approval

The Audit and Risk Committee (ARC) has reviewed this AIR (including the full AFS) and recommended these to the Accounting Authority for approval. The Accounting Authority has applied its oversight role to the AIR and believes that it addresses all material issues, and fairly presents the integrated performance of the SETA. The 2023/24 AIR was approved by the AA.

4. FOREWORD BY THE INTERIM CHAIRPERSON

FASSET: A Beacon of Recovery and Growth Post-Pandemic

I am pleased to share that FASSET is on an upward trajectory, especially in the aftermath of the devastating COVID-19 pandemic. The impact of the pandemic on individuals, businesses, and the youth has been profound, with long-reaching effects. However, our country braved the storm and implemented strategic recovery measures, supported by both the government and the private sector, which included funding and incentive mechanisms. FASSET, embodying resilience, rolled up its proverbial sleeves and tackled the challenges with determination and vigour.

The board strategic focus is one that encompasses 7 pillars of priorities advised by the scope of national and sectoral priorities. Transformation has been an important aspect in the pillars, with necessity to ensure FASSET services are available across the country without geographical limitations for prospective beneficiaries. Witnessing the sector become more inclusive and progressive; placing more women at the helm of decision making, creating a welcoming environment for people living with disabilities and matching up to global standards are but some of the few intentions on our checklist.

The SDA and Skills Development Levies Act, 1999 (SDLA) provide the framework for FASSET to develop and implement national, sectoral, and workplace strategies to enhance workforce skills. This, in turn, improves employability and productivity, boosting the country's competitiveness.

One of our most impactful initiatives is the FASSET bursary scheme, which significantly contributes to reducing unemployment through bursaries and internships. This initiative upskills our youth, preparing them for the world of work, and embodies the spirit of good citizenship that aims to eradicate poverty and combat crime. Our response to unemployment extends beyond job creation to developing a capable pool of candidates ready to enter the workforce.

Poverty alleviation can only be effectively addressed through outreach programmes in rural areas, where many marginalised communities reside. FASSET, in its quest for transformation, has prioritised outreach interventions to these communities.



Mr Bongani Mathibela
Interim Chairperson

This focus on access to opportunities, such as internships, is expected to yield favourable results.

Our programmes, tailored to support SMMEs, such as the Graca Machel Women Creating Wealth programme, aim to foster business growth and, in turn, create employment opportunities for women and young professionals. During the year under review, we strengthened our partnerships with TVET colleges and leveraged collaborations with The Presidency, DHET, universities, professional bodies, and employers who share our mission and vision for an empowered youth cohort.

In the 2023/24 Financial Year, FASSET continued to deliver on its mandate. All statutory Board meetings and sub-committees were held successfully, providing strategic oversight. The Board executed several key resolutions, paving the way for exponential growth as FASSET continues its evolutionary journey:

- Enhancing the stakeholder relations strategy.
- Implementing programme interventions that impact the youth.



- Focusing on TVET sector support through infrastructure and 4IR interventions.
- Supporting the CET sector through infrastructure and 4IR interventions.
- Driving transformation initiatives.

Looking ahead, we are committed to maintaining and strengthening our efforts to develop and retain strong skills, creating and expanding opportunities for our stakeholders. This will lead to growth and ultimately contribute to a better future for all South Africans.

I extend my heartfelt thanks to the CEO, Ms Ayanda Mafuleka, and her dedicated team for their unwavering commitment to serving the sector and its stakeholders. The results and targets met are a testament to a team that shares a common vision and mission.

Mr Bongani Mathibela
Interim Chairperson

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

AS FASSET evolves, we took an intentional and deliberate focus on transformation of the FASSET sector, especially looking at the prevailing gender gaps with regards to women, youth and people with disabilities. Our long-standing mission towards transformation afforded us recognition through the Standard Bank Top Women Awards in 2023, where FASSET was conferred with the award Highly Commended in the category Top Women Business in Public Service. We continue with the implementation of our flagship and legacy Women Leadership Development programme that will develop and empower about 2000 women leaders within three years.

Embracing 4IR

The ever-evolving innovations of technology continue to keep the world on its toes. The state-of-the-art ICT hubs rolled out to all the TVET and CET Colleges is a burgeoning feature. These ICT hubs have computers, wi-fi connectivity, digital whiteboards and printers, among others. This access to technology would enable learners and adults alike to maximise their learning in a smart digital environment. In the 2023/2024 financial year, FASSET completed fifty (50) ICT hubs for the TVET Colleges, nine (9) ICT Hubs for the CETs and five (5) skills centres at a total investment of more than R100 million. Further to this, FASSET distributed more than 2 000 laptops at an investment of R 3.9 million to learners at various institutions of higher learning.

As we embrace the Fourth Industrial Revolution, FASSET is committed to empowering our stakeholders, especially youth and women on digital skills. Our programmes are designed to provide the necessary skills and support, ensuring that everyone can thrive in this rapidly changing landscape of the artificial intelligence and 4IR.

Empowering our youth

FASSET's Career Awareness initiative saw more interventions, mostly at high school level to generate awareness of its comprehensive career guide. Through strategic positioning, FASSET embarked on about 262 schools' initiatives for career awareness, reaching more than 13 000 school going learners. Of the 262 school initiatives in, 143 schools were in the rural areas which is an indication of FASSET's intentions to make its programmes better accessible to



Ms Ayanda Mafuleka
 CA(SA)
 Chief Executive Officer

youth from all walks of life. FASSET must be taken to the people!

A total of 1 691 learners were supported through the FASSET fully funded Maths, English and Accounting programmes across various provinces in partnerships with various stakeholders, lending a helping hand to the Department of Basic Education. Learners at public Universities and Universities of Technology were also supported through bursaries and academic support to the tune of R 32.4 million.

FASSET committed to improve on the infrastructure CET colleges support with its legendary mobile classrooms, serving as both classrooms and facilitation rooms at the campuses. An investment of R10million was made towards a total of seven (7) mobile classrooms, with three classes each. Each mobile classroom is sectioned into three spaces, totalling 21 individual classes. This is over and above the ICT hubs.

An investment of R38.5 million was made towards the learners of the TVET colleges completing their

journey towards obtaining a National N Diploma. TVET colleges are an excellent yardstick to indicate that FASSET is addressing the skills gap in the much-needed TVET colleges space.

Home grown

Supporting interventions that align with the FASSET agenda ensures we can reach more people and expand on the benefits of the programmes under our ambit. The range of events and campaigns below speaks volumes, with over 90,000 women reached through the Kaya FM campaign alone. Women have been marginalised over the years and FASSET is decisive action to level the proverbial playing fields. Women have proved their mettle in ensuring their leadership potential is evident. Their prowess in small business is especially a testimony to this.

Empowering Women:

Fasset embarked on and participated in various initiatives and events that commemorated and celebrated women, namely Kaya FM Women’s Month campaign; Duke Corporate Education Women’s Month event; ABASA Annual Women’s Convention; SAYEC Women in Leadership Convention; United Nations International Women’s Day; Thabo Mbeki Foundation International Women’s Day Gala and Convention; FASSET x International Women’s Forum of South Africa (IWFSA) Power FM Takeover.

FASSET partnered with IWFSA and Wits Business School to empower 2000 women leaders through the Leadership Programme, in the 2023/24 about 1000 women have been supported and graduated through the Leadership Development Programme which aims to empower women with the necessary business and leadership acumen. The cost of this investment is a substantial R250million over three years and the yield from this programme is phenomenal indeed. Women, who were once marginalised are now assuming leadership roles in business and in society.

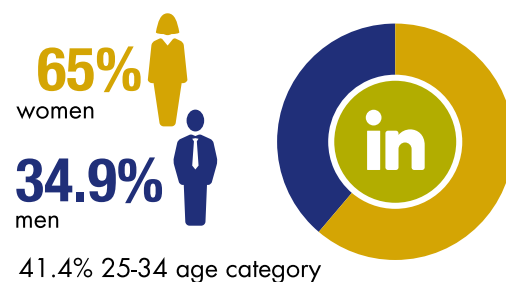
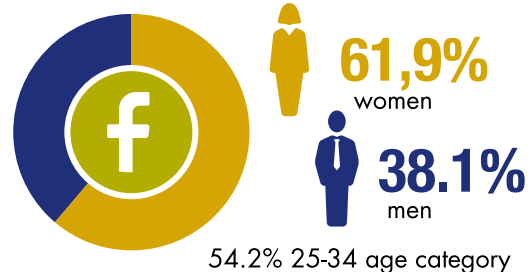
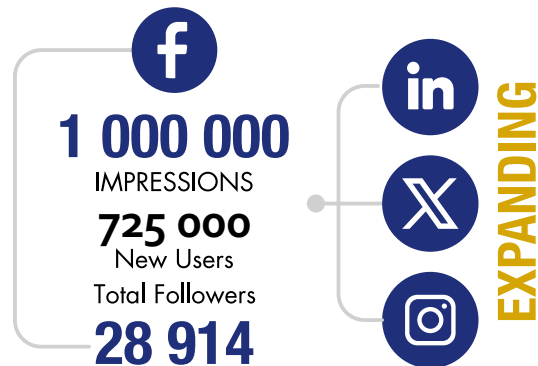
Empowering people with disabilities

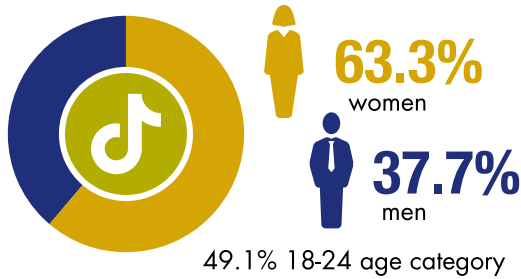
Transformation is not only confined to the youth and women. During the year under review, FASSET entered into partnership with Blind SA to capacitate 50 blind and partially sighted individuals through a learnership programme. The inclusion of disability speaks volumes about FASSET’s commitment to promoting inclusion within the sector, especially in the disability sphere; an area that is sadly neglected in our country.

Engaging stakeholders

As was the case last year, the CEO roadshows made greater inroads into communities and stakeholders. Given the transformation focus, engagement with stakeholders and beneficiaries, especially in rural and previously disadvantaged areas, took centre stage. These engagements with stakeholders offered FASSET the opportunity to partner with different stakeholders on flagship programmes and to share FASSET’s wider vision and strategic priorities.

FASSET continues to engage its stakeholders through various communication channels. This resulted in FASSET increasing its social media presence exponentially. Stakeholders are aware of FASSET offerings, developments and highlights.





LinkedIn, a professional network, saw 43.6% of followers in the accounting sector, whilst 16.5% came from the financial services sector.

TikTok, a fairly new platform, saw FASSET achieving a following of 63.3% of women and 36.7% men; with at least 49.1% of followers falling within the 18–24-year-old age category. Once again, this speaks volumes about FASSET achieving reaching these marginalised groups, thereby achieving its transformation targets.

Staff Members – Our greatest asset

FASSET prides itself in the upskilling of its internal employees through planned training and development courses and in this financial year, the target of 85% on the implementation of the workplace skills plan, was exceeded with an achievement of 92%. The training budget for these interventions was R1.2million, and a total of 66 staff members were trained.

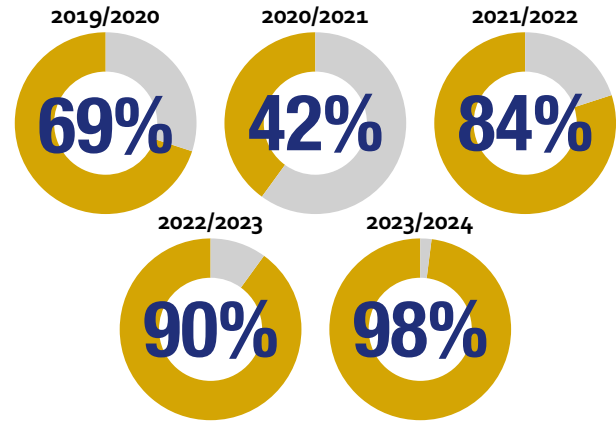
A key intervention was a review of FASSET’s organisational design, culminating in a new and streamlined structure. This revised structure was implemented to fully-capacitate provincial offices to increase footprint of FASSET across provinces. Managers attended the Leadership and Coaching course which was a resounding success. This programme would hone the leadership skills to better lead the people and the organisation for excellence and execution of the FASSET mandate.

A succession policy was approved to retain talent and ensure business continuity intentionally. This will ensure the entity’s sustainability. This is a breakthrough for FASSET because it provides a roadmap as the entity progresses.

The Inaugural Service Excellence Awards was held on 25 August 2023 which showcased our teams’ appreciation for their contributions towards the organisation excellent operational and financial results.

Organisational Performance

FASSET performed exceptionally on its annual performance targets, achieving 98% during the 2023/24 financial year. This is the highest achieved in the past 5 years:



During the financial year under review, FASSET obtained the clean audit. This is for the third consecutive years.

Challenges

FASSET continues to hold itself accountable in the delivery of its mandate and where room for improvement exists, an opportunity for innovation presents itself. During the year under reporting, systems continued to present a challenge where aims to digitize processes such as Work Skills Plans, Discretionary Grants and other stakeholder centric processes fell short. Other challenges, which affect the whole SETA sector at large is a lack of integrated ICT system (Shared Services) to address and manage duplication of beneficiaries in various programmes across setas. However, the Setas through ASCEO is in giving attention to such and the MICTSETA is a lead Seta to the development of the ICT system.

Conclusion

I would like to express my sincere appreciation to our Executive Authority, the Minister of Higher Education, Science and Technology, Dr Blade Nzimande, the Deputy Minister, Mr Buti Manamela; and the Director- General, Dr Nkosinathi Sishi and Deputy Director General, Mr Zukile Mvalo for their invaluable guidance and policy direction. This gratitude is also extended to Deputy Director General in the TVET portfolio Mr Sam Zungu, Deputy Director General in the CET portfolio Ms Thembisa Futshane and Chief Director: Seta Performance Mr Mabuza Ngubane. I also would like to thank the FASSET Board under the

leadership of the Interim Chairperson, Mr Bongani Mathibela, for their strategic guidance. This word of gratitude also extends to Audit and Risk Committee led by Ms Malande Tonjeni, the ICT Steering Committee chaired by Dr Charles Motau, and the Risk Management Committee chaired by Mr Venon Makaleni.

To all our stakeholders and partners – private and public employers, professional bodies, TVETs, CETs, government, non-government and community-based

organisations, our labour partners, we cannot deliver on our mandate without you.

To the FASSET executive team, managers and all FASSET staff I am proud of you for the commitment and endurance shown during all the challenges this year. Thank you for making it your mission to excel and deliver an outstanding performance and impact. Kofi Annan, former UN Secretary-General once said “There is no tool for development more effective than empowerment of women”.

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the AIR is consistent with the AFS Audited by the AGSA.
- The AIR is complete and accurate.
- The AIR has been prepared in accordance with the guidelines on annual reports as issued by National Treasury.
- The AFS (Part E) have been prepared in accordance with the GRAP standards applicable to the SETA. The SETA is responsible for the preparation of the AFS and for the judgements made in this information.

The AA is responsible for establishing and implementing a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the AFS.

The AGSA is engaged to express an independent opinion on the AFS.

In our opinion, the AIR fairly reflects the operations, the performance information, the human resources information and the financial affairs of FASSET for the Financial Year ended 31 March 2024



Mr Bongani Mathibela
Interim Chairperson



Ms Ayanda Mafuleka CA(SA)
Chief Executive Officer

7. STRATEGIC OVERVIEW

7.1 About us

FASSET, the SETA for the Finance, Accounting, Management Consulting and other Financial Services sector is a Schedule 3A public entity reporting to the Honourable Minister of Higher Education, Science and Innovation, Dr Blade Nzimande, as its Executive Authority. We are accountable to Parliament and are subject to the oversight of National Treasury in terms of performance management and financial administration. We engage with a broad range of stakeholders to fulfil our mandate, which requires us to uphold principles of good governance to make a meaningful contribution in skills development for the benefit of the FASSET sector and the country.

We are currently licensed until 31 March 2030 in line with the National Skills Development Plan (NSDP). The NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development. The plan derives from the broader plan of government, namely the National Development Plan (NDP), which aims to put in place the framework of building the capabilities of our citizens to make our future work. The NSDP outlines the SETA's scope and crucially highlights its institutional arrangements and MTSF's.

7.2 Our strategy

FASSET's strategy aims to maximise the enduring impact of its work on the lives of individuals and the well-being of society. Its ultimate goal is to enable skills development in the financial and accounting services sector hinging on seven pillars:

- 1) **Transformation of the FAS sector**
 - Develop the historically disadvantaged individuals and transform the asset management services
 - Stakeholder Engagement Strategy development and implementation.
- 2) **Strengthened stakeholder engagement and partnerships**
 - Alignment of partnerships to specific areas and ensure it is outcome-based.
 - Leverage strategic partnerships for enhanced implementation of programmes.
 - Technology partners.
- 3) **Capacity and capability building through an efficient FASSET business model**
 - Develop dashboard to monitor development and reduce the paper-based approach and ensure we are quick and efficient.
- 4) **Extension of representation and interventions to urban and rural communities in all regions**
 - Relevant communication strategy to reach rural areas.
 - Increase access to FASSET products and services for the people in rural areas.
 - Partner with higher education institutions (HEIs) in rural areas to identify learners for access to programmes.
 - Use District Development Plan to assist rural interventions.
- 5) **Fit for purpose and responsive research and innovation studies**
 - Relevant interventions linked to research findings will be implemented.
- 6) **Monitoring and evaluation (including post-investment impact analysis)**
 - Formal way of capturing and tracking the journey of the students.
- 7) **Supporting the development and sustainability of the small, medium and micro enterprise (SMME) market with critical FAS skills**
 - Enter into strategic partnerships to support Black businesses, and particular focus to small, medium and micro enterprises.

FASSET recognises that it needs to build a robust and sustainable skills pipeline; a cohort of finance and accounting practitioners of the highest order, primed to step into positions, take charge and be influencers at all levels of the economy.

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



7.3 Vision

To facilitate the achievement of worldclass finance and accountancy scarce and critical skills.



7.4 Mission

- 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.



7.5 Values

- **Professionalism and accountability:**
- We are a 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 in 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.

7.6 Aligning with the National Skills Development Plan

The vision of the NSDP is
“An Educated, Skilled and Capable Workforce for South Africa”.

FASSET’s Strategic Plan (SP) 2020—2025 responds to this vision by building on its externally focused strategic goals and government priorities, strengthening the alignment with FASSET’s mandate and considering the external situational analysis.

This gives effect to an impact statement that aspires to facilitate the timeous and relevant upskilling of the sector.

The impact statement links to four of FASSET’s strategic outcomes:

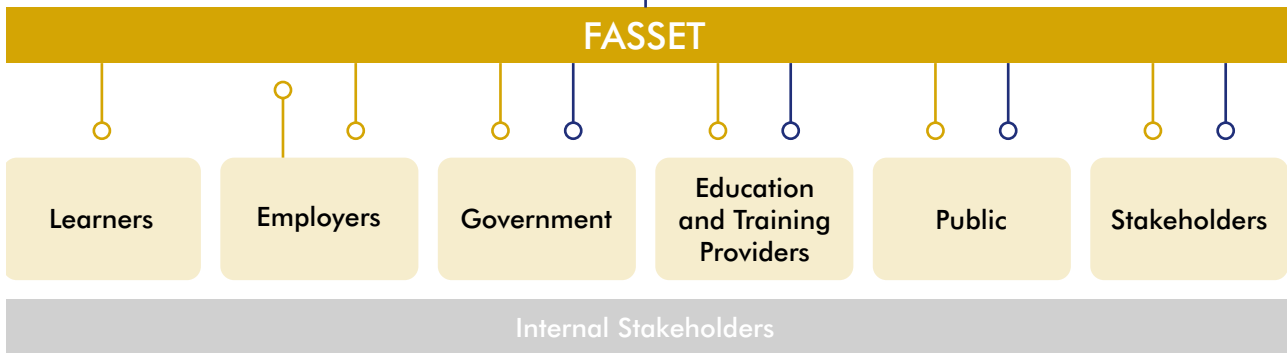
- Efficient and effective organisational support system with an enabling culture.
- Appropriate skills interventions determined as informed by research.
- Reduced critical skills and skills shortages in the sector.
- Improved quality assurance system for sector learning programmes.

The FASSET Sector Skills Plan 2021 presents the following operating environment as it relates to its line department and various stakeholders.

Department of Higher Education and Training (DHET)

FASSET is one of 21 SETAs and is overseen by a Board appointed as the AA.

Information and funding flow: FASSET reports to the DHET. We engage with a variety of stakeholders (see below). The rest of the report details our engagements with these audiences and our funding model.



The new SETA landscape which started on 31 March 2020, draws its aspirations from the National Development Plan Twenty Thirty (NDP 2030) from which the National Skills Development Plan Twenty Thirty (NSDP 2030) originated. Chapter 9 of the NDP lays out government's plans for improving education, training and innovation. Noting the poor coordination and inefficiencies in the SETA landscape, the NDP proposed the following: improve relationships between education institutions and employers. SETAs have a crucial role in building relationships between education institutions and employers.

The notion of linking education and training providers with the world of work is outlined in outcome number 2 of the NSDP 2030: Linking education and the workplace. FASSET facilitate linkages between the labour market, world of work and education and training institutions. The SETA does this by funding various education and training programmes, as well as on-the-job training internships, technical vocational education and training (TVET) work-based experience (WBE) and learnership programmes.

Each outcome of the NSDP represents an input into the FASSET Sector Skills Plan (SSP) and its SP. The following table provides more detail on the alignment.

NSDP Outcomes	Linked FASSET Outcomes	Relevant Programme(s)
1. Identify and increase the production of occupations in high demand 2. Linking education and the workplace	Outcome 2: Appropriate skills intervention determined as informed by research Outcome 3: Reduced critical skills and skills shortages in the sector	Programme 2, Skills Planning Programme 3, Learning Programmes and Projects
3. Improve the level of skills in the South African workforce	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 programmes	Programme 1, Administration Programme 2, Skills Planning Programme 3, Learning Programmes and Projects Programme 4, Quality Assurance
4. Increase access to occupationally directed programmes 5. Support the growth of the public college system 6. Skills development support for entrepreneurship and cooperative development	Outcome 3: Reduced critical skills and skills shortages in the sector	Programme 3, Learning Programmes and Projects
7. Encourage and support worker-initiated training	Outcome 2: Appropriate skills intervention determined as informed by research Outcome 3: Reduced critical skills and skills shortages in the sector	Programme 2, Skills Planning Programme 3, Learning Programmes and Projects
8. Support career development services	Outcome 3: Reduced critical skills and skills shortages in the sector	Programme 3, Learning Programmes and Projects
Linked FASSET impact across all outcomes: Facilitating the timeous and relevant upskilling of the FASSET sector		

7.7 FASSET's Material Issues

We have provided material disclosure on governance and strategic risks and opportunities in relation to our financial and social performance. For the purpose of our reporting, we have defined material issues as those issues which can influence our stakeholders' decisions in relation to our mandate as a SETA or which can impact on our ability to deliver against NSDP targets. Refer to Part C: Governance, Section 5, for more information on our risk management.

8. LEGISLATIVE AND OTHER MANDATES

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

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

The PFMA promotes sound financial management based on efficient and effective use of financial resources. The National Qualifications Framework (NQF) Act 2008, Act 67 of 2008, provides for the regulation of qualifications and professional bodies, and establishes the quality councils with which the SETA interacts. FASSET also takes its cue from the SETA-standard Constitution, as well as important sector-specific transformative documents such as the Financial Sector Charter.

FASSET supports the goals and objectives of the Human Resources Development Strategy for South Africa, and also the Medium-Term Strategic Framework that indicates economic growth drivers, and the NSDP 2030.

Additional legislation key to enhancing and shaping FASSET's activities include the following Acts incorporating the amendments thereafter:

- Basic Conditions of Employment Act 1997, Act 75 of 1997;
- Broad-Based Black Economic Empowerment Act 2003, Act 53 of 2003;
- Division of Revenue Acts 2022, Act 5 of 2022, as amended;
- Employment Equity Act 1998, Act 55 of 1998;
- Income Tax Act, Act 58 of 1962;
- Labour Relations Act 1995, Act 66 of 1995;
- National Qualifications Framework Act 2008, Act 67 of 2008;
- Preferential Procurement Policy Framework Act 2000, Act 5 of 2000;
- Public Audit Act 2004, Act 25 of 2004;
- Public Finance Management Act 1999, Act 1 of 1999; and
- Protection of Personal Information Act 2013, Act 4 of 2013.

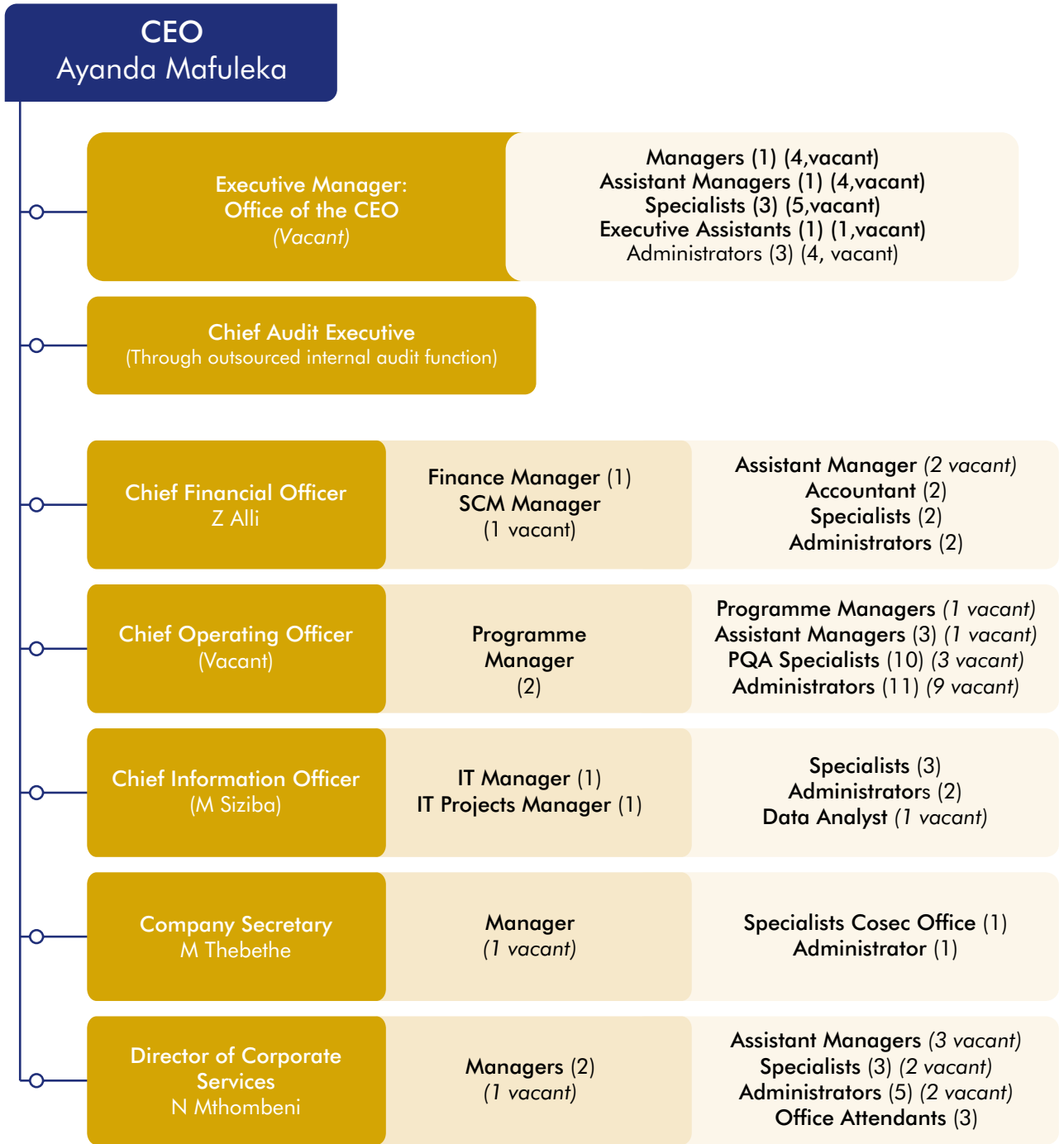
Policy mandates include the:

- White Paper for PSET (2014);
- The National Development Plan Vision 2030; and
- National Skills Development Plan (NSDP) Twenty Three (NSDP 2030).

Other documents include:

- Framework for Managing Performance Information; and
- Framework for SPs and Annual Performance Plans (APPs).
- Guidelines on the Implementation of SETA Grant Regulations.

9. ORGANISATIONAL STRUCTURE







Performance Information

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary Audit procedures on the performance information to provide reasonable assurance in the form of an Audit conclusion. The Audit conclusion on the performance

against predetermined objectives is included in the report to management. Refer to page 96 of the AIR for the Auditor's Report, published in Part E: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 Service Delivery Environment

SITUATIONAL ANALYSIS

FASSET operates in a regulated skills development space. As a SETA, our mandate is to effect skills development programmes and training to counter the occupational shortages and skills gaps within the Finance and Accounting Services (FAS) sector. These regulations include the Skills Development Act (1998), the Skills Development Levies Act (1999), and the national strategies and priorities such as the National Skills Development Plan (NSDP). These and other sets of government regulations and plans set the ground for which FASSET has been implementing its programmes since its inception in 2000. Of course, the implementation of programmes and operations at FASSET get affected by various factors like change drivers in the market.

Service Delivery Environment

FASSET serves an empirical role in the FAS sector as it is a driving force for the advancement of the sector and playing a significant role of being an intermediary between institutions of education (basic and higher) and the workplace. Increased funding in terms of the programmes which we believe play a pivotal role in strengthening the FAS sector whilst creating a comprehensive way forward for future seekers of employment in the sector is evident. Through conducting labour market research, development of the Sector Skills Plan (SSP), development of Strategic Plans (SP), a Service Level Agreement (SLA) with DHET, and development of the Annual Performance Plan (APP), FASSET can tap into vital data which help them in identifying sector skills and to execute programmes which seek to address such.

The role that the SETA has been mandated with is a critical one as it requires a progressive stance of eradicating the historical imprints which had marred

the transformation of South Africa. Transformation of the sector does not require equality; however, it requires execution of rigorous equity which will assist in levelling the proverbial playing fields. Recent research indicators have shown that over the last three to five financial years, there has been a downward trend of more than 50% total employment in the FAS sector. Statistics of such nature are indeed a cause for concern for the future of the sector. In the 2024/2025 SSP Update, the total reported employment profile stood at 93 889 employees

Skills Planning and Research

Execution of sound and comprehensive projects require rigorous thought processes which are coupled with in-depth research and planning. The research studies such as, the SSP, Track and Tracer, and Impact Assessments studies feed into the programmes and initiatives implemented by FASSET. FASSET does not operate in a silo, but is guided by national frameworks, plans, and strategies by government and is enhanced further, by Constitutional and legislative mandates. The White Paper for Post-School Education and Training and the National Skills Development Plan (NSDP) 2030 state that: SETAs need to conduct research to inform their sector skills plans which assist in addressing skills shortages in their scope of coverage. Furthermore, it is poignant that FASSET aligns its programmes with national and legislative frameworks as driving skills development plays a fundamental role in fighting the scourge of unemployment. The Skills Planning and Research Unit conducted a study centred around the District Development Model (DDM), which was the government's response through the Department of Cooperative Governance and Traditional Affairs (CoGTA) to minimise the operating in silos that had been ongoing between the three spheres of (i.e., national, provincial, and local) governments. The study was set out to explore the implications for skills development at district municipalities and to further explore the role that can be played by SETAs in this

national strategy. FASSET continues to develop and implement strategic partnerships to respond to this call. Another study analysed the Fourth Industrial Revolution (4IR) and the implications thereof on skills development in the FAS sector. Entrants of the FAS sector and those who already form a part, need to be kept abreast with the ever-changing technological aspects. It is through this notion that FASSET currently has a programme which seeks to aims at capacitation in digital skills.

The 2024/2025 SSP Update provides critical information for the FASSET Board and management to align programmes strategically and to make decisions concerning the allocation of funding and interventions needed to meet both sectoral, and national priorities. In addition, the Sectoral Priority Occupations and Interventions (SPOI) skills list was generated in order to better cluster industry requirements through the Workplace Skills Plan (WSP) and Annual Training Report (ATR) and endorsed by the FASSET Board. The reviewed Sectoral Priority and Occupations list was as follows:

1. External Auditor
2. Accountant in Practice
3. Management Consultant
4. Internal Auditor
5. Finance Manager
6. Tax Professional
7. Financial Investment Advisor
8. Compliance Officer
9. Data Scientist
10. Financial Accountant

Impediments for Skills Planning

The skills development system is premised on the assumption that the schooling system will produce graduates with the requisite foundational skills, so that the individuals are 'more employable' and 'more trainable'. It is through this notion that skills development should be handled as a key priority due to the contribution it makes with regard to higher levels of productivity as a skilled workforce performs at a high-level. The great mismatch/gap that is seen with education (basic and higher) and the workplace hinders the progress of a skilled society because the throughput rate for individuals who venture into a finance and accounting related qualification has been dwindling. This is seen from the poor matric Mathematics results. Mathematics is vital because it is the fundamental subject which allows entry into a FAS-related qualification. Employers have also

expressed that the curriculum at tertiary institutions does not capacitate candidates rigorously for the work environment as it continues to be conventional in its approach.

FASSET is mindful of these challenges and continues to fund the Mathematics, Accounting, and English programme for High School learners between Grades 8-12. The role of this programme is to address inefficiencies at the basic education level, thereby increasing the pipeline to feed into the FAS sector.

2.2 Organisational Environment

There were more appointments that were recorded than resignations. This saw the majority of the new employees forming part of the youth, which shows FASSET's contribution to youth development and the plight against unemployment.

The FASSET strategy and skills development initiatives are aligned with national frameworks, such as the, Human Resources Development Strategy for South Africa, the Medium-Term Strategic Framework, the NSDP, and the White Paper for Post-School Education and Training. FASSET also aligns its strategy and skills development priorities to transformation charters such as the Financial Sector Charter, which seeks to increase the participation of African people and those living with disabilities. This is an indication that FASSET is invested in its mandate of, 'increasing the flow of new finance and accounting services entrants to employment; develop and grow skills required in the sector and facilitate the transformation of the finance and accounting services sector'. Furthermore, in instances where positions were vacated, the executive management expedited the recruitment process to ensure that such positions do not remain vacant for a long period. The 2023/2024 Financial Year saw widespread strides as the organisation continued to implement programmes centred on capacitating the staff through staff academic funding, short-term training aligned to individual staff needs, and the Wellness Day to promote a healthy lifestyle to employees. FASSET also had the inaugural Service Excellence Awards which were a huge success, as they are fundamentally to show appreciation for staff members in various categories.

Summary of Sector Employment Profile

In the 2023/2024 period, the Black demographic (Black African, Coloureds, and Indians/Asians) together occupied 70% of the jobs in the sector. African people occupied 50% of the jobs, while the White population occupied 30% of the jobs in

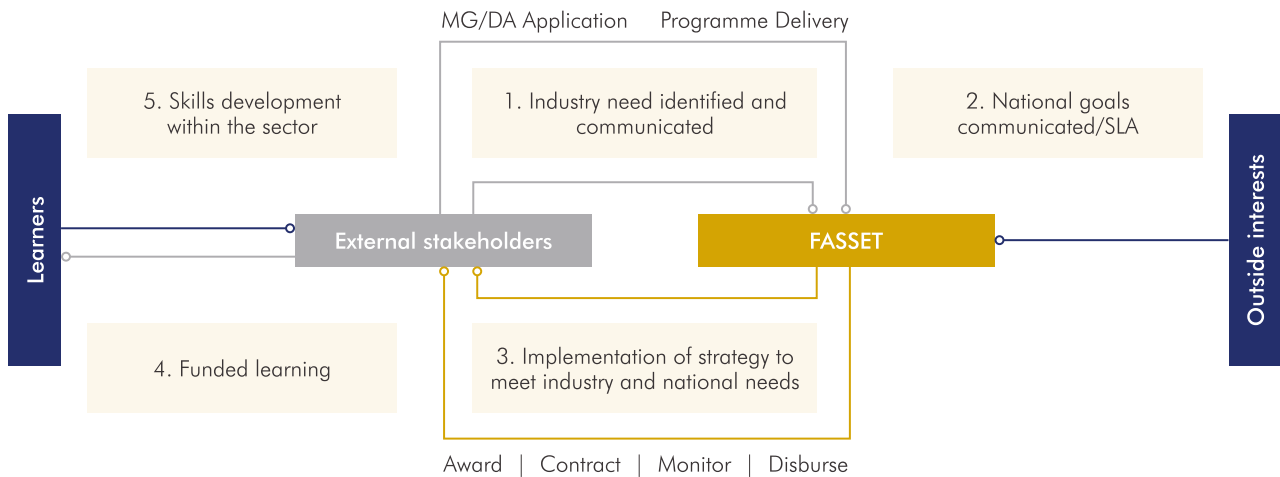
the sector. There was a slight increase in terms of what the White population occupied and vice versa with Africans. The Black demographic occupied 51% of managerial positions, 43% of professional positions, and 50% of technical positions. In terms of the professional positions, there was a decrease of 6% from the 2022/2023 Financial Year, while technical positions saw an increase of 3%. Though the technical positions saw an increase, the decrease in professional positions is a cause for concern which needs to be rectified. As per Quarter One of 2024 statistics, the sector comprises of 80 464 employees compared to the previous 93 889. This is concerning because it means the FAS sector has lost a notable amount of the workforce.

Overall, the workforce in the sector is primarily occupied by the youth (aged 34 and younger) which is remarkable when considering that, currently, the unemployment rate for the youth as per Quarter One of 2024 statistics stands at a staggering 45,5%. With transformation being a pivotal phenomenon, it is vital that the sector is largely occupied by women, though the wheels of transformation pertaining to occupying senior-level positions continues to favour men, White male figures in particular.



Cognisant of Stakeholder Needs

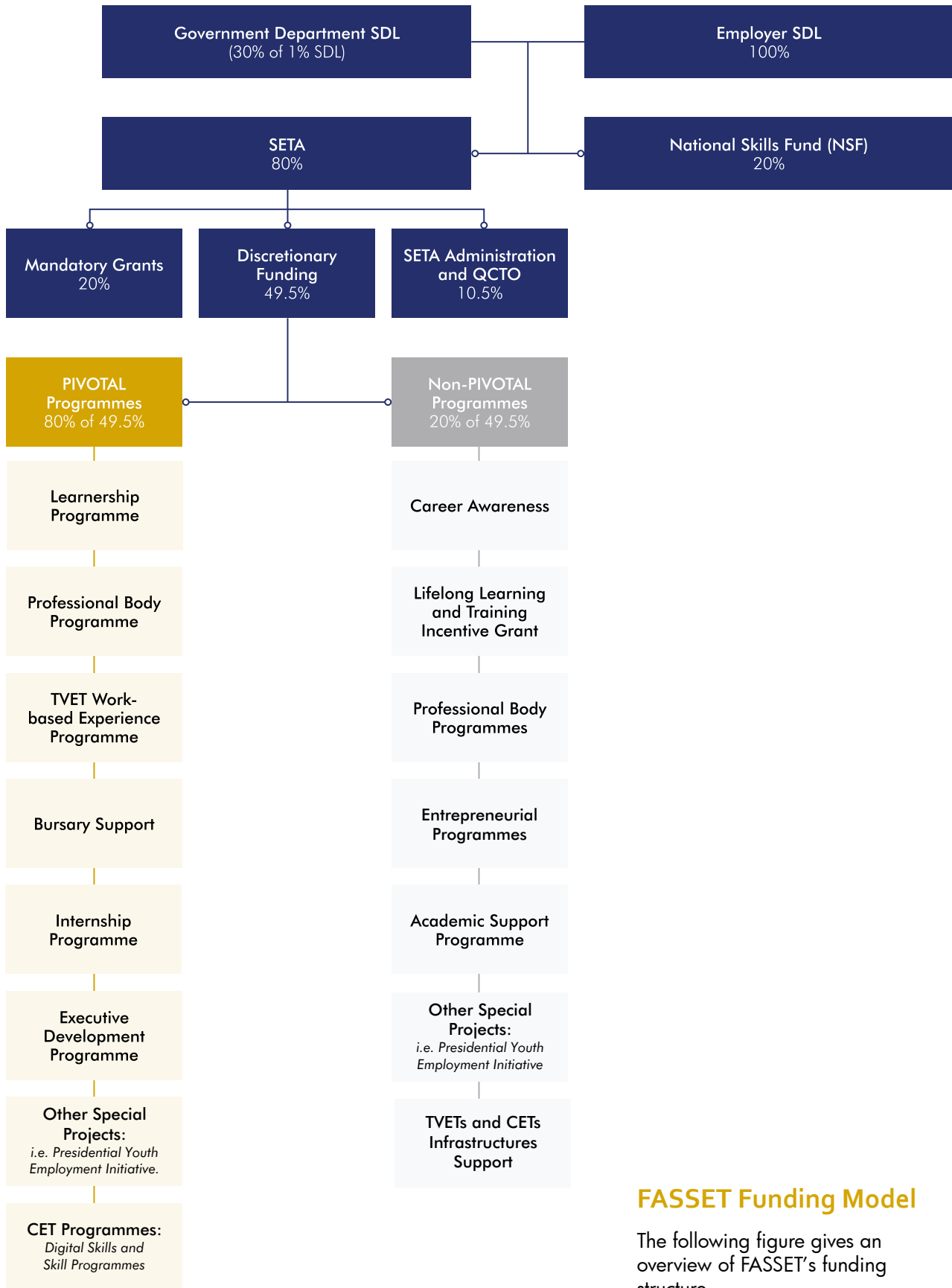
A vital component of FASSET’s organisational environment is its stakeholders. The following figure gives an overview of the SETA’s operating environment.



External stakeholders
External stakeholders refer to those who receive support from the SETA:
<ul style="list-style-type: none"> • Employers • Employer/employee associations • Training providers • NPOs/NGOs • Beneficiaries • Government • Other

FASSET
FASSET refers to the FASSET operating environment and internal departments

Outside interests
Other stakeholders refer to those stakeholders that influence the decision-making of the organisation:
<ul style="list-style-type: none"> • DHET • Chamber committees with industry participants • Independent committees • Other



FASSET Funding Model

The following figure gives an overview of FASSET’s funding structure.

2.3 Key Policy Developments and Legislative Changes

FASSET considered the ERRP, which is the guiding policy framework in response to the impact of the Covid-19 pandemic in the South African economy and skills planning in the context of the SETAs.

2.4 Progress towards Achievement of Institutional Impacts and Outcomes

FASSET is structured into four programmes:

1) Administration, 2) Skills Planning, 3) Learning Programmes and Projects, and 4) Quality Assurance. (Refer to section 3 for more information on each programme and performance targets.)

Outcome 1 of Programme 1 is an 'Efficient and effective organisational support system with an enabling culture that will ensure optimal performance with a key focus on service. (The digitisation of processes to ensure effective implementation of interventions to be prioritised)'. FASSET met three of the five targets and overachieved on the remaining two targets. It overachieved on the number of programmes facilitated annually; and the percentages of internal skills strategy implemented on an annual basis. It met its targets in terms of achieving an unqualified audit outcome, Number of SETA good governance report submitted, and Percentage of stakeholder engagement strategy Implemented annually.

Programme 2, Skills Planning, with outcome 'Appropriate skills intervention determined as informed by research (prioritising tracking the journey of the students)', met three of its six key performance targets and exceeded two targets and did not achieve one target. It overachieved on the number of large firms WSPs/ATRs approved and mandatory grants paid annually and number of medium firms WSPs/ATRs approved and mandatory grants paid annually. It met its target on the Number of Sector Skills Plan developed and submitted, number of research studies conducted annually, and number of government departments WSP/ATR approved annually. One target not met relating to number of small firms WSP/ATR approved, and Mandatory grants paid annually.

Programme 3, Learning Programmes and Projects, with outcome 'Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increasing access to FASSET products and services for the rural areas', met 4 of its 37 performance targets and overachieved on 29 targets. Four targets were not met due to the following: as we didn't have enough learners who were supported and completed their final year of studies, fewer learners entered the programme 2 year ago and has negative effect on our completion target. Four programmes were initiated for the indicators where minimal response was received from the sector. FASSET is looking at collaborating with the working committee to assist with achieving the target in the next year and also at learners not meeting the minimum requirements to be funded in the next academic year. Of the targets exceeded, the most impressive is the number of unemployed learners entering an internship programme annually and the reason for overachievement was that more applications were received, utilisation of partnership from NPO/NGO and surplus budget was used for this target and the number of unemployed and employed learners who enter LL/LPD programmes annually. The reason for overachievement was that learner was less than budgeted amount of R500 under TIG and many applications were received resulting in the target being oversubscribed.

Programme 4, Quality Assurance, with outcome 'Improved quality assurance system for the sector learning programmes', met its key performance target relating to the number of qualifications and learnership certification reports produced.

2.5 Programme Highlights

2.5.1 Strategic Programme Partnerships for Greater Impact and Reach



Mamarothi Mathibe
 CA(SA)
Programmes Manager



Khulekani Khoza
Programmes Manager

As FASSET is part of the Sector Education and Training Authority (SETA) environment, there is the expectation that the entity will focus on skills development and training. FASSET continues to focus on supporting its multi-faceted programmes with a focus on a transformation agenda. This is epitomised in its ongoing commitment and support to the nine Community Education and Training (CET) colleges as well as the fifty Technical Vocational Education and Training (TVET) colleges. Key stakeholders in this regard are youth, women and people with disabilities.

FASSET continues to build on its infrastructure support with its legendary park homes, doubling as classrooms and facilitation rooms. This enables learners to work outside the bounds of classroom restrictions and hours. Notably, 100 unemployed youth in rural areas were actively supported through Adult Education and Training (AET) programmes. During the year under review, there were two noteworthy projects: Pietermaritzburg and Empangeni.

Rural areas are disadvantaged as the world evolves exponentially towards the Fourth Industrial Revolution (4IR). However, thanks to the support of FASSET, the ICT hubs are a burgeoning feature in the FASSET landscape. These hubs have computers, wi-fi connectivity, digital white boards and printers. It is this access to technology that provides much-needed technology so that youngsters and adults

alike can maximise their learning in a smart digital environment. This is complemented by rural skills centres that capitulate historically disadvantaged rural people to take a huge leap in terms of empowerment as well as learning and development. The programme of learner education in critical subjects such as Mathematics, English, Accounting and Science continues to grow in leaps and bounds. This acts as a great impetus and bolsters the education that learners receive in the classroom. The success stories include a learner achieving the top provincial award in the Eastern Cape, another student securing both provincial and National awards in KZN, and a student from Limpopo receiving a provincial award. These remarkable achievements exemplify that with the right support and resources, every student has the potential to excel significantly.

Transformation is not only confined to youth and women, during the year under review FASSET partnered with the Blind Society to train fifty visually impaired individuals. The inclusion of disability speaks volumes about FASSET's commitment to transformation, especially in the disability sphere; an area that is sadly neglected. This partnership is a crucial step towards addressing the high unemployment rate among visually impaired individuals, who make up a significant portion of the 97% of unemployed persons living with disabilities. It's interventions like this that can empower and provide opportunities for those who face challenges in accessing employment opportunities.

Rural women are true powerhouses in communities and many success stories provide interesting and inspiring narratives in our country. These speak volumes especially when it comes to women who are emerging farmers and who have the requisite fortitude to venture into the maze of entrepreneurship. The journey becomes simple because FASSET added the element of financial literacy and education. FASSET provides a proverbial helping hand by providing much-needed support and mentorship.

FASSET also keeps its ear to the ground. When requests flooded in about the need for employee training and development, FASSET responded by implementing a Sector Skills Programme which encompassed training, bursaries and membership to relevant professional bodies. FASSET, in collaboration with Provincial Treasuries and SITA, initiated internship programmes for graduates with internal audit, IT qualifications and finance qualifications. Some graduates were strategically placed within rural municipalities to provide much-needed expertise and support in addressing financial mismanagement

challenges. By capacitating local municipalities with skilled resources, the programme aims to enhance governance structures within these institutions, drive improvements in financial management practices in rural areas and enable improvements in service delivery. In a sense, this epitomises the tenet of growing one's own timber. The drive to influence change within our local municipalities saw FASSET entering into partnership with SALGA. The intention behind this aimed at strengthening the governances within the municipalities by offering training to 5000 Municipal workers. This covered 45 districts and 257 local municipalities.

FASSET's proactive approach to bursary programmes has made a significant impact. By receiving over 7 000 applications within just two weeks, the organisation demonstrated a commitment to addressing financial barriers for various groups, including the missing middle-income households and post-graduate students not covered by NSFAS. **Additionally, FASSET also funded employed learners within the sector with a high focus on female representation, especially in lower-level positions.** With 66% of supported employees being female, this further highlights FASSET's dedication to empowering women in the sector and promoting gender diversity within the workforce. **This aligns with the transformation intentions of other women focused programmes which include the Executive Development Programme facilitated through Wits Business School, International Women's Forum of South Africa and Duke Corporate Education.**

The Graca Machel Trust proved to be a momentous programme and aimed at empowering six hundred women entrepreneurs. During the year under review, one hundred of these women reaped the benefits of this amazing venture. The remaining five hundred will complete the programme in the ensuing years. FASSET leverages several partnerships in order to optimise its programmes, thereby adding value to its beneficiaries. FASSET Partnered with SAICA in capacitation building programme for Historically Individual Institutions (HDIs) namely, University of Zululand, University of Venda and Walter Sisulu University for the purpose of PGDA accreditation.. Consequently, learners from outlying areas can access these programmes whilst remaining close to home. This not only offers convenience, but also aims at capacitating these outlying areas with skills.

Our programmes are designed to achieve high impact where it matters the most and reshape the narrative of what skills development must deliver in order to see positive results over time.





SUCCESS STORIES

FASSET in partnership with Tshwane South TVET College together with AB4IR NPC

Empower Youth through Digital Skills on Gamifying Financial Literacy

In a groundbreaking collaboration between the Finance, Accounting, Management Consulting, and other Financial Services Sector SETA (FASSET), launched an innovative digital skills programme aimed at empowering disadvantaged and marginalised youth classified as Not in Education, Employment or Training (NEET) across four South African provinces: Gauteng, Free State, Northwest, and Northern Cape. This pioneering initiative in digital skills under the theme, Gamifying Financial Literacy, provided 200 youth classified as NEET with the opportunity to transform their future.

The programme, which spanned six months, focused on equipping participants with a National Qualifications Framework (NQF) Level 4 certificate in IT Systems Development. In order to adopt a holistic approach, the initiative didn't stop at academic training. Participants were equipped with the necessary tools of trade, ensuring that logistical or financial barriers did not hinder their ability to fully engage with the programme. Laptops, internet access, and other essential resources were provided to ensure a seamless and effective learning experience.

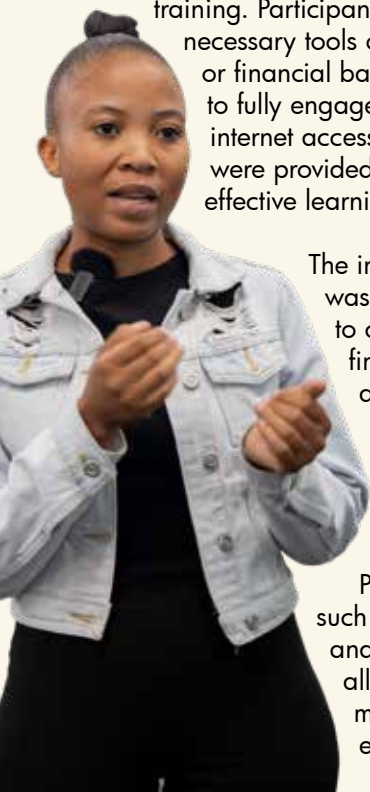
The innovative aspect of this programme was its use of web development skills to create applications that made financial literacy more engaging and accessible. By designing interactive web applications, the programme demystified complex financial concepts, making these easier to understand and apply in real-life situations. Participants learned essential skills such as budgeting, saving, investing, and managing personal finances, all facilitated through interactive modules, quizzes, and practical exercises.



In addition to the technical training, the programme included robust entrepreneurship training, which was aimed at empowering participants with the knowledge and skills needed to establish and manage their own businesses. Workshops covered topics such as business planning, marketing, sales strategies, and financial management. This comprehensive approach ensured that graduates were not only technically proficient, but also equipped with the entrepreneurial acumen to create sustainable livelihoods for themselves and their communities.

The impact of this programme extended beyond individual participants. which by targeting youth from disadvantaged communities and marginalised groups, The initiative aimed at addressing systemic inequalities and promoting inclusive economic growth, thereby targeting youth from marginalised backgrounds. The skills acquired by the participants will enable them to contribute to the digital economy, fostering innovation and driving development in their respective regions. Moreover, the collaborative nature of the programme fostered a spirit of unity and cooperation among participants from different backgrounds. This networking opportunity encouraged the exchange of ideas and experiences, thus promoting a culture of collaboration that is essential for entrepreneurial success.

FASSET and the TVET together with AB4IR NPC set a powerful precedent with this initiative. By combining digital skills development with financial literacy and entrepreneurship training, they created a comprehensive model for youth empowerment, that not only prepares participants for the job market, but also inspires them to become creators of opportunities, thereby contributing to the broader economic development of South Africa.





SUCCESS STORIES

2023 SAICA FASSET Development camps a success

Aiming to further enhance learner capabilities and grow the pipeline in the chartered accountancy profession, the SAICA FASSET Development camps were held in the KwaZulu-Natal, Northern Cape, and Mpumalanga provinces and further prepared Grade 12 learners studying Mathematics, Accounting, and Physical Science ahead of their final examination.



Targeting Grade 11 and 12 learners, the camps are held across South Africa during the winter holidays and are a collaborative effort between SAICA-accredited universities, the Department of Basic Education, the Financial Services Board, members of the accounting profession as well as various other professions. The camps form part of SAICA's strategically aligned partnership with FASSET, which extends to various programmes, including the Thuthuka Bursary Fund (TBF) and aims to improve the pass rate of learners in matric within the mathematics and commerce streams, to enable them to gain university entrance.

In each province, these camps last seven days and form part of SAICA's strategy to aid the global drive for transformation, employment, and growth by supporting social and economic development as outlined in the National Development Plan and the United Nations Sustainable Development Goals.

The camps were attended by 885 learners across the three provinces and as part of the awards ceremony, FASSET issued bursaries to Nonjabulo Mnguni from Impiyamandla High School in KwaZulu-Natal, Thandolwethu Maseko from Highveld Secondary School in Mpumalanga, and Oratile Mona from Kimberley Boys High School in the Northern Cape. The trio performed outstandingly and maintained consistency between the pre-test written on arrival and the post-test written at the end of the camp.

What is exciting to note, as the country celebrated the Matric class of 2023 for attaining a pass rate of 82.9%, is that amongst the country's top achievers were matric learners who attended the SAICA FASSET Development camps in 2023. Four of these learners were invited to the announcement of the results by Minister of Basic Education, Ms Angie Motshekga on 18 January 2024.

These learners were:

- Olwethu Khumalo from Mandla Mithethwa School of Excellence (Umkhanyakude District) in KwaZulu-Natal.
- Simlindlele Khumalo from Ondini High School (Zululand District) in KwaZulu-Natal.
- Ziphozenkosi Mntambo from Khombindlela High School (King Cetshwayo District) from KwaZulu-Natal.
- Bhekumuzi Mnisi from KwaMhlanga Senior Secondary School (Nkangala District) in Mpumalanga

Reflecting on the programme’s success since its establishment in 2002, SAICA Executive for Transformational Projects, Ms Gugu Makhanya, said the support provided by various stakeholders enables the camps to continue to drive transformation in the chartered accountancy profession.

“These camps continue to grow from strength to strength. We are thankful to our key stakeholders such as FASSET for sharing a similar vision as ours, the Department of Education in different provinces for their continued support as well as universities, various firms, and members of the profession. I would also like to congratulate the three bursary beneficiaries and all learners who were part of the camps. Furthermore, I would like to send our gratitude to the camp leaders who provided support to camp educators and mentored the learners during the camps,” said Makhanya.

“There are plenty of qualified CAs(SA) who went through this programme and are doing exceptionally well in different sectors of our economy. We hope this cohort of learners will take a similar path,” added Makhanya.

In 2024/2025 further support will be provided across all provinces to assist learners in achieving desirable results and to mitigate some of their challenges in the field of finance.





SUCCESS STORIES

The Northern Cape Community Education and Training College

The education system still faces challenges such as inequalities, chronic underperformance and infrastructure issues that are remnants of the apartheid era and are not being effectively addressed by the government.

The Northern Cape Community Education and Training College would like to extend its sincere gratitude to Finance and Accounting Service Sector Education and Training (FASSET) for their infrastructure support on the college in the form of a fully furnished computer lab in Sutherland as well as the mobile classrooms in De Aar.

The mobile classrooms have been a great asset to the De Aar community as well as the entire Emthanjeni Municipality, which is formed by Hanover, Bristown, and Renosterberg Municipality (Philipstown and Petrusville).



Lecturers are able to teach students within the community including Level 1 to 4 and Grade 12.

Other initiatives that will be taking place soon may include sewing and baking skills in addition to the computer skills programme. When conducting national exams, the mobile classrooms play a vital role because they have sufficient space with white boards and notice boards to accommodate a large number of students.

Access to education is a fundamental right enshrined in the South African Constitution (Section 29 (1)) and has seen improvements over the years with near-universal access to formal public schooling up to the end of the compulsory phase.

We look forward to getting more support from a valuable stakeholder such as FASSET. Once again we thank FASSET management and staff for their efforts, contributions and support towards the college.

Kind Regards
CET College Northern Cape



Once again we thank FASSET management and staff for their efforts, contributions and support towards the college.



SUCCESS STORIES



Dr Mampho Modise

The FASSET Executive Development Programme is dynamic for those who wish to continuously evolve and learn. It is about finding your own leadership style as well as creating networks with those who have already walked such a journey. The programme has seen various beneficiaries go into the world and tackle greater challenges in their career trajectories. One such example is Dr Mampho Modise, current Deputy Governor at the South African Reserve Bank and alumni of the International Women's Forum of South Africa FASSET Women Leadership Programme.

In a conversation with Dr Modise, she shared an encounter of her experience in the programme which she mentions all began with an invitation from Ms Tryphosa Ramano, IWFSA Board Member, to apply to participate in this exciting programme.

In detailing her experience of the programme Dr Modise mentioned, "My experience of the Programme is that it gives exposure and underscores the importance of investing in women, as their contributions yield transformative results that significantly enhances and positively impacts our communities as well as expand one's network. It creates a community that inspires and transforms by uplifting women."

Having been one of the first cohorts to participate in the global immersion in Singapore, Dr Mampho recounted her personal takeaways from the programme "My most impactful takeaway as a female leader and an alumni member of the programme is gaining mentors who support me in my work, who have helped navigate my leadership journey. The programme has greatly contributed in building my character to become the resilient and confident woman I am today. I am able to provide solutions and direction for the betterment of South Africa."

In closing, Dr Mampho shared words of support to women entering Leadership roles "Excel in everything you do, build together and partner with other women to build the next generation of women leaders." These words undoubtedly echoed a sentiment shared throughout the programme, "Lift as you rise".

2.5.2 Communications and Stakeholder Engagement Management



Yusi Mahlangu
Communications and Stakeholder Engagement Manager

Communication and stakeholder relationships form a critical aspect of an organisation’s mechanics. During the period under review, FASSET continued to forge strategic partnerships, spearhead events and set benchmarks for many public and focused outreach programmes. The theme for the year was transformation and the key stakeholders were, among others, the youth and women. While transformation is a buzzword in the country, the transformation process can be somewhat laborious. FASSET, however, did its level best to accelerate this process, especially where these two critical groups were concerned.

Remaining a primary feature on the calendar of priorities, FASSET’s Career Awareness initiative, this year saw more interventions to generate awareness of it’s comprehensive career guide booklet. The guide is also downloadable from the FASSET website www.fasset.org.za.

This ensures that FASSET promotes careers within its ambit, thereby ensuring that learners make more informed career decisions. FASSET aims at promoting the finance and accounting sector as the sector of choice.

In line with the theme of transformation, FASSET reached more rural schools and worked synergistically with the Department of Higher Education and Training. We also partnered with the Pick n Pay School Club at a career expo in Mamelodi, Pretoria. Some actions include attendance of different exhibitions, attending career days, roadshows and visiting schools in all nine provinces

Through strategic positioning, FASSET has achieved 262 interventions, thereby exceeding the annual target of 260. The interventions were carried out through requests to address learners from individual schools and it also included exhibitions attended. This allowed for interaction and a focused approach. FASSET reached out to over 20 000 learners during this period.



Women in South Africa have had a history of being marginalised. Although change is gaining traction, more gender empowerment is desirable. FASSET prioritised women during the financial year and the ensuing years. FASSET’s stance is unequivocal in this area too and the range of events below speak volumes.

Women’s month initiatives 23/24:

- Duke Corporate Education Women’s Month event
- ABASA Women’s Convention
- SAYEC Women in Leadership Convention
- UN International Women’s Day
- IWFSA
- Thabo Mbeki Foundation International Women’s Day Gala and Convention
- Power FM Takeover
- Kaya FM

Stakeholder engagement is used as a “finger-on-the-pulse” measure, ensuring that FASSET remains relevant to its stakeholders and is not immune to their needs. FASSET achieved 100% of its activities and the highlights are listed below.







The popular CEO roadshows, as was the case last year, made greater inroads to communities and stakeholders during the period under review. Given the transformation focus, engagement with stakeholders and beneficiaries, especially in rural and previously disadvantaged areas, took centre stage. The CEO’s commitment to our stakeholders is evident in her presence and her face-to-face engagements with them.

FASSET implemented a Customer Relations Management platform in the form of a dedicated call centre. This allows for seamless interaction with our stakeholders. This is complemented by the annual stakeholder perception survey. This critical tool measures the efficacy of FASSET in being responsive to stakeholder needs.

As South Africa grapples with and also embraces the Fourth Industrial Revolution (4IR) and Artificial Intelligence (AI), more people interact with others online. FASSET stakeholders are by no means an exception.

FASSET increased its social media presence exponentially. This includes a plethora of varying content as well as encouraging robust debate and conversation with our stakeholders. Stakeholders are aware of FASSET offerings, developments and highlights. For example, LinkedIn recorded a significant 5 641 new followers as well as 5 875 profile views. Our Facebook total followers stands at a staggering 28 914.

The FASSET social media presence has continued to grow with improved content quality and response rates. The performance can be viewed below.

 341 000 Tweet Impressions 820 New followers	 2 Mil Profile Visits 725 000 accounts reached	 5 875 Profile Visits 5 641 New followers	 357 Profile Visits 2 006 Accounts reached 188 New followers
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TikTok is a new platform for FASSET however has seen growth and interaction with continuous updates:

FASSET also engages the agents of mass communication: the media – print, broadcast and online platforms. FASSET enjoyed a far wider media outreach by leveraging strategic partnerships.

Media Coverage

Online	Print	Radio
Business Media Mags Discretionary Grant Coverage.	BBQ Magazine Cover Feature FASSET CEO making an impact with the Women Legacy Leadership programme.	Power FM Takeover Women’s Day Campaign
HR Futures Powerful voices ignite change and empowerment.	Sunday Times Celebrating Women Advancing Women in Finance	Kaya FM Kayabiz with Gugulethu Mfuphi
Accounting South Africa FASSET building Women’s Legacy.	SA Business Integrator Cover Feature FASSET focused on growing SA’s workforce.	
	Leadership Magazine Cover Feature CEO of FASSET on the difference they are making in the industry.	
	CFO Magazine Double page spread How FASSET became a model for compliance and excellence.	
	Accounting SA Four page spread SAICA FASSET Development Camps a success	
	SA Profile Magazine 2024 Edition March 2024	



Support



Call Centre

1 652

Inbound calls



Communication Mailers

73

Campaigns sent



Database Stats

9 301

Subscribers



SUCCESS STORIES



Dear FASSET

My strength stems from love, peace, and respect as I walk this road of volunteering, a journey I started myself. I must thank FASSET for sharing this innovative key key to my journey. I visited and shared information supported by the FASSET career guide. I am passionate about making a difference, and thus far I supported learners in a variety of ways. I was able to share my thoughts and I was able to provide them with government materials.

Yes, I believe they will see the broad scope of accounting, and I am going all out to promote this education because it is something that I was not aware of. I would therefore like to afford other youngsters more information so that they are able to make informed career choices. Accounting remains my friend, because money makes the world go around. The information I am reading from the career guide for learners speaks to my success too.

Both things are happening at the same time: learners benefit and I am growing personally as a result. I believe my role in this life is to motivate and share light. Incidentally my second name is Lesedi. Although some differed with me on some issues, they listened to me and respected my role, as well as our shared love of taking photos. This gave them hope and a desire to work with FASSET one day.

Thank you

Evans Maseko



Executive Development Programme Graduation



Career Expo with PicknPay School Club



Women Creating Wealth MOU Signing Ceremony - Graca Machel Trust



Northern Cape CET Infrastructure Support Launch



SITA Internship Launch



University of Free State Bursary Beneficiaries



Wellness Day

2.5.3 Information and Communications Technology



Makabongwe Siziba
 Chief Information Officer

Information and Communication Technology improves FASSET’s operational efficiency, optimises costs, drives innovation and accelerates the delivery of services. This unit provides long-term planning and day-to-day support for ICT-enabled delivery using ICT services and systems.

Reflections of the Financial Year 2023/24

ICT Internalised its operations, thereby minimising the use of external service providers where possible. The ICT unit builds capacity by utilising the expertise of its personnel in order to reduce costs and over-reliance on external service providers.

Internalised services included:

1. Call Centre
2. Website and Intranet
3. Mass Mailer and SMS Service
4. Risk Management System
5. Board Pack Solution
6. Odoo Management Information System (MIS)
7. Internet Connectivity
8. Microsoft Telephony
9. Invoice Management
10. Enterprise Resources Planning (ERP)
11. Software Licensing

The unit encountered some challenges during the internalisation process.

1. Call Centre

- **Internalisation:** None
- **Current State:** Active and operated by one employee.
- **Potential Impact:** Limited coverage and potential delays during peak times or absences.

2. Website and Intranet

- **Internalisation:** Intranet complete, but it requires fine-tuning. The website development is still work in progress.
- **Current State:** Development performed by a single employee who is handling the development.
- **Potential Impact:** Delays in project completion and potential burnout of the sole developer.

3. Mass Mailer and SMS Service

- **Internalisation:** None
- **Current State:** Active, no challenges encountered.
- **Potential Impact:** N/A

4. Risk Management System

- **Internalisation:** No challenges were experienced during onboarding; the challenge was that the manual system did not meet all the automation requirements.
- **Current State:** Retired,
- **Future Plan:** Procuring an automated system to improve efficiency.

5. Board Pack Solution

- **Internalisation:** None
- **Current State:** Active, no challenges encountered.
- **Potential Impact:** N/A

6. Odoo Management Information System

- **Internalisation:** The Workplace Skills Plan/ Mandatory Grant module of the Odoo application has been live since March 2022. The number of electronic submissions for the year ended 2025 has surpassed the previous two years.
- **Current State:** the ETQE (Learnerships) and Discretionary Grants modules are not yet rolled out to business, with the latest changes currently in User Acceptance Testing.
- **Potential Impact:** Continued working manually for the ETQE and DG users until the acceptance of changes currently in testing.

7. Internet Connectivity

- **Internalisation:** None
- **Current State:** Active, no challenges encountered.
- **Potential Impact:** N/A

8. Microsoft Telephony

- **Internalisation:** Delays in number porting but no service impact
- **Current State:** Active, no challenges encountered.
- **Potential Impact:** N/A.

9. Invoice Management

- **Internalisation:** the project team ran a pilot exercise to test the readiness of the solution (only Admin-invoice types) during March and April 2024. While there were successes, functionality and non-functionality gaps are causing greater instability in the operating process.
- **Current State:** the project team is aligning the scope required for phase 2 of the project to the business (PQA) priorities. The commercial impact on the service provider contract is closely monitored, as there may be contract variations.
- **Potential Impact:** Continued processing of invoices in a manual fashion until the phase 2 developments are completed in Q2 of this financial year.

10. Enterprise Resources Planning (ERP)

- **Internalisation:** The Finance department is using Accounts Payable, General Ledger, and Cash & Bank modules. There is a significant amount of reporting and processing taking place outside of the system currently. Staff members are, however, short of specialist training needed to maximise the value extracted from the system.
- **Current State:** FASSET appointed a Microsoft Dynamics 365 ERP expert to evaluate the solution left to FASSET by the previous service provider (contract terminated in 2023). The intention is to use the output of the exercise to define the way forward for the 2025 financial year and beyond.

- **Potential Impact:** FASSET is likely to appoint a managed service and implementing service provider in the 2025 financial year, based on the outputs of the ERP Assessment exercise which is currently in progress.

11. Sage 300 People

- **Internalisation:** All staff members have been onboarded on the Sage 300 People system, enabling staff to electronically access payslips, electronically request leave, and submit electronic expense claims.
- **Current State:** Small, post-go-live tweaking has taken place since the go-live date, but the solution is mostly stable.
- **Potential Impact:** The intention is to expand the functionality of the solution during the 2025 year end, incorporating Job Management and Performance Management modules.

12. Software Licensing

- **Internalisation:** No challenges experienced. The transversal process was utilised to ensure that we appoint a skilled provider for the migration.
- **Current State:** Active. Migrated the infrastructure successfully to the new Enterprise Agreement.
- **Potential Impact:** N/A.

Closing Remarks

Looking ahead, FASSET ICT remains committed to steering planning and allocating resources towards facilitating seamless remote working and maximising operational efficiency. The organisation's long-term ICT Service providers (SPs) include progressively enhancing ICT resources, systems, and solutions to drive innovation and effectiveness in service delivery. By leveraging ICT capabilities, FASSET is poised to continue its growth and better serve its stakeholders in the ever-evolving digital landscape.

2.5.4 Audit, Risk and Compliance Department



Nobuntu Gwala
Audit, Risk and Compliance
Manager

The Audit, Risk and Compliance department is responsible for, amongst others, the following:

- Monitoring the implementation of the Enterprise-Wide Risk Management and Compliance Frameworks throughout the organisation.
- Facilitating and coordinating the Audit process.
- Providing support to management and business units in implementing the approved risk management and compliance policies and processes and ensuring these are integrated into the operations of FASSET.

Highlights

During the 2023/24 Financial Year, the Audit, Risk and Compliance department successfully adhered to the organisational operational themes set for the year and achieved the following to engage and improve service delivery to its stakeholders:

- Monitored and reported quarterly on the implementation status of the agreed upon management action plans. As a result, 27 out of 46 (59%) audit findings were successfully closed.
- The department participated and facilitated the testing of the approved Business Continuity Management Plan (BCP).
- Achieved 16 of the 20 planned risk management and compliance activities, translating to an 80% achievement, for the financial year.
- Monitored and reported quarterly on the implementation of risk action plans. 81% of the strategic risk action plans were completed, with 19% still in progress.

- The department facilitated training on risk management, including BCM and compliance management.
- Reviewed and updated the approved Compliance Regulatory Universe for FASSET.
- Developed Compliance Risk Management Plans (CRMPs) for four (4) pieces of legislation and monitored compliance thereof.
- Monitored compliance with three (3) approved policies.

B-BBEE and Other Initiatives

- Facilitated the Broad-Based Black Economic Empowerment (B-BBEE) verification exercise which resulted in FASSET receiving a Level-5 rating. This is a significant improvement compared to the level 8 rating received in the previous reporting year.
- Facilitated the implementation of a B-BBEE Strategy for FASSET and the following initiatives were conducted:
 - Participated in Mandela Day to uplift the disadvantaged communities in Gauteng province.

Supported two suppliers currently in our database by purchasing equipment that will improve their efficiency in the SMME's business operations.

The Year Ahead

The unit is planning to conduct a maturity risk assessment, which will help identify strengths and weaknesses in our risk management processes. This assessment will also provide a clear benchmark against best practice

2.5.5 Facilities Department



Bomkazi Mnombeli
Facilities Manager

FASSET has established and operationalised its three provincial offices in Vhembe, Durban and Gugulethu which are located in Limpopo, KwaZulu-Natal and the Western Cape respectively. The offices have a combined staff complement of five. The organisational fleet has increased to six vehicles because three new vehicles have been allocated to the provincial offices.

As part of brand positioning, FASSET introduced corporate wear for staff members. This also ensures that staff members display professionalism and team cohesion, especially when attending events. The corporate wear was received well and it inspired some of our stakeholders to follow suit.

The records digitisation project has commenced and the necessary scanning equipment has been sourced. A dedicated team of seven staff members will handle this critical project. The department has partnered with the ICT department and established a Records Management Committee to provide guidance and support.

FASSET might not have found the desired office space yet, but it continues to ensure that the current workspace is safe for staff members and it complies with the Occupational Health Standards (OHS) Regulations.



2.5.6 Quality and Monitoring



Patience Motloung
Quality and Monitoring
Assistant Manager

The Quality and Monitoring team is responsible for quality assurance as well as reporting on the APP and the Service Level Agreement (SLA) to the National Treasury, the Department of Planning, Monitoring and Evaluation (DPME) and the DHET.

The eQPRS system (Electronic Quarterly Performance System) was used in the reporting method required by National Treasury and DPME. A historical performance achievement of 98% against the targets for 2023/2024 as set out in the APP was met.

SETMIS (The Sector Education and Training Management Information System) and Surveyhub system submissions were done in the 2023/2024 Financial Year and FASSET SETA recorded a performance of 97.5% against the SLA signed with DHET.

As a result of the unit's consistent reviewing and measuring performance data, annual targets were met during the past three years. In line with another clean Audit for 2023/2024, it is our intention to maintain this standard for the ensuing years.

The unit experienced challenges in reporting owing to the manual reporting system which is currently done via the Microsoft platform. The unit will work on a new solution which will be implemented soon in order to solve the challenge.

2.6 Performance Information

We sign the APP with DHET every year, committing us to deliver against the NSDP. During 2023/2024, we had 54 targets, 53 of which were achieved. This resulted in 98% overall performance by the SETA.

Programme 1: Administration

Programme 1:	Administration
Purpose:	The purpose of this programme is to enable effective and efficient capabilities for core and supporting functions. These capabilities include governance, leadership, organisational, process, and system components. Supporting functions include Finance, Operations, Human Resources, Information and Communications Technology (ICT), and Supply Chain Management (SCM). 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.
Sub-Programmes	<ol style="list-style-type: none"> 1. Operations 2. Finance and SCM 3. Governance (Audit and Risk) 4. HR 5. ICT

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Efficient and effective organisational support system with an enabling culture that will ensure optimal performance with a key focus on service. (The digitisation of processes to ensure effective implementation of interventions to be prioritised)	Implementation of stakeholder strategy	1.1 Percentage of stakeholder strategy implemented annually	61%	100%	100%	100%	-		N/A
	Joint processes with other SETAs facilitated	1.2 Number of programmes facilitated annually	2	4	4	4	-		N/A

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	Internal skills development Strategy implemented	1.3 Percentage of internal skills strategy implemented on an annual basis	87%	92%	85%	87%	+2%	Target over-achieved, more trainings were implemented than planned for the financial year.	N/A
	Good governance report submitted	1.4 Number of SETA good governance report submitted	N/A	4	4	4	-		N/A
	Unqualified audit outcome obtained	1.5 An unqualified audit outcome obtained annually	1	An unqualified audit outcome	An unqualified audit outcome	An unqualified audit outcome	-		N/A
	System going live	1.6 Number of system (invoice automation) gone live	N/A	N/A	1	1	-		N/A

Programme 2: Skills Planning

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

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Appropriate skills intervention determined as informed by research (prioritising tracking the journey of the students)	Detailed SSP which identifies skills requirements and adapts accordingly produced	2.1. Number of Sector Skills Plan developed and submitted	1	1	1	1	-	-	N/A
	Research Reports conducted in the FAS sector	2.2 Number of research studies conducted annually	9	4	4	5	+1	Target over-achieved, one more research study was completed in the year.	N/A
	Approved WSP and ATR for large firms	2.3 Number of large firms WSP/ATR approved, and Mandatory Grant paid annually	65	73	65	94	+29	Target over-achieved, regular engagements with stakeholders during the submission process, resulted in a better understanding of the WSP submission requirements, leading to a more successful WSP approvals and payments.	N/A

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	Approved WSP and ATR for medium firms	2.4 Number of medium firms WSP/TR approved, and Mandatory Grant paid annually	114	119	100	125	+25	Target over-achieved, regular engagements with stakeholders during the submission process, resulted in a better understanding of the WSP submission requirements, leading to a more successful WSP approvals and payments.	N/A
	Approved WSP and ATR for small firms	2.5 Number of small firms WSP/TR approved, and Mandatory Grant paid annually	605	596	600	615	+15	Target over-achieved, regular engagements with stakeholders during the submission process, resulted in a better understanding of the WSP submission requirements, leading to a more successful WSP approvals and payments.	N/A
	Approved WSP and ATR for government departments	2.6 Number of government departments WSP/TR approved annually	5	5	5	5	-		N/A

Programme 3

Programme 3:	Learning Programmes and Projects
Purpose:	<p>This programme is one in which the SETA invests the bulk of its resources and energy, and is most aligned to the goals, objectives and performance indicators of the NSDP as well as the SETA’s vision and mission, as articulated in the SETA’s SP.</p> <p>The learning programmes and projects programme is focused on enabling and enhancing skills development in and for the FAS sector in partnership with relevant stakeholders. It also aims to promote the FAS sector as a preferred career choice for new entrants into the labour market. Through targeted funding of skills interventions, the SETA expects to transform the FAS profession and sector. This programme needs to ensure that the delivery of skills interventions meets with compliance requirements. Ultimately this programme is expected to deliver the requisite value and impact through the SETA’s funded interventions.</p> <p>In addition to the development of skills and creating vibrant finance and accounting services labour market, this programme also contributes to the achievement of transformation ensuring opportunities are afforded to the previously disadvantaged group. Consequently, the funding is aligned according to a model which emphasises 85% Blacks, 54% women, and 4% disabled people.</p>
Sub-Programmes	<ol style="list-style-type: none"> 1. Implementation of Programmes as per NSDP Outcomes below: <ol style="list-style-type: none"> 1.1 Outcome 1: Identify and increase production of occupations in high demand 1.2 Outcome 2: Linking education and the workplace 1.3 Outcome 3: Improving the level of skills in the South African workforce 1.4 Outcome 4: Increase access to occupationally directed programmes 1.5 Outcome 5: Support the growth of the public college system 1.6 Outcome 6: Skills development support for entrepreneurship and cooperative development 2. Special Projects 3. Monitoring, Evaluation and Reporting 4. Career and Vocational Guidance

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increasing access to FASSET products and services for the rural areas	High number of learners attending relevant Lifelong Learning (LL) /Learner Professional Development (LPD) programmes provided	3.1. Number of employed learners who enter LL/LPD programme annually	22 422	27 143	5 575	10 425	+4 850	Target over-achieved. The achieved was because of high number of applications received under training incentive grant.	Increased target as per agreement with the Department of higher education and training

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increasing access to FASSET products and services for the rural areas	High number of learners attending relevant Lifelong Learning (LL) /Learner Professional Development (LPD) programmes provided	3.2 Number of skills programmes initiatives attended by Trade Unions	9	4	80	82	+2	Target over-achieved, as the actual expenditure was less than the budgeted amount as a result the savings was able to accommodate more beneficiaries.	
	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc.)	3.3 Number of unemployed learners processed for registration on learnerships annually	3685	5921	4 894	5 599	+705	Target over-achieved, more learnership registrations were received from the industry and successfully registered by FASSET.	Increased target as per agreement with the Department of higher education and training
		3.4 Number of unemployed learners approved for LEG funding annually	1105	1535	1 216	2 011	+795	Target over-achieved, the successful submission of LEG application from some of our top 20 levy payers contributed to the overall overachievement of the target.	
		3.5 Number of unemployed learners entering a bursary programme annually	1357	1254	1 200	1 321	+121	Target over-achieved, due to receiving more applications who qualified to be supported. Furthermore, this was made possible because of some institutions such as UNISA, UL, UFH actual costing were less than the budgeted amount.	

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		3.6 Number of unemployed learners entering an internship programme annually	1177	2455	2 400	2 898	+498	Target over-achieved, strategic partnerships and additional allocations assisted with the over-achievement of the target.	Increased target as per agreement with the Department of higher education and training
		3.7 Number of unemployed learners entering an academic skills programme for progression at University annually	2 868	2 733	2 500	2 667	+167	Target over-achieved, is because of some institution utilising less than the budgeted amount which resulted in more learners having to benefit from the programme	
		3.8 Number of unemployed learners who enter a professional body programme annually	949	1 373	500	1 210	+710	Target overachieved because of partnership with a professional body (SAICA) was utilised to get more learners. Most learners came from this partnership	
		3.9 Number of unemployed learners provided with tools of trade annually	N/A	2 001	2 000	2 008	+8	Target over-achieved as more learners were supported under bursaries and internship programmes that qualified to be granted tools of trade.	

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		3.10 Number of unemployed learners entering AET programme offered at a Community Education and Training College annually	100	105	100	100	-		
		3.11 Number of learners from cooperatives and enterprises trained on sector and national priority occupations or trained on entrepreneurship supported to start their business or skills annually	N/A	3 271	2 500	2 858	+358	Target over-achieved. The successful achievement of the annual target was attributed to the contributions to the special project implementors. <ul style="list-style-type: none"> • Tsogo • Sekhukhune TVET College • Adamo Additional allocations to SANACO and Family Tree contributed to the achievement of the annual target as well.	
		3.12 Number of unemployed learners processed for completion on learnerships annually	2 949	3 983	2 622	3 108	+486	Target over-achieved. More learnership completions were received from the industry and successfully captured and reported by FASSET.	Increased target as per agreement with the Department of higher education and training

		3.13 Number of unemployed learners who complete qualification via bursary programme annually	533	228	250	360	+110	Target overachieved as learners that were supported in the 2023 academic year were completing their final year.	
		3.14 Number of unemployed learners who complete a skills programme annually	1946	1831	1 805	1 882	+77	Target overachieved as more learners that were supported have completed.	Increased target as per agreement with the Department of higher education and training
		3.15 Number of employed learners processed for registration on learnerships annually	350	353	500	1 033	+533	Target over-achieved. More learnership registrations were received from the industry and successfully registered by FASSET.	Increased target as per agreement with the Department of higher education and training
		3.16 Number of learners approved for payment on historical debt annually	121	402	400	829	+429	Target over-achieved, the USAF learners contributed to the overall achievement of the target indicator utilizing the Bursary budget.	
		3.17 Number of employed learners processed for completion of learnerships annually	249	245	250	253	+3	Target over-achieved. More learnership completions were received from the industry and successfully captured and reported by FASSET.	Increased target as per agreement with the Department of higher education and training

		3.18 Number of TVET students who enter a National Diploma internship annually	536	669	635	1 007	+372	Target achieved, strategic partnerships and additional allocations assisted with the over-achievement of the target.	Increased target as per agreement with the Department of higher education and training
		3.19 Number of TVET students who complete a National Diploma internship annually	346	290	300	323	+23	Target over-achieved, more learners emanating from the previous partnerships completed the programme thus, the over-achievement of the indicator.	
		3.20 Number of NGO's and NPO's supported through Discretionary Funding annually	N/A	21	20	21	+1	Target over-achieved. We offered a continuation of the training Being a Director for the following. <ul style="list-style-type: none"> • Being a Director Part 4, • Being a Director Part 5, • Financial Insights for Non-financial Directors, and • Governance of Ethics programmes. About 21 NPOs and NGOs registered to participate in the programme, there means there is more appetite 	
		3.21 Number of small businesses supported through discretionary funding annually	159	78	700	314	-386	Not achieved, not enough uptake of programme from the sector	

		3.22 Number of partnership agreements signed between FASSET and a public Higher Education Institution annually	9	8	5	17	+12	Target over-achieved, the board approved strategic partnerships to be considered for implementation of the academic support programme. As a result, universities accepted are partnership proposals that also contributory largely to the overachievement of the academic support target.	
		3.23 Number of partnership agreements signed between FASSET and a public TVET College annually	5	9	5	10	+5	Target over-achieved, more TVET colleges were supported in the year.	
		3.24 Number of partnership agreements signed between FASSET and an employer for placement of TVET learners annually	27	54	10	23	+13	Target over-achieved, more employers applied for the grant, and they were awarded.	
		3.25 Number of career guidance events supported annually	353	278	260	262	+2	Target over-achieved, more invites to events attended than planned	

		3.26 Number of CET partnerships established	3	4	2	5	+3	Target over-achieved, the surplus allowed FASSET to be able to support more CET colleges on infrastructure which resulted in over achievement.	
		3.27 Number of TVET colleges lecturers awarded a bursary	30	31	40	40	-		
		3.28 Number of unemployed learners upskilled (Grade 8- 12) in Maths, Accounting and English	600	930	1 000	1 691	+691	Target over-achievement, due to actual costs charged being less than the budgeted amount.	
		3.29 Number of Black females entering management development programme annually	31	256	500	550	+50	Target over-achieved. Partnerships below assisted in achieving the target. • IWFS • WBS • AWCA	
		3.30 Number of unemployed learners entering a bursary programme (continuing)	84	290	433	459	+26	Target over-achieved, entered target for both TVET learners and university resulted in the overachievement as more learners qualified for continuous support.	
		3.31 Number of TVET colleges learners awarded bursaries annually	100	325	400	466	+66	Target over-achievement, because of savings which could cater for additional learners to be supported.	

		3.32 Number of unemployed learners upskilled (Grade 8-12) in Maths Accounting and English (continuing)	0	420	420	442	+22	Target over-achieved, is linked to entered learners where there is over-achievement on the target and resulting in more learners continuing in the programme.	
		3.33 Number of unemployed learners entering an internship programme via the public sector annually	10	110	100	328	+228	Target over-achieved, because several partnerships that were accepted by our public sector employers resulting in more learners benefiting from the public sector grant.	
		3.34 Number of Rural Development Projects initiated annually	N/A	3	2	2	-		
		3.35 Number of SETA offices established and maintained in TVET colleges	N/A	4	3	3	-		
		3.36 Number of TVET and CET Colleges provided infrastructure development support	N/A	4	4	14	+10	Target over-achieved, due to the partnerships concluded early in the financial year	
		3.37 Number of unemployed learners trained on digital skills	N/A	934	815	1 055	+240	Target over-achieved, strategic partnerships and additional allocations assisted with the over-achievement of the target.	Increased target as per agreement with the Department of higher education and training

		3.38 Number of employed learners entering a bursary programme annually	N/A	N/A	100	157	+57	Target over-achieved, because of savings which could cater for additional learners to be supported.	
		3.39 Number of employed learners attending skills programme annually	N/A	N/A	325	387	+62	Target over-achieved, largely contributed by the big data and data analytics programme implemented in partnership with ACCA where over 1000 applications were received and qualified for the programme	
		3.40 Number of employed learners entering professional body programme annually	N/A	N/A	100	142	+42	Target over-achieved, mainly due to the actual costs being less than the budgeted cost which resulted in additional learners being supported.	
		3.41 Number of unemployed learners completing internships annually	N/A	N/A	1 250	1 486	+236	Target over-achieved, more learners emanating from the previous partnerships completed the programme thus, the over-achievement of the indicator.	Added the indicator and target as per agreement with the Department of higher education and training

Programme 4

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

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved quality assurance system for the sector learning programmes	Quality assured sector aligned learning programmes	4.1 Number of qualifications and learnership certification reports produced annually	4	4	4	4	-		

N/A – not applicable

2.7 Reporting on the Institutional Response to the Covid-19 Pandemic

FASSET continued to ensure its employees are able to adhere to the Covid-19 safety regulations by providing the necessary protective equipment.

3. REVENUE COLLECTION

Sources of Revenue	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	Over/ (Under) Collection	Estimate	Actual Amount Collected	Over/ (Under) Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions						
Other income	-	25	25	-	25	25
Investment income	25 000	58 426	33 426	27 000	30 600	3 600
Total revenue from exchange transactions	25 000	58 451	33 451	27 000	30 625	3 625
Revenue from non-exchange transactions						
Levies	642 910	703 920	61 010	580 919	621 168	40250
Other income	-	-	-	-	75	75
Total revenue from non-exchange transactions	642 910	703 920	61 010	580 919	621 244	40 325
Total	667 910	762 371	94 461	607 919	651 896	43 050

4. CAPITAL INVESTMENT

FASSET keeps its assets, the majority of which are in the form of excess cash, in the Corporation for Public Deposits (CPD) account with the Reserve Bank. The SETA also has measures in place to maintain its asset register which mostly comprises vehicles, office equipment, furniture and some installations.





Governance

1. INTRODUCTION

The Financial and Accounting Services Sector Education and Training Authority (FASSET) is a public entity established in terms of the Skills Development Act 97 of 1998; and listed as a Schedule 3A entity as per the Public Finance Management Act 29 of 1999 (PFMA).

The AA relies on the support of its established Board Committees which include the Executive Committee (EXCO), Audit and Risk Committee (ARC), Finance Committee (FINCO), Human Resources and Remuneration Committee (HREMCO), and the Governance and Strategy Committee (GSC).

The AA ensures that FASSET maintains effective and transparent systems of risk management and internal controls by having a functional ARC that is supported by an effective Internal Audit and skilled executive management.

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

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

FASSET's commitment to governance controls include a code of conduct, SLAs and declarations of conflict of interest.

Corporate governance embodies the processes and systems by which public entities are directed, controlled and held to account.

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

FASSET's AA recognises that ethical and effective leadership is the starting point of corporate governance. The tone at the top creates the foundation for good governance. Simply put, FASSET, from its leadership to its staff on the ground, both

individually and collectively, expects compliance with standards of good ethics and effectiveness which enable delivery of appropriate outputs to those whom its operations impact.

During the Financial Year, Management prepared and submitted relevant policies from various departments for the Board's approval. The Board is supported in its functions and duties by the EXCO, the ARC, FINCO and the HREMCO, all of which have been functional in the reporting period. It is guided by an approved charter in terms of the FASSET constitution.

King IV

Meaningful and SETA-wide application of the King IV corporate governance practices is a key starting point in ensuring desired governance outcomes.

By aligning its practices with King IV, the principles of which apply to the reporting period, FASSET's approach and commitment to corporate governance has not changed. The Board and Management continue to fully acknowledge the role of good governance across all aspects of FASSET as a vital component of sustainable value creation.

The shift to King IV was managed as a project, with responsibility for each principle assigned to appropriate functional business areas. The working committees that were put in place comprised senior representatives of the strategy and planning committee (including risk), human resources (including remuneration), finance, governance, ICT, Internal Audit, and the executive Management team with the Chief Executive Officer (CEO) as the project champion, and the Company Secretary as the head of governance. This inclusive approach ensures a SETA-wide understanding of the principles and multi-function application of the practices. It also facilitates governance leadership and accountability. The working groups benchmarked existing governance practices against King IV practices to identify areas for improvement.

2. PORTFOLIO COMMITTEES

The Portfolio Committee on Higher Education, Science and Innovation exercises its oversight role over the department and other entities. There were no engagements between FASSET and the portfolio committee in the current Financial Year.

3. EXECUTIVE AUTHORITY

The Executive Authority of FASSET is the Minister of Higher Education, Science and Innovation. FASSET reported on its financial and non-financial performance to the Honourable Minister, Dr Blade Nzimande. The SSP, SP, and APP are submitted on an annual basis to the DHET.

FASSET also concluded the SLA with the Executive Authority which encompasses deliverables on the performance and required reports on its activities.

FASSET had an engagement with the Minister to present the APP and align it to the departmental priorities. The engagement was attended by the Board Chairperson and the CEO.

4. THE NATIONAL SKILLS AUTHORITY

The AA also had an engagement with the National Skills Authority to present the organisational performance as well as to give a progress update on the following areas:

- Skills Policy Matters;
- NSDS outcomes and impact;
- Governance matters;
- Progress against the NSDP.

5. THE ACCOUNTING AUTHORITY

5.1 Introduction

The FASSET Board is the AA as established in terms of the FASSET constitution, and it fulfils its duties and responsibilities as provided for in the PFMA and Skills Development Act, 97 of 1998, as amended.

The Minister of Higher Education, Science and Innovation appointed a new Board for a five-year period commencing 1 April 2020 to 31 March 2025. The Board performs oversight of the affairs of FASSET as well as retaining full and effective control and management of FASSET in accordance with applicable legislation. The Board is also responsible for the formulation and review of the strategic direction of FASSET. The Board ensures that FASSET delivers on the requirements of the Skills Development Act, 97 of 1998, as amended; and adheres to the PFMA.

5.2 The Role of the Board

The role of the Board includes :

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

Induction and Board Development

The Interim Board Chairperson has prioritised professional development of members. An ongoing training and education programme enables the Board members to familiarise themselves with FASSET's operations, the business environment, their fiduciary duties and responsibilities, FASSET's expectations of Board members in terms of commitment and behaviour, and regulatory changes and trends.

The Board held all its required meetings as well as those of its sub-committees and fulfilled all its responsibilities.

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

During the year under review, FASSET's Board members attended key PFMA training facilitated by the National Treasury. A detailed Board Development and Training Programme as developed will be rolled out in the 2023/24 Financial Year.

5.3 Board Charter and Code of Conduct

The King IV Code of Corporate Governance states that good governance starts with effective leadership.

The Board Charter regulates the parameters within which the AA will operate and ensures the application of sound corporate governance principles. It sets out the mandate, goals, roles and responsibilities of the AA and addresses the following:

- AA powers and composition;
- Authority of the AA;
- Fiduciary responsibilities;
- Mandate, goals, role and functions;
- Role of the Chairperson;
- Role and responsibilities of the CEO;
- Relationship with staff members and other stakeholders;
- AA committees, committee meetings and frequency of meetings;
- AA evaluation of effectiveness;
- Code of Conduct;
- Conflict of interest and handling of disputes; and
- Remuneration of AA members.

AA members completed annual declarations of interest in line with the requirements of the PFMA.

The AA also reviewed and approved its Code of Conduct annually. All AA members signed the Code of Conduct and fully complied with the Board Charter and Code of Conduct during the year under review.

5.4 Composition of the AA (Board)

The Board of FASSET is appointed in line with Section 11(1) and (2) of the Skills Development Act. As the highest governing structure, the Board retains full and effective control over FASSET and monitors the organisation's performance and ensures that decisions on material issues are addressed.

The Board comprises 13 members including the independent Interim Chairperson. All Board members and the Interim Chairperson are non-executive directors. The FASSET Board is composed of the following constituencies:

- An independent Chairperson;
- Six members representing organised labour;
- Six members representing organised business;
- One member from a government department; and
- One member from a community organisation

BOARD MEMBERS

Participation as Board Member pertaining to Ms Ntuli (Board Chairperson) and Ms Magasa (Board Member) is pending final determination by the Ministry of Department of Higher Education.



Ms Lynette Ntuli
Board Chairperson
(participation discontinued)



Mr Bongani Mathibela
Organised Labour
Interim Chairperson



Mr Xola Lingani
Organised Labour



Ms Thandi Masebola
Organised Labour



Ms Mamatshiliso Nhlapo
Government Department



Mr Mbasa Metuse
Organised Labour



Ms Mopo Mushwana
Organised Employer



Ms Rofhiwa Singo
Community Organisation



Ms Tlakale Phatlane
Organised Labour



Ms Angel Nyathela-Mahanjana
Organised Employer



Mr James Maboa
Organised Labour



Mr Nthato Mapiloko
Organised Labour



Ms Malebo Magasa
Organised Employer
(participation discontinued)



Ms Pumla Ngwenya
Organised Employer



Mr Peterson Khumalo
Organised Employer

Participation as Board Member pertaining to Ms Ntuli (Board Chairperson) and Ms Magasa (Board Member) is pending final determination by the Ministry of Department of Higher Education.

Table 3: Board and Committees Meeting Attendance

Name	Gender	Constituency	Board meetings (07)	Qualifications
Number of meetings				
Interim Board Chairperson Mr Bongani Mathibela ¹	Male	Organised Employer	07	<ul style="list-style-type: none"> • PA (SAIPA) • TP (SAIPA) • PIA (IIASA) • BRP (SARIPA) • Nat. Dip Accounting • Nat. Dip: Taxation • BCompt • CFE (ACFE)
Ms Mamatshiliso Nhlapo	Female	Government Department	06	<ul style="list-style-type: none"> • MBL • MSocSci: Psychology and Research Consultation • BA(Hons), • BSocSci • Project Management certificate • Monitoring and Evaluation certificate • Certificate in PFMA for Non-Financial Managers
Ms Rofhiwa Singo	Female	Community Organisation	06	<ul style="list-style-type: none"> • Chartered Global Management Accountant (ACMA, CGMA) • Associate General Accountant (AGA SA), SAICA • BCompt. Honors (CTA) • BCompt • IAC higher certificate in accounting
Mr James Maboa	Male	Organised Labour	06	<ul style="list-style-type: none"> • CA(SA) • BCom • PGD Accounting (CTA)
Mr Xola Lingani	Male	Organised Labour	07	<ul style="list-style-type: none"> • MBA • Certified ISA • Certifies IIA • BTech
Mr Mbaso Metuse	Male	Organised Labour	07	<ul style="list-style-type: none"> • MSocSci (Social Policy and Development Research) • PGDip (Business Administration) • BSocSci • Project Management Certificate
Ms Thandi Masemola ¹	Female	Organised Labour	07	<ul style="list-style-type: none"> • PGDip: Business Administration • BTech • Nat. Dip: Cost & Management Accounting
Mr Nthato Mapiloko	Male	Organised Labour	07	<ul style="list-style-type: none"> • MBL • BCompt (CTA) • PGDip Tax Law • PGDip Labour Law • Board Governance Certificate

Name	Gender	Constituency	Board meetings (07)	Qualifications
Number of meetings				
Ms Tlakale Phatlane	Female	Organised Labour	07	<ul style="list-style-type: none"> Nat. Dip: Secretarial Administration Nat. Dip: IT HDip Labour Law
Ms Malebo Magasa	Female	Organised Employer	01	<ul style="list-style-type: none"> MBL PGD: Education BCom
Ms Mopo Mushwana	Female	Organised Employer	07	<ul style="list-style-type: none"> MBA PGD: Business Administration BCom
Ms Angel Nyathela-Mahanjana	Female	Organised Employer	07	<ul style="list-style-type: none"> LLB BCom
Ms Pumla Ngwenya	Female	Organised Employer	07	<ul style="list-style-type: none"> MBL BBA International Baccalaureate
Mr Peterson Khumalo	Male	Organised Employer	07	<ul style="list-style-type: none"> BCom PGDip Accounting Registered Auditor CA(SA)

¹ Appointed Interim Board Chairperson - 23 March 2023

5.5 Board and Board Committees

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

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

The EXCO is made up of five Board members and comprises an independent Chairperson, two organised employer representatives and two representatives from organised labour. Members of the EXCO are appointed by the Minister in terms of the Constitution.

Our EXCO, has been automatically dissolved due to its non-compliance with the Board Constitutional imperatives. However, there is a newly appointed EXCO by the Board and is awaiting the DHET's concurrence in line with clause 9(1) of the Board Constitution before its resumes with its legislative mandate and its responsibilities.

Table 4: Executive Committee

Name	Number of meetings attended	Constituency
Mr James Maboja	0	Organised Labour
Mr Xola Lingani	0	Organised Labour
Mr Bongani Mathibela	0	Organised Employer
Ms Malebo Magasa	0	Organised Employer

The primary responsibilities of the FINCO include monitoring and reporting on financial operations, internal financial policies and budget performance; consolidating and recommending the annual budget for presentation to the Board; providing guidelines for reporting on levy collections and grant disbursements; and considering and recommending financial reports.

Table 5: Finance Committee

Name	Number of meetings attended	Constituency
Ms Mopo Mushwana, Chairperson	04	Organised Employer
Mr James Maboja	04	Organised Labour
Ms Tlakale Phatlane	04	Organised Employer
Ms Angel Nyathela-Mahanjana	04	Organised Employer
Mr Peterson Khumalo	04	Organised Employer
Mr Nthato Mapiloko	04	Organised Labour

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

The Committee considered, reviewed and noted the following recommendations to the Board:

- CEO's Quarterly Report;
- Project Performance Management Report;
- ICT Project Reports with regard to Special Projects;
- Board development work plan and Board assessments; and
- Recommendations to the Board on Board and Governance policies including organisational Delegations of Authority and Committee Charter and Workplan.

Special recommendations as mandated by the Board included the following:

- Final Strategic Plan;
- Annual Performance Plan;
- Service Level Agreements for 2023/24; and
- Lifelong Learning incentive grants.

Table 6: Governance and Strategy Committee

Name	Number of meetings attended	Constituency
Mr Bongani Mathibela	05	Organised Employer
Ms Mamatshiliso Nhlapo	05	Government Department
Mr Mbaso Metuse	05	Organised Labour
Ms Thandi Masemola, Chairperson	05	Organised Labour
Ms Malebo Magasa	05	Organised Employer
Ms Mopo Mushwana	05	Organised Employer

The HRREMCO advised and made recommendations to the Board on establishing human resources and remuneration strategies and processes to ensure alignment with FASSET’s functions and mandate. HRREMCO ensures that the human resources organisational structure supports FASSET’s vision, mission and activities; establishes, maintains and implements human resources and remuneration strategies that ensure competitive, fair, equitable and market-related compensation policies (and which are also geared to attract, motivate and retain talented human capital). It also periodically reviews its practice of diversity in the workplace and adherence to employment equity plans.

The Committee considered and recommended the following reports to the Board as mandated to them:

- Draft Strategic Plan, Annual Performance Plan as well as Service Level Agreement and reports on the performance and implementation thereof;
- Research Criteria, research quarterly reports as well as sector trends reports;
- Discretionary grant criteria and expenditure reports related to discretionary grants;
- Sector Skills Plan;
- Recommendations on the Board Strategy session;
- Reports on organisational memoranda of understanding entered into; and
- Working Committee Charter and reports from the Committee.

The HRREMCO convened throughout the year to make recommendations to the Board on the following matters:

Organisational HR Policies review which included the following policies:

- Acting Allowance Policy;
- Remuneration Policy;
- Dress Code Policy;
- Employment Equity Policy;
- Employees Code of Conduct Policy;
- Industrial Relations and Terminations Policy;
- Recruitment , Rewards and Benefits Policy;
- Retention Policy;
- Working Hours Policy;
- Education, Training and Development Policy;
- Performance Management Policy;
- Leave Policy; and
- AA and Committees Remuneration Policy.
- Recruitment, Selection and Appointment policy

The following policies were developed by the Committee and recommended to the Board for approval:

- Working From Home Policy; and
- Health and Safety Policy.
- Succession policy

The Committee also considered to following matters for recommendation to the Board:

- The Quarterly HR Status Reports;
- Review and approval of the Recognition Agreement;
- NEHAWU demands;
- Noting of performance review of the CEO;
- Noting of the Performance Agreements of the CEO and Company Secretary as recommended by the 360 Review Panel;
- The Committee also received the recommendations of the employee satisfaction and culture survey and recommendations on the organogram following the recommendations from the Skills Audit; and
- The Committee provides oversight on the Labour Relations department through interrogation of the quarterly Labour Relations reports.

Table 7: Human Resources and Remuneration Committee

Name	Number of meetings attended	Constituency
Mr Mbaso Metuse, Chairperson	06	Organised Labour
Ms Thandi Masemola	06	Organised Labour
Mr Nthato Mapiloko	06	Organised Labour
Mr Tlakale Phatlane	06	Organised Labour
Ms Pumla Ngwenya	06	Organised Employer
Ms Angel Nyathela-Mahanjana	06	Organised Employer

The ARC is made up of four independent members and two Board representatives. The ARC has oversight responsibilities for financial management; internal controls; management of risks and monitoring of risk management policy and planning; compliance with laws, regulations, and ethics; accounting and financial reporting; and internal and external Audit functions. The collective skills and expertise of the members of this Committee include extensive knowledge of and expertise in public sector accounting, GRAP standards, the PFMA, National Treasury Regulations, ICT governance, and King IV.

The organisation has established an ICT Steering Committee reporting to the ARC. The Committee is chaired by an independent Chairperson, Dr Charles Motau, and meets once a quarter. The Chairperson is remunerated in terms of the AA and Committees Remuneration Policy. The Committee consists of members of the Executive Management team.



Dr Charles Motau
Chairperson of the ICT Steering Committee

The Committee’s responsibilities are defined in terms of King IV under Principle 12 on Technology and Information and the ICT Governance Framework that is informed by the other governance and regulatory documents already mentioned. King IV recognises that information and technology overlap. They are also “distinct sources of value creation which pose individual risks and opportunities”. Therefore, King IV refers not only to ‘information technology’ but to ‘technology and information’ to make this distinction clear.

King IV emphasises that the governing body (a function delegated to the ARC) should govern technology and information in a way that supports the organisation in defining its core purpose and to set and achieve strategic objectives, organisational structure, relationships, frameworks and processes. Principle 12 of the King IV Code recommends that the governing body should:

- i. Assume responsibility by setting the direction for how the organisation should approach and address ICT;
- ii. Oversee the Management of ICT, including overseeing that ICT risks are integrated into organisation-wide risk management;
- iii. Ensure that management responds to security and social media incidents with a breach code;
- iv. Ensure that ICT is used ethically and responsibly through an ICT policy and that ICT laws are complied with;
- v. See to it that information management sustains and enhances the intellectual property protection of the organisation;
- vi. Verify that data protection and information security law aspects are implemented;
- vii. Ensure that the risks pertaining to the sourcing of ICT and ICT contracts are managed well;
- viii. Ensure that the organisation responds to disruptive technologies; and
- ix. Disclose the governance and management of ICT by the organisation, including disclosing an overview, focus areas, actions taken and plans.

Table 8: Audit and Risk Committee

Name	Number of meetings attended	Constituency	Qualifications
Ms Malande Tonjeni	05	Independent Chairperson	<ul style="list-style-type: none"> • CA(SA)
Ms Rofhiwa Singo	04	Community Organisation	<ul style="list-style-type: none"> • Chartered Global Management Accountant (ACMA, CGMA) Associate General Accountant (AGA (SA)) • BCompt. Honors (CTA) BCompt • IAC higher certificate in accounting
Mr Peterson Khumalo	05	Organised Employer	<ul style="list-style-type: none"> • BCom • PGDip Accounting Registered Auditor CA(SA)
Mr Vernon Makaleni	05	Independent Member	<ul style="list-style-type: none"> • BCom (Accounting) • Master's in Public Administration (MPA) • Postgraduate Diploma: Management (Specialising in Corporate Governance) • Management Advancement Programme (MAP) Certified Director
Adv. Matime Manasoe	05	Independent Member	<ul style="list-style-type: none"> • LL.M • Postgraduate diploma in drafting and interpretation of contracts • Advance certificate in construction contracts LLB
Mr John Raphela	05	Independent Member	<ul style="list-style-type: none"> • MBA • Prince2 Certification BSC Computer Science

AUDIT AND RISK COMMITTEE



Ms Malande Tonjeni
*Independent
Chairperson*



Ms Rofhiwa Singo
*Accounting Authority
Member*



Mr Peterson Khumalo
*Accounting Authority
Member*



Mr Vernon Makaleni
Independent Member



Matime Manasoe
Independent Member



Mr John Raphela
Independent Member

5.6 Remuneration of Board Members

Board members and independent members of the ARC were remunerated in line with the AA and Committees Remuneration Policy as informed by the National Treasury and DHET guidelines. Board meetings were remunerated at a daily rate aligned to Category S. Board members were also reimbursed for out-of-pocket expenses.

Table 9: Board Remuneration and Disbursements for the Financial Year ended 31 March 2024

Name of Member	Board and Committees Remuneration	Other Disbursements
Ms Mamatshililo Nhlapo	196 000	3 076,60
Ms Rofhiwa Singo	137 250	918,68
Mr James Maboja	142 272	0
Mr Xola Lingani	107 000	0
Mr Metuse Mbaso	221 028	208,33
Ms Thandi Masemola	322 648	4 487,76
Mr Nthato Mapiloko	267 000	0
Ms Tlakale Phatlane	563 000	11 920,35
Mr Bongani Mathibela	566 004	1 575,89
Ms Malebo Magasa	18 000	0
Ms Mopo Mushwana	278 000	255
Ms Angel Nyathela-Mahanjana	169 000	0
Ms Pumla Ngwenya	142 273	0
Mr Peterson Khumalo	177 324	0

6. RISK MANAGEMENT

FASSET has and maintains an approved risk management policy, enterprise-wide risk management framework, risk appetite and tolerance statements which are reviewed regularly. These documents provide a standard guide on how enterprise-wide risk management is rolled out throughout FASSET.

The policy statement clarifies that the Board, along with its Executives and Management, recognises that risk management is a critical management tool ensuring the achievement of objectives or outcomes and ultimately delivering on its mandate.

Risk assessments are conducted annually and reviewed quarterly, and as part of the review process, emerging risks are identified. A Risk Management Committee (RMC), which focuses on risk management and compliance matters, is in place and meets quarterly. The RMC is chaired by an independent member reporting to the ARC.

The ARC with independent members and Board Members is in place. The Committee provides an oversight function on behalf of the Board to assess the effectiveness of the risk management process. Risk management and a compliance implementation plan were developed and approved for the period under review. This plan guided risk and compliance activities. Quarterly risk and compliance progress reports are tabled at the RMC for consideration and recommendation to ARC for review and approval.

7. RISK MANAGEMENT COMMITTEE

The RMC assists the Board in fulfilling its risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

The RMC is chaired by an independent member of ARC, Mr Vernon Makaleni. The chairperson is remunerated in terms of the National Treasury Board remuneration guidelines. RMC meetings were held quarterly during the reporting period.

The committee is composed of the following members:

- Independent Chairperson;
- Chief Executive Officer;
- Chief Operations Officer;
- Chief Financial Officer;
- Chief Information Officer;
- Director: Corporate Services;
- Company Secretary;
- Legal Manager; and
- Audit, Risk and Compliance Manager.

Any other person who may be co-opted to provide specialist skills and advice is invited.

During the period under review, the following activities were undertaken and demonstrated the commitment of the RMC to achieving its mandate:

- Reviewed the RMC Charter and recommended to ARC for consideration and approval;
- Developed and implemented RMC work plan;
- Evaluated the effectiveness of the RMC and developed an action plan to address identified gaps;
- Reviewed the Risk Management (including BCM) and compliance policies and plans and submitted these to ARC for review and recommendation to Board for approval;
- Reviewed FASSET's risk identification and assessment methodologies and obtained reasonable assurance of the completeness and accuracy of the risk registers;
- Received and considered regular reports in relation to risk-management and compliance-related activities from the Audit, Risk and Compliance department. These reports reflected on strategic, operational, and fraud-related risks;
- Reviewed the strategic, operational and fraud risk registers and submitted them to ARC for review and recommendation to Board for approval; and
- Reviewed Compliance Regulatory Universe, CRMPs, Policy Universe Register, Compliance Monitoring reports, checklists and recommended to ARC for approval.

The main responsibilities of the committee include, among others, the following:

- Developing policies and procedures related to risk management;
- Evaluating the effectiveness of mitigating strategies to address the material risks of FASSET;
- Reviewing processes in place or recommend processes to enable complete, timely, relevant, accurate and acceptable risk disclosure;
- Reporting to the ARC any material changes to the risk profile of FASSET;
- Reviewing the Fraud Prevention Policy for recommendation to the ARC and approval by the Board;
- Evaluating the effectiveness of the implementation of the Fraud Prevention Policy;
- Reviewing policy documents which should incorporate compliance with laws, regulations, ethics, policies and procedures, rules regarding conflict of interest; and
- Reviewing any material findings and recommendations by assurance providers on the system of risk management, and monitor that appropriate action is instituted to address the identified weaknesses.

8. INTERNAL AUDIT FUNCTION

The Internal Audit Function (IAF) plays a key role in providing an objective view and continuous assessment of the adequacy and effectiveness of the internal control systems. This is based on the testing of controls observed from completing a selection of audit reviews as documented in the Annual Audit Plan. The IAF function is currently outsourced and is responsible for:

- Assisting Management in maintaining an effective internal control environment by evaluating those controls continuously to determine whether they are adequately designed, operating efficiently and effectively, and to recommend improvements.
- Assisting the Audit and Risk Committee and Management in monitoring the adequacy and effectiveness of the FASSET's risk management process.
- Internal controls reviewed consist of strategic, operating, financial reporting, and compliance controls relating to:
 - The information management environment;
 - The reliability and integrity of financial and operating information;
 - The safeguarding of assets; and
 - The effective and efficient use of FASSET's resources.

The Annual Internal Audit Plan is developed based on an assessment of risk and focus areas identified by Management. It is updated as necessary to remain responsive to changes in risks within the FASSET business environment. Comprehensive reports on internal audit findings are presented to the Executive Management Team and the Audit and Risk Committee at scheduled meetings.

Management is responsible for establishing and maintaining an effective system of internal control, risk management, and governance processes.

For the first three months of the 2023/24 financial year, the Internal Audit function was outsourced to Ntumba and Associates Consulting. Subsequently, NEXIA SAB & T assumed responsibility and is currently serving as the Internal Auditors

The following Audits were undertaken in the 2023/24 Financial Year:

- Audit of Predetermined objectives;
- Accreditation and Quality Assurance
- Review of the Strategic Plan and Annual Performance Plan 2024/25
- Information Technology – IT General Controls Review
- Supply Chain Management
- Discretionary Grants and Other Learning Programmes
- Annual Performance Report
- Annual Financial Statements
- Follow up on prior year Audit findings.

9. COMPLIANCE WITH LAWS AND REGULATIONS

FASSET reviews its regulatory environment on a regular basis and developed and approved a Compliance Regulatory Universe for all applicable laws and regulations.

CRMPs are completed before actual monitoring, including policy compliance monitoring and PFMA compliance checklists are completed and presented to ARC quarterly before submission to the relevant stakeholders. During the period under review, FASSET complied with all laws and regulations impacting its operations.

In terms of B-BBEE, to improve the scorecard, FASSET is taking an active role in performing activities that will improve the B-BBEE level.

10. FRAUD AND CORRUPTION

The Fraud Prevention Plan was developed within the context of the Risk Management Framework with the aim of reducing fraud. Various measures have been implemented to prevent fraud. These include:

- Authorisation;
- Custody of assets;
- Detection controls;
- Physical supervision;
- Management information;
- Segregation of duties; and
- Physical security and information security.

The Fraud Prevention Policy includes response mechanisms to report, investigate and resolve incidents of fraud impacting FASSET. An outsourced service provider maintains a fraud reporting hotline, where employees and stakeholders report incidents of corruption, fraud and unethical practices within the workplace. Fraud cases are reported to the Fraud hotline and routed to the Chairpersons of the Board, Chairperson of ARC, CEO and internal audit (depending on implicated parties) for further investigation. Consequence management will be undertaken once the investigation has been concluded.

11. MINIMISING CONFLICT OF INTEREST

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

- Declare such interest or potential conflict of interest;
- Disclose, in writing, to the Board and CEO (in the case of an employee) any conflict of interest or duties, or possible perception of such, as soon as practicable after he/she becomes aware of the relevant facts and shall not participate in the discussion or of the decision taken; and

- Not take part in any transaction between FASSET and any company, firm or enterprise in which he/she, or any member of his/her family, has an interest, without declaring such interest and having been specifically authorised by the Board to take part in the transaction.

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

12. CODE OF CONDUCT

FASSET is committed to a policy of fair dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that FASSET's affairs should be conducted honestly, fairly, ethically and legally. FASSET expects all constituencies, representatives and employees to share its commitment to high moral, ethical, governance and legal standards and be aware of and adhere to FASSET's Code of Conduct. Procedures are in place to deal with any breach of the Code of Conduct.

13. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

One of the priorities at FASSET is the health and safety of our employees, having charted through the challenging period of COVID 19 more health and safety programmes were introduced for our internal staff. Workplace safety training was conducted during this fiscal year and an emergency coordinating team was set up. More trees were planted in our premises in an effort to combat climate change.

We are slowly transitioning into the digital world by centralising and digitalisation of records management, translating to the reduction of paper usage and a cleaner eco-friendly environment. All the occupational health and safety (OHS) requirements such as conducting fire drills, staff training, continuous risk assessment to maintain a safe work environment have been met.

14. COMPANY SECRETARY

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

15. SOCIAL RESPONSIBILITY

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

16. AUDIT AND RISK COMMITTEE REPORT

Report of the Audit and Risk Committee (ARC) in terms of Regulations 27 (1)(10)(b) and (b) of the Public Finance Management Act (PFMA). We are pleased to present our report for the Financial Year ended 31 March 2024.

During the period under review, the following activities were undertaken and demonstrate the commitment of the ARC to achieving its mandate:

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

16.1 Audit and Risk Committee Responsibility

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

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

The ARC has oversight responsibilities for financial management, internal controls, management and monitoring of the risk management policy and planning, compliance with laws, regulations, and ethics, accounting and financial reporting, internal and external Audit functions, and ICT governance.

The ARC developed an annual work plan that assisted in carrying out its responsibilities and monitoring progress thereto. The ARC is accountable to the AA (Board) and reported to the Board every quarter on how it discharged responsibilities contained in its charter, which, among others, act as an oversight function for:

- Financial management;
- ICT governance;
- Risk management and Internal Audit;
- Compliance with laws, regulations, and good ethics;
- Reporting practices;
- External Audit; and
- Considered hotline services reports and established whether appropriate action was taken by Management.

Composition

The ARC is made up of four independent members and two Board representatives. The collective skills and expertise of the members of this Committee include extensive knowledge and expertise in public sector accounting, GRAP standards, the PFMA, National Treasury Regulations, ICT governance and King IV.

Table 10: Audit and Risk Committee attendance 2023/24

Name	Number of meetings attended	Date appointed	Constituency
Ms Malande Tonjeni	05	1 September 2020	Independent Chairperson
Ms Rofhiwa Singo	04	1 September 2020	Community Organisation
Mr Peterson Khumalo	05	1 September 2020	Organised Employer
Mr Vernon Makaleni	05	1 September 2020	Independent Member
Adv. Matime Manasoe	05	1 September 2020	Independent Member
Mr John Raphela	05	1 November 2021	Independent Member

Table 11: Audit and Risk Committee Remuneration Rate in 2023/24

Designation	Preparation fee/Meeting attendance
Chairperson	R11 432
Member	R8 892

16.2 The Effectiveness of Internal Control

In line with the PFMA, Internal Audit is expected to provide the ARC and Management with the assurance that the internal controls are appropriate and effective. This is to be achieved through the risk based audit process, the identification of corrective actions, and suggested enhancements to controls and processes. The Internal Audit function provided status progress reports every quarter to the Committee. The progress reports provided status updates on the implementation of the Audit plan, some Audit findings, and status updates on the implementation of recommendations.

Our review of the findings raised by Internal Audit, revealed certain weaknesses, which were then raised with the SETA. The Internal Audit function provided reasonable assurance of the adequacy and effectiveness and efficiency of governance, risk management, and control processes. It highlighted that the overall control environment needs some improvement, and this is based on the audit ratings of areas audited during the review period.

Having identified some practices that do not comply with set policies, in some instances the entity policies were not adequate to address key risks. These mainly related to controls in the audit areas listed in this report.

Management has devised action plans for corrective action that will be followed up by Internal Audit in the next review cycle. Prompt corrective action would be implemented to address the weaknesses to strengthen the control environment.

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

The Internal Audit work conducted during the year focused on the following:

- Audit of Predetermined objectives;
- Accreditation and Quality Assurance
- Review of the Strategic Plan and Annual Performance Plan 2024/25
- Information Technology – IT General Controls Review
- Supply Chain Management
- Discretionary Grants and Other Learning Programmes
- Annual Performance Report
- Annual Financial Statements
- Follow up on prior year Audit findings.

16.3 In-year Management and Monthly/Quarterly Report

FASSET has submitted monthly and quarterly reports to the Executive Authority

16.4 Evaluation of Annual Financial Statements

The ARC has:

- Reviewed the report of the AGSA (Auditor-General of South Africa) on the Audited Annual Financial Statements to be included in the Annual Integrated Report;
- Reviewed the Auditor-General's Management letter and Management's response thereto;
- Reviewed significant adjustments resulting from the external Audit; and
- Reviewed and adopted the Auditor-General's report..

16.5 Auditor's Report

The AGSA considered internal controls relevant to the Audit of the Financial Statements, reported on performance information and compliance with applicable legislation and did not identify any significant deficiencies in internal control.

In the AGSAs opinion, the Financial Statements present fairly, in all material respects, the financial position of the Finance and Accounting Services Sector Education and Training Authority as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA). The Committee welcomes the retention of the audit outcome and the AGs clean Audit opinion on the Audited Financial Statements and performance information.

Malande Tonjeni

Ms Malande Tonjeni CA(SA)
Chairperson of the Audit and Risk Committee

17. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Table 12: Application of Relevant Code of Good Practice (B-BBEE Certificate Levels 1—8)

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1—8) with regards to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	FASSET does not issue licenses, concessions or authorisations.
Developing and implementing a preferential procurement policy?	Yes	The Supply Chain Management policy is in place and covers the preferential procurement requirements.
Determining qualification criteria for the sale of state- owned enterprises?	No	Not applicable.
Developing criteria for entering partnerships with the private sector?	No	FASSET has opened a window inviting employers, government-related entities including local municipalities, NGOs, higher learning institutions, e.g. universities, TVET Colleges to apply to and partner with interventions that are linked to national priorities or the needs from the finance and accounting sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	FASSET has prioritised SMMEs in terms of allocations and employers where the B-BBEE level was sitting at a rating of 1 to 4.





Human Resource Management

1. HUMAN RESOURCE OVERSIGHT STATISTICS

During the year under review, FASSET boasted a few key milestones. A streamlined and efficient human capital complement is a prerequisite for an entity that functions efficiently. Our ability to execute our mandate depends on the ability to attract, develop, and retain competent employees. For this reason, we remain committed to providing a conducive working environment to our workforce. We have established a talent council to ensure the implementation of a talent management strategy. Our concerted efforts to develop a capable workforce are at the core of our human resources policy.

This year saw the recruitment of a Chief Information Officer which signals progress as far as FASSET's goal of achieving digitisation of most, if not all, of its processes and operations. The CIO will play a key role in ensuring that FASSET systems are receptive to stakeholders' needs. This is complemented by the appointment of a Project Accountant which provides an added boost to FASSET's financial machinery. The addition of specialists in other key areas is bound to ensure that FASSET grows in stature in the ensuing years. FASSET made 15 new appointments during the period under review.

A key intervention was a review of FASSET's Organogram, culminating in a new and streamlined structure. The reviewed organogram saw the organisation staffing requirements shifting from 96 to 125 positions. This revised structure was implemented because FASSET saw fit to create provincial offices to have a wider reach with such key touchpoints. Thus far, FASSET has offices in KwaZulu-Natal, Limpopo and Western Cape provinces.

An external service provider was appointed to conduct an organisation-wide job evaluation and grading process to ascertain if the FASSET job grading was efficient and to also determine if the salary structures were competitive and fair. Managers were given access to a Leadership and Coaching Course which was a resounding success. Managers will write their examinations in June 2024. FASSET employees were also exposed to an Enneagram Assessment. Enneagram is a personality exercise which describes people in terms of their core motivations, desires and fears.

A succession policy was formulated and implemented during the year under review. This will ensure the sustainability of the entity.

Staff training and development not only provides greater opportunities for staff members' professional development and growth but also strengthens capacity and expertise in many critical areas. During the year under review, FASSET over-achieved this target by 5% with an impressive 90.2% total training achievement. The appointment of five new HET interns, and ten TVET work-based learners is indicative of FASSET's commitment to not only build internal capacity but also improve the financial sector as a whole.

FASSET, in line with good governance practice, makes all employees aware of HR policies and procedures, ensuring that employees are compliant. Consequently, FASSET saw a decline in disciplinary action taken against its employees. There were only four instances of disciplinary action against employees during the year under review: two written warnings, one suspension and one dismissal. The health and well-being of employees are critical to ensure that employees can deliver on their individual tasks and goals. FASSET organised a Wellness Day and staff members had access to health and wellness professionals. Furthermore, FASSET instituted a wellness provider, Workforce, to provide counselling and psychological support to employees who need such support. Employees may contact them directly or the respective line Manager may do so on behalf of the employee. FASSET also acquired the services of two additional Medical Aid providers: Bonitas and Best Med will complement Discovery so that employees have greater choice to suit their individual needs.

FASSET also held its Inaugural Service Excellence Awards at a gala dinner event. FASSET recognised employees who performed well. Nominations were made by fellow staff members and an external panel of judges adjudicated the awards. HR also worked with other divisions to commemorate important events such as the International Woman's Week, Men's Day and Heritage Day to name but a few.

Sport is an important avenue for wellness, socialising and healthy competition. FASSET used sport to ensure that employees were the beneficiaries of codes such as netball and soccer. The social element was also the basis for the formation of the talented FASSET choir that performed not only at internal events but also invited by other SETAs. These talented individuals performed at the INSETA Research Colloquium.

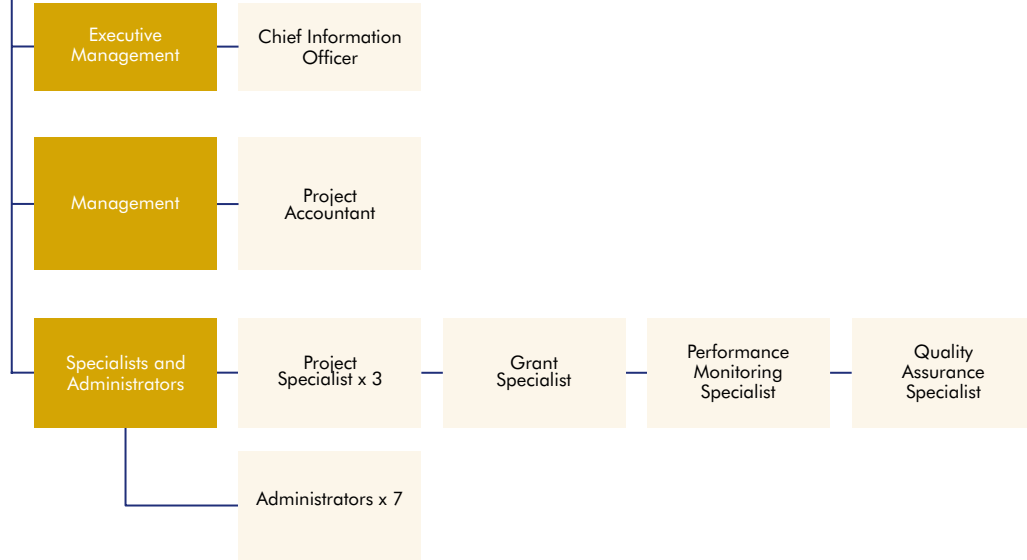


FASSET Mandela Day

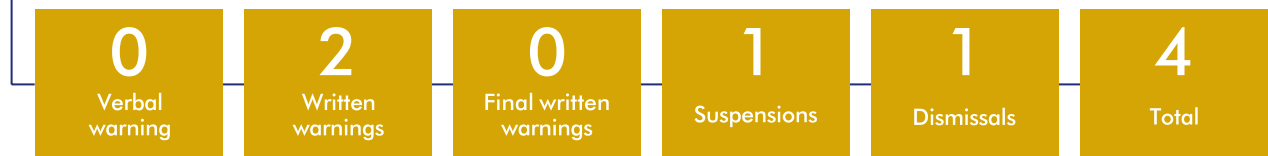


FASSET Soccer Team at InterSETA Sports Day

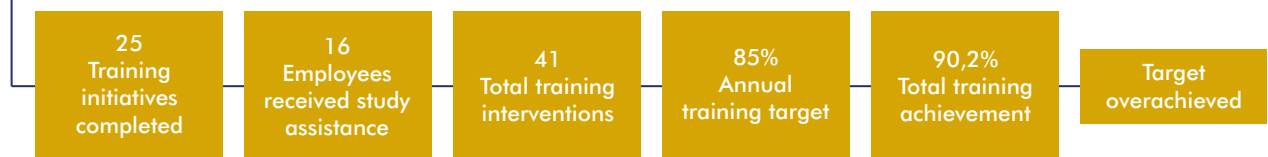
RECRUITMENT



LABOUR MATTERS



EDUCATION AND TRAINING DEVELOPMENT



1.1 Personnel-related Expenditure

Table 13: Personnel cost by programme/activity/objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R'000)
Administration	73 715	29 871	41	42	678
Skills Planning	102 430	1 788	2	3	244
Learning Programmes	841 051	17 141	2	28	598
Quality Assurance	4 797	1 527	32	2	101
Total	1 021 993	50 327	77	75	1621

Table 14: Personnel cost by salary band

Level	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R'000)
Top Management	8 101	1,4	3	2 179
Senior Management	2 318	0,4	2	1097
Managers	16495	2,7	10	934
Professional qualified	677	10	2	687
Skilled	12 741	1,9	23	469
Semi-skilled	9 344	1,8	32	314
Unskilled	651	0,1	3	219
Total	50 327	18	75	5 899

1.2 Performance rewards

The 2022/2023 financial year performance bonuses was finalised with a total payout amount of R 5 140 710. While the 2023/2024 performance bonus total payout amounted to R 6 826 901.

1.3 Training

FASSET stepped-up ongoing learning and development, providing training to all employees resulting in an achievement of 90.2%, from a target of 85%.

Table 15: Training costs

Activity	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee (R'000)
Training Implementation Plan	49 430	1 231	2%	66	9

1.4 Employment and Vacancies

Table 16: Employment and vacancies by programme/activity/objective

Programme/activity/objective	2022/23 No. of employees	2023/24 Approved posts	2023/24 No. of employees	2023/24 Vacancies	% of Vacancies
Administration	27	3	42	4	5%
Skills Planning	12	0	3	2	2%
Learning Programmes	29	10	25	10	13%
Quality Assurance	5	2	5	1	1%
Total	73	15	75	17	21%

Total is exclusive of 10 WBE learners and 5 HET interns recruited in the period.

Table 17: Employment and vacancies by salary band

Level	2022/23 No. of employees	2023/24 Approved posts	2023/24 No. of employees	2024/25 proposed Vacancies	% of Vacancies
Top Management	2	1	3	0	0%
Senior Management	2	0	2	1	4%
Managers	14	0	10	4	9%
Professional qualified	1	1	2	0	0%
Skilled	23	5	23	5	10%
Semi-skilled	25	8	32	7	12%
Unskilled	3	0	3	0	0%
Total	73	15	75	17	35%

Table 17 totals exclude the 10 HET and 5 WBE recruited in the period.

1.5 Employment Changes

Table 18: Employment changes by salary band

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	1	0	3
Senior Management	2	0	0	2
Managers	14	0	4	10
Professional qualified	1	1	0	2
Skilled	23	5	5	23
Semi-skilled	26	8	2	32
Unskilled	3	0	0	3
Total	71	15	11	75

FASSET had 15 new appointments, 5 HET interns and 10 TVET Workbased Experience Learners.

Table 19: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	1%
Resignation	9	12%
Dismissal	1	1%
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	11	14%

Table 20: Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	2
Final written warning	0
Suspensions	1
Dismissal	1
Total	4

1.6 Equity Target and Employment Equity Status

Table 21: Male staff by salary band

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	1	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Managers	4	0	0	0	0	0	1	0
Professional qualified	0	0	0	0	0	0	0	0
Skilled	13	0	0	0	0	0	0	0
Semi-skilled	15	0	0	0	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
Total	35	0	0	0	1	0	1	0

Table 22: Female staff by salary band

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0
Manager	4	0	0	0	0	0	0	0
Professional qualified	1	0	0	0	0	0	0	0
Skilled	13	0	1	0	0	0	0	0
Semi-skilled	15	0	0	0	0	0	0	0
Unskilled	1	0	0	0	0	0	0	0
Total	37	0	1	0	0	0	0	0

Table 23: Disabled staff by salary band

Level	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	1	0
Unskilled	0	0	1	0
Total	0	0	2	0



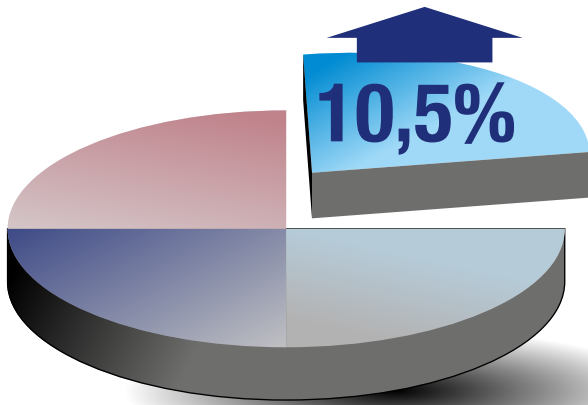
Financial Information



Raymond Mulovhedzi
Financial Manager



Zakariya Alli
Chief Financial Officer



Revenue has been higher than expected in the 2023/2024 financial period with the actual received revenue of

R 849 Million

being 10,5% higher than budget.



The total grant expenditure for the 2023/2024 financial period was

R942 Million

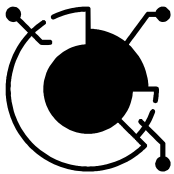
As a result, a net deficit of R172 Million was realised.



The commitment balance as at the end of the financial period is

R850 Million

which is 142% of the current accumulated surplus.



Asset balances, R 760 Million of which

R746 Million

is bank and cash balances.



Unqualified audit with no material adjustments (Clean audit) for 3 consecutive years.



R151 Million

liabilities recognised at the end of the financial period.

Highlights

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Statement of Responsibility

The Accounting Authority is responsible for the preparation of FASSET's unaudited annual 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.

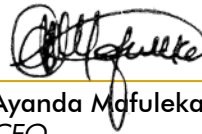
In our opinion, the unaudited annual financial statements fairly reflect the operations of FASSET for the reporting period ended 31 March 2024.

The audited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The audited annual financial statements set out on pages 103 to 143, which have been prepared on the going concern basis, were approved by the board on 31 July 2024 and were signed on its behalf by:



Bongani Mathibela
Interim Chairperson



Ayanda Mafuleka CA (SA)
CEO

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

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the Financial and Accounting Services Sector and Training Authority set out on pages 103 to 143, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Financial and Accounting Services Sector Education and Training Authority as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and with requirements of the Public Finance Management Act 1 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2024.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and the SDA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in

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

Report on the Audit of the Financial Statements

accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report. This description, which is located on page, 100 forms part of my auditor’s report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the public entity’s performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Skills planning	46	To establish an effective mechanism for skills planning and research. It is responsible for researching skills needs within the sector and developing the sector skills plan that guides skills development priorities for the finance and accounting sector; as well as informing the SETA’s strategic plan and annual performance plan.
Programme 3: Learning programme and projects	48	The learning programmes and projects programme is focused on enabling and enhancing skills development for the finance and accounting sector in partnership with relevant stakeholders. It also aims to promote the finance and accounting sector as a preferred career choice for new entrants into the labour market. Through targeted funding of skills interventions, the SETA expects to transform the finance and accounting profession and sector.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity’s planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity’s mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity’s performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

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- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.
20. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 44 to 61.

Programme 3: learning programmes and projects

<i>Targets achieved: 98%</i>		
<i>Budget spent 67%</i>		
Key indicator not achieved	Planned target	Reported achievement
3.21 Number of small businesses supported through discretionary funding annually	700	314

Report on compliance with legislation

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. I did not identify any material non-compliance with the selected legislative requirements.

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

Report on the Audit of the Financial Statements

Other information in the annual report

25. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. The other information I obtained prior to the date of this auditor's report includes the general information report, performance information report, governance report, human resource management report and the annexures to the annual report is expected to be made available to us after 31 July 2024.
29. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
30. When I do receive and read the annexures to the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
32. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Sections 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Sections 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulations 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulations 16A6.1; 16A6.2(a); 16A6.2(b); Regulations 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulations 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulations 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulations 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulations 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulations 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulations 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1. Regulations 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulations 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Sections 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Sections 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Sections 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraphs 4.8; 4.9; 5.3
National instruction note 1 of 2021-22	Paragraph 4.1
National instruction note. 4 of 2015-16	Paragraph 3.4
National Treasury SCM instruction note 4A of 2016-17	Paragraph 6
National Treasury SCM instruction note 03 of 2021-22	Paragraphs 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM instruction note 11 of 2020-21	Paragraphs 3.4(a); 3.4(b); 3.9
National Treasury SCM instruction note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice note 11 of 2008-9	Paragraphs 2.1; 3.1 (b)
Practice note 5 of 2009-10	Paragraph 3.3
Practice note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Sections 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4

Legislation	Sections or regulations
Preferential Procurement Regulations, 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulations 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulations 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Grant regulations	Sections 2(1); 2(2); 2(3) Sections 3(3) & (4) Sections 4(3), (8) Section 6(9)(iii)

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand thousand

	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories		196	196
Receivables from exchange transactions	3	84	1
Receivables from non-exchange transactions	4	5,980	5,890
Cash and cash equivalents	5	746,357	1,002,357
Total current assets		752,617	1,008,444
Non-Current Assets			
Property, plant and equipment	6	6,459	4,440
Intangible assets	7	567	1,384
Total non-current assets		7,026	5,824
Total Assets		759,643	1,014,268
Liabilities			
Current Liabilities			
Operating lease liability	8	20	156
Payables from exchange transactions	9	3,432	3,999
Payables from non-exchange transactions	10	28,567	122,893
Provisions	11	119,273	106,098
Total current liabilities		151,292	233,146
Total Liabilities		151,292	233,146
Net Assets		608,351	781,122
Reserves			
Administration reserve		7,026	5,879
Mandatory reserve		815	680
Discretionary reserve		600,510	774,563
Net Assets		608,351	781,122

* See Note 31

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Performance

Figures in Rand thousand

	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Other income	15	10	-
Investment income	13	73,795	58,426
Profit on disposal of assets		6	25
Total revenue from exchange transactions		73,811	58,451
Revenue from non-exchange transactions			
Transfer revenue			
Levies	14	775,411	703,920
Total revenue		849,222	762,371
Expenditure			
Employee related costs	16	(42,203)	(40,258)
Internal audit fees		(341)	(1,136)
External audit fees		(3,096)	(3,742)
Depreciation and amortisation		(3,475)	(4,361)
Lease rentals on operating lease		(3,792)	(3,162)
Impairment of receivables		(118)	(166)
Consulting and professional fees	17	(5,839)	(5,862)
Employer grant and project expenses	18	(941,640)	(568,152)
Loss on foreign exchange		(148)	-
Other administration expenses	19	(21,341)	(18,368)
Total expenditure		(1,021,993)	(645,207)
(Deficit) surplus for the year		(172,771)	117,164

* See Note 31

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Net Assets

Figures in Rand thousand	Administration reserve	Mandatory reserve	Discretionary reserve	Total reserves	Total net assets
Opening balance as previously reported	7,558	548	662,275	670,381	670,381
Adjustments					
Correction of errors	-	-	(6,423)	(6,423)	(6,423)
Balance at 01 April 2022 as restated*	7,558	548	655,852	663,958	663,958
Changes in net assets					
Surplus for the year	-	-	-	-	117,164
Allocation of surplus for the year note 12	15,876	85,277	16,011	117,164	-
Excess reserves transferred to discretionary reserve	(17,555)	(85,145)	102,700	-	-
Total Changes	(1,679)	132	118,711	117,164	117,164
Restated* Balance at 01 April 2023	5,879	680	774,563	781,122	781,122
Changes in net assets					
Surplus for the year	-	-	-	-	(172,771)
Allocation of deficit for the period note 12	21,754	90,776	(285,301)	(172,771)	-
Excess reserve transferred to discretionary reserve	(20,607)	(90,641)	111,248	-	-
Net income (losses) recognised directly in net assets	1,147	135	(174,053)	(172,771)	(172,771)
Total recognised income and expenses for the year	1,147	135	(174,053)	(172,771)	(172,771)
Total changes	1,147	135	(174,053)	(172,771)	(172,771)
Balance at 31 March 2024	7,026	815	600,510	608,351	608,351

* See Note 31

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Cash Flow Statement

Figures in Rand thousand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		776,883	699,303
Other cash receipts from stakeholders		10	-
Interest income		73,795	58,426
		850,688	757,729
Payments			
Grants and project payments		(1,026,981)	(740,456)
Compensation of employees		(39,573)	(38,281)
Payments to suppliers		(35,463)	(33,700)
		(1,102,017)	(812,437)
Net cash flows from operating activities	20	(251,329)	(54,708)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(4,042)	(2,642)
Proceeds from sale of property, plant and equipment	6	28	39
Purchase of other intangible assets	7	(657)	-
Net cash flows from investing activities		(4,671)	(2,603)
Net increase/(decrease) in cash and cash equivalents		(256,000)	(57,311)
Cash and cash equivalents at the beginning of the year		1,002,357	1,059,668
Cash and cash equivalents at the end of the year	5	746,357	1,002,357

* See Note 31

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand					
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Other income	-	-	-	10	10
Interest received - investment	10,000	30,000	40,000	73,795	33,795 Note 25.1
Total revenue from exchange transactions	10,000	30,000	40,000	73,805	33,805
Revenue from non-exchange transactions					
Transfer revenue					
Levies	622,389	106,167	728,556	775,411	46,855
Expenditure					
Employee related costs	(47,021)	-	(47,021)	(42,203)	4,818 Note 25.6
External audit fees	(3,237)	(160)	(3,397)	(3,096)	301
Internal audit fees	(1,000)	160	(840)	(341)	499 Note 25.5
Depreciation and amortisation	-	-	-	(3,475)	(3,475) Note 25.2
Consulting and professional fees	(9,975)	(158)	(10,133)	(5,839)	4,294 Note 25.4
Lease rentals on operating lease	(5,775)	(620)	(6,395)	(3,792)	2,603 Note 25.3
Impairment of receivables	-	-	-	(118)	(118) Note 25.2
Employer grant and project expenses	(549,705)	(848,186)	(1,397,891)	(941,640)	456,251 Note 25.7
Administration expenses	(15,676)	(94,250)	(109,926)	(21,341)	88,585 Note 25.8
Total expenditure	(632,389)	(943,214)	(1,575,603)	(1,021,845)	553,758
Gain on disposal of assets	-	(807,047)	(807,047)	(172,629)	634,418
Loss on foreign exchange	-	-	-	6	6
	-	-	-	(148)	(148)
	-	-	-	(142)	(142)
Deficit for the year	-	(807,047)	(807,047)	(172,771)	634,276
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	(807,047)	(807,047)	(172,771)	634,276

Before the start of the financial year, the Executive Authority approved a budget of R 632 Million for the period 1 April 2023 to 31 March 2024. Furthermore, approval for the utilisation of surplus of R807 Million and the revised budget of R1.576billion was granted in March 2024. The surplus funds have been used to increase the expenditure by R807million

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

Figures in Rand thousand	Note(s)	2024	2023
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1. Presentation of Audited Annual Financial Statements

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

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for the foreseeable future.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

Receivable from exchange transactions

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

Receivables from non-exchange transactions

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

Payables from exchange transactions

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

Payables from non-exchange transactions

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.4 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

Item	Depreciation method	Average useful life
Office furniture and fixtures	Straight-line	10
Motor vehicles	Straight-line	5
Office equipment	Straight-line	5
Computer equipment	Straight-line	2
Leasehold improvements	Straight-line	Over the lease term

Property, plant and equipment is subsequently measured at cost less accumulated depreciation and any impairment loss.

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

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

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

1.5 Intangible assets

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

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

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

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	2
Intangible assets under development	Straight-line	Over term of contract

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

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

Intangible assets are derecognised:

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

Accounting Policies

1.5 Intangible assets (continued)

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

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

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.6 Financial instruments

Financial assets

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Interest income is recognised by applying the effective interest rate.

Effective interest method

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

Impairment of financial assets

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

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

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

Financial liabilities

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

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

Class	Category
Trade and payables	Financial liability measured at amortised cost

Other financial liabilities

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

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

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

Accounting Policies

1.7 Tax

Tax expenses

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

1.8 Leases

Operating leases - lessee

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

1.9 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Inventories consist of consumables on hand at the reporting date and are measured at cost. An individual inventory item whose cost does not exceed R1 000 is recognised as an expense in their year of acquisition

1.10 Employee benefits

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

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

Termination benefits are recognised and expensed only when the company can no longer withdraw the offer of the benefits. Liabilities for annual leave are recognised as they accrue to employees. The entity recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee. The leave liability is recognised as an accrual.

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

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

Accounting Policies

1.11 Provisions and contingencies (continued)

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

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

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

Contracts should be non-cancellable or cancellable at a significant cost; and

Contracts should relate to something other than the routine, steady, state business of the entity - therefore salary commitments relating to employment contracts are excluded.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

1.12 Inter-SETA transfers - Receivables/Payables

Inter-SETA transactions arise due to employer(s) requesting a transfer from one SETA to another SETA. The recognition criteria for inter-SETA transfers are aligned to the Standard Operating Procedure issued by the Department of Higher Education and Training.

Inter-SETA receivables

Inter-SETA receivables arise due to employer(s) requesting a transfer from another SETA to FASSET. A receivable is recognised together with an increase in revenue when the following criteria have been met:

- a) SARS has affected the transfer and DHET portal confirms the transfer.
- b) FASSET submitting a claim to the previous SETA (requesting transfer of current year levies).
- c) The previous SETA has not yet made a payment but confirms their obligation to transfer to FASSET; and
- d) The previous SETA has approved a WSP for the past scheme year and sent the confirmation to FASSET. In instances where any one of the criteria above is not met, the amount will be disclosed as a contingent asset as the transaction meets the definition. A contingent asset is a possible asset that arises from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the entity.

Inter-SETA payables

Inter-SETA payables arise due to employer(s) requesting a transfer from FASSET to another SETA. A payable is recognised against a reduction in revenue when the following criteria have been met:

- a) SARS has affected the transfer and DHET portal confirming the transfer;
- b) Submission of claim to FASSET by the new SETA;
- c) FASSET has not yet made a payment but confirms their obligation to transfer to a new SETA; and
- d) FASSET has approved a WSP in relation to 2022/23 and sent a confirmation to the new SETA.

In the instance when any one of the above criteria is not met, then the amount will be disclosed as a contingent liability as it meets the definition of a contingent liability.

Accounting Policies

1.13 Revenue from exchange transactions

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

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

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

Measurement

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

The amount of revenue arising on a transaction which is non-contractual in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement.

Interest, royalties and dividends

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

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

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

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

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

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

1.14 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

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

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

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

The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition. Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education and Training (DHET) and contributions received from government departments for which Fasset qualifies as the line function SETA.

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Levy income

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

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

80% of Skills Development Levies (SDL) are paid over to Fasset (net of the 20% contribution to the National Skills Fund).

Revenue is adjusted for transfers between the Setas due to employers changing Setas. Such adjustments are separately disclosed as inter-Seta transfers. The amount of the inter-Seta adjustment is calculated according to the most recent Standard Operating Procedure issued by DHET. SDL transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the Seta and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training makes an allocation to the entity, as required by Section 8 of the SDLA, 1999 as amended.

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

Interest and penalties

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

Accounting Policies

1.15 Investment income

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

1.16 Comparative figures

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

1.17 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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

1.18 Irregular expenditure

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

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

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

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

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements.

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register

1.19 Related parties

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

1.20 Events after reporting date

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

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

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Audited Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.20 Events after reporting date (continued)

- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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

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

1.21 Reserves

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

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

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

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

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

Administration costs of the Seta	33.3%
Discretionary grants and projects	66.7%

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

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

1.22 Grants and project expenditure

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

Mandatory grants

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

1.23 Grants

Mandatory grant payments

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

Discretionary grant payments

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Accounting Policies

1.23 Grants (continued)

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

Discretionary projects

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

Commitments as per the SETA Regulations are defined as contractual obligations that exist at the end of the financial year that oblige the SETA to make payments or agreement (written) with specific terms between a SETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which a SETA will be obliged to make a payment against the discretionary grant.

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

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

2024

2023

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact of the is not material.
<ul style="list-style-type: none">GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	The impact of the is not material.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">GRAP 103 Heritage Assets	Effective date not yet gazetted	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 106 Transfer of Functions Between Entities Not Under Common Control	Effective date not yet gazetted	Unlikely there will be a material impact
<ul style="list-style-type: none">Improvements to the Standards of GRAP 2023 (Approved September 2023)	Effective date not yet gazetted	Unlikely there will be a material impact
<ul style="list-style-type: none">iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	Effective date not yet gazetted	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 104 (as revised): Financial Instruments	Effective date not yet gazetted	No impact-FASSET has no transactions that are affected by the suggested changes to this standard.

Finance and Accounting Services Sector Education and Training Authority

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Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
3. Receivables from exchange transactions		
Other receivables	84	-
Staff debtors	-	1
	84	1

4. Receivables from non-exchange transactions

Employer receivables	1,161	1,480
Provision for impairment of employer receivables	(878)	(760)
Inter-seta Receivables	4	272
Prepayments- Projects	5,693	4,898
	5,980	5,890

R 1 161 000 (2023: R1 480 000) was recognised as a employer receivables relating to the overpayment to the levy paying-employers in prior periods, as a result of levy income reversals done by SARS after the grants had been paid. FASSET refunds amounts to employers in the form of grants, based on information from DHET. Where information is retrospectively amended, it may result in grants that have been paid to certain employers that are in excess of the amount FASSET is permitted to have granted to employers. All of the amounts included in the receivable as a result of the overpayment are over 30 days and a provision has been raised per the analysis below

R 5 693 000 (2023: R 4 898 000) was recognised as a Prepayment Projects relating to tranche stipend paid in advance.

Reconciliation of provision for impairment of employer receivables

Opening balance	(760)	(595)
Provision for impairment	(118)	(165)
	(878)	(760)

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

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1	1
Bank balances - FNB current account	38,943	173,282
Reserve Bank (CPD account)	707,413	829,074
	746,357	1,002,357

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. FASSET invests surplus funds in line with the Treasury Regulations 31.3.3. During the current year funds were invested with the Corporation for Public Deposits. The average interest rate on funds held at the Corporation for Public Deposits was 8.41% (2023: 6.03%).

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

6. Property, plant and equipment

	2024		2023			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office furniture and fittings	2,458	(1,023)	1,435	2,053	(794)	1,259
Motor vehicles	3,247	(503)	2,744	1,791	(121)	1,670
Office equipment	937	(754)	183	753	(659)	94
Computer equipment	5,524	(3,666)	1,858	4,274	(2,990)	1,284
Leasehold improvements	1,711	(1,711)	-	1,711	(1,578)	133
Cell phone and tablets	423	(184)	239	-	-	-
Total	14,300	(7,841)	6,459	10,582	(6,142)	4,440

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Office furniture and fittings	1,259	405	-	-	(229)	1,435
Motor vehicles	1,670	1,456	-	-	(382)	2,744
Office equipment	94	184	-	-	(95)	183
Computer equipment	1,284	1,643	(15)	(134)	(920)	1,858
Leasehold improvements	133	-	-	-	(133)	-
Cell phones and tablets	-	350	(7)	134	(238)	239
	4,440	4,038	(22)	-	(1,997)	6,459

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture and fittings	1,457	-	-	(198)	1,259
Motor vehicles	-	1,791	-	(121)	1,670
Office equipment	156	21	-	(83)	94
Computer equipment	1,213	830	(14)	(745)	1,284
Leasehold improvements	530	-	-	(397)	133
	3,356	2,642	(14)	(1,544)	4,440

Depreciation rates

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

Finance and Accounting Services Sector Education and Training Authority

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Notes to the Audited Annual Financial Statements

Figures in Rand thousand

7. Intangible assets

	2024		2023			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	703	(703)	-	703	(653)	50
Intangible assets internally Generated	4,992	(4,425)	567	4,334	(3,000)	1,334
Total	5,695	(5,128)	567	5,037	(3,653)	1,384

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	50	-	(50)	-
Intangible assets internally Generated	1,334	657	(1,424)	567
	1,384	657	(1,474)	567

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	150	(100)	50
Intangible assets internally Generated	4,052	(2,718)	1,334
	4,202	(2,818)	1,384

Intangible assets in the process of being constructed or developed

FASSET was in the process of developing a cloud based system. All expenditure relating to System research phase has been expensed. All the cost incurred relating to development Phase has been capitalised according to GRAP 31. The system has been put into use on 01 November 2021 and has been amortised over the period of the contract..

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand 2024 2023

8. Operating lease accrual

Current liabilities	20	156
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Lease payments under an operating lease were recognised as an expense in the statement of financial performance on a straight-line basis over the lease term in accordance with GRAP 13.

9. Payables from exchange transactions

Trade creditors	1,534	1,576
Accrued leave pay	1,838	1,718
Administration accruals	60	705
	3,432	3,999

10. Payables from non-exchange transactions

Skills development grants payable - mandatory	19,459	32,858
Project accruals	3,204	67,466
Project creditors	671	12,560
Levy Creditors	5,233	6,719
DG accruals	-	3,290
	28,567	122,893

Finance and Accounting Services Sector Education and Training Authority

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Notes to the Audited Annual Financial Statements

	Balance		the year	during the year	
Provision for Discretionary grants - Employers	5,077	40,258	(5,077)	-	40,258
Provision for Discretionary grants - projects	80,503	32,703	(43,386)	(15,395)	54,425
Exempt employer provision	15,465	1,562	-	-	17,027
Bonus Provision	5,053	6,955	(5,053)	-	6,955
Provision for Admin expenses	-	608	-	-	608
	106,098	82,086	(53,516)	(15,395)	119,273

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for discretionary Grants LEG Grants	151,815	5,077	(140,309)	(11,506)	5,077
Provision for discretionary grants - projects	116,102	36,411	(72,010)	-	80,503
Exempt employer provision	16,957	-	(1,492)	-	15,465
Bonus Provision	2,683	5,053	(2,683)	-	5,053
	287,557	46,541	(216,494)	(11,506)	106,098

Provision for Discretionary grants - Employers

An amount of R 40 258 000 (2023 5 077 000) relates to learner Employer Grants. Applications for 2024 were received and evaluated during the current financial year and the final approval was after year end.

Provision for Discretionary grants - Projects

An amount of R 54 425 000 : (2023 R 80 503 000) relates to Discretionary grants for the Bursary projects, which are still subject to verification.

Exempt employer provision

An amount of R17 027 000 (2023: R15 465 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DHET, after being exempted from contributing SDL due to legislation changes which came into effect from 1 August 2005. As SARS collects the levies on behalf of DHET, the responsibility to refund the levies to the employers remains with SARS.

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

Bonus provision

An amount of R 6 955 000 (2023: R 5 053 000) relates to performance bonus which is payable to employees that are with FASSET for six months or more at year end and the company has achieved seventy percent or more on the Annual Performance Plan targets.

Provision for Admin expenses

An amount of R 608 000 : (2023 R 0) relates to admin expenditure for goods and services which are still to be subject to verification.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

12. Allocation to accumulated surplus

Current year - 2024

	Administration reserve	Mandatory reserve	Discretionary reserve	Total
Levies	102,107	191,365	481,939	775,411
Interest received -investments	-	-	73,795	73,795
Other income	-	-	16	16
Administration expenses	(80,353)	-	-	(80,353)
Employer grants and projects expenses	-	(100,589)	(841,051)	(941,640)
	21,754	90,776	(285,301)	(172,771)

Prior year -2023

	Administration Reserve	Mandatory reserve	Discretionary reserve	Total
Levies	92,931	173,549	437,440	703,920
Interest received-investments	-	-	58,426	58,426
Other income	-	-	25	25
Administration expenses	(77,055)	-	-	(77,055)
Employer grants and projects expenses	-	(88,272)	(479,880)	(568,152)
	15,876	85,277	16,011	117,164

13. Investment income

Interest revenue

Reserve Bank (CPD account)	68,339	48,436
FNB Current account	5,456	9,990
	73,795	58,426

14. Levies

Levy transfer: Employer grants	191,365	173,549
Levy transfer: Discretionary grants	477,039	433,196
Levy transfer: Administration	102,107	92,931
Levy penalties and interest	4,900	4,244
	775,411	703,920

15. Other income

Insurance recoveries	10	-
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Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
16. Employee related costs		
Basic salaries	29,963	28,974
Medical aid - company contributions	1,781	1,423
UIF	119	163
Workmens compensation	75	62
SDL	383	296
Leave pay accrual	90	(489)
Group life benefits	845	713
Post-employment benefits: Defined contribution plans***	3,648	3,242
Performance bonus - current year provision	5,000	5,415
Leave paid -out	299	459
	42,203	40,258

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

17. Consulting and professional fees

Consulting fees	829	45
Service provider fees	5,010	5,817
	5,839	5,862

18. Employer grant and project expenses

Mandatory grants	100,589	88,272
Discretionary grants	149,031	67,165
Project expenditure	692,020	412,715
	941,640	568,152

Amount of R 13 265 000 (2023 R 13 981 000) relating to the employee cost has been included under project expenditure as this costs relate to activities directly attributable to project expenditure.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

2024

2023

19. Other administration expenses

Advertising and stakeholders engagement costs	460	537
Bank charges	69	71
Catering and refreshments	155	69
Committee costs and related costs	803	942
Donations-CSI and BBBEE initiatives	399	332
Education and Training Quality Assurance (ETQA)	123	390
Insurance	818	520
IT expenses	1,096	1,216
Legal fees	2,141	2,042
Motor vehicle expenses	86	28
Other administrative expenses	1,125	1,357
PPE and Staff Uniform	114	9
Postage and courier	3	21
Printing and stationery	206	120
Quality Council for Trades and Occupations (QCTO)	4,551	3,861
Quality assurance	123	143
Research expenditure	1,841	532
Remuneration to members of the Accounting Authority	2,997	3,110
Staff welfare	2	-
Subscriptions and membership fees	173	-
Telephone	1,055	702
Training	2,134	1,332
Travel and accommodation	272	443
Water and electricity	595	591
	21,341	18,368

20. Cash used in operations

(Deficit) surplus	(172,771)	117,164
Adjustments for:		
Depreciation and amortisation	3,475	4,361
Profit on disposal of assets	(6)	(25)
Loss on foreign exchange	148	-
Impairment of receivables	118	166
Movements in operating lease liability	(136)	(380)
Movements in provisions	12,567	(181,462)
Changes in working capital:		
Inventories	-	24
Receivables from exchange transactions	(83)	1
Receivables from non-exchange transactions	(90)	(3,125)
Payables from exchange transactions	(107)	(1,414)
Payables from non-exchange transactions	(94,444)	9,982
	(251,329)	(54,708)

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
21. Commitments		
Admin commitments		
Office Rental	4,416	657
Service provider fees	1,853	2,769
Call Centre Solution	89	149
Car Tracker	3	18
Assessment Tools	53	71
Employee wellness	18	-
Water coolers	-	12
Multi-Function Printing Services	482	-
Storage	-	32
Infrastructure and Connectivity	975	587
Audit services	1,680	339
Travel agency	2,825	291
Fraud hotline services	13	67
Certificate printing	88	68
	12,495	5,060
Discretionary projects	-	-
Bursary, Academic support 2024/2025		
Cape Peninsula University of Technology(CPUT)	10,000	-
Nelson Mandela University (NMU)	10,000	-
University of Witwatersrand (WITS) (2024)	5,000	-
North West University(NWU)	10,000	-
University of KwaZulu Natal	20,000	-
Cape Penintsula University of Technology(CPUT)	750	-
Tshwane University of Technology	700	-
North West University(NWU) (School of Accounting Science)	402	-
Nelson Mandela University (NMU)	750	-
North West University	3,000	-
Sol Plaatjie University	1,250	-
Walter Sisulu University Academic support	3,000	-
African Woman Chartered Accountants ("AWCA")	5,000	-
University of Fort Hare	4,500	-
University of Free State	5,250	-
University of Johannesburg	2,250	-
University of South Africa (UNISA)	3,000	-
University of Witwatersrand (WITS) (2024)	5,000	-
University Learner Bursary 2024 (Entered)	11,800	-
TVET College Learner Bursary 2024	7,200	-
TVET Lecturer Busary 2024	651	-
University Learner Bursary 2024 (continuation)	27,900	-
	137,403	-
PROFESSIONAL BODY PROGRAMME 2024/2025		
The Association of Certified Fraud Examiners SA Chapter (ACFE)	375	-
The Anti Fraud Risk Investigations and Compliance Academy (AFRICATA)	375	-
The Chartered Institute of Management Accountants CIMA	1,125	-
The Southern African Institute of Government Auditors (SAIGA)	605	-
The Tax Faculty NPC	625	-

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
21. Commitments (continued)		
The Chartered Institute of Business Accountants (CIBA)'s U ² Pro Acceleration Programme – Chartered Financial Administrator	1,240	-
	4,345	-
MATHS, ACCOUNTING AND ENGLISH PROGRAMME 2024/2025		
Thandulwazi	1,184	-
Kutlwanong Centre for Maths, Science and Technology	3,990	-
ST Johns	606	-
Mamone Science Centre	1,387	-
	7,167	-
Discretionary special projects, Learnerships and internships 2024/2025		
TVET WBE PROGRAMME	81,407	-
TVET PLACEMENT	6,551	-
YOUTH EMPLOYMENT SERVICES (YES) - HIGHER EDUCATION TRAINING (HET) WORK PROGRAMME	51,619	-
YOUTH EMPLOYMENT SERVICES (YES) - NATIONAL SENIOR CERTIFICATE (NSC) WORK PROGRAMME	13,029	-
FoodbevSeta	23,480	-
DBSA	10,000	-
SALGA	14,250	-
BLIND SA	5,763	-
	206,099	-
CET PROGRAMME 2024/2025		
KZN CET	1,000	-
Western Cape CET	1,000	-
	2,000	-
	1	-
2023/2024 DIGITAL SKILLS PROGRAMME _ to be implemented 2024/2025		
Aguila Gigante Holdings	100	-
Public Sector Accountant & Audit Academy (PSAAA)	1,000	-
Astute Training Inc	2,762	-
The Graduate Institute of South Africa (pty) Ltd	3,000	-
National Enterprise Development organisation (NEDO)	350	-
Kebopelo Barona Community Project	200	-
Masithuthuke Holding (pty) Ltd	1,000	-
VSP Training Academy NPO	495	-
Kaelo Computer training	100	-
	9,007	-
EMPLOYED SKILLS PROGRAMME GRANT 2024/2025		
Harmony IT & Banking solutions	100	-
Reliance Auditors And Consulting	100	-
Chartered Institute for Business Accountants NPC(CIBA)	759	-
The Association of Certified Chartered Accountants (ACCA)	3,000	-
	3,959	-
Bursary, Academic support 2023/2024		
University of KwaZulu Natal	-	3,120
University of South Africa	892	1,500

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
21. Commitments (continued)		
University of Free State	-	4,620
University of Johannesburg	-	3,120
University of Western Cape	-	4,500
University of Fort Hare	-	4,500
University of Limpopo	-	1,000
University of Venda	-	1,000
Sol Plaatjie University	-	1,000
Walter Sisulu University	-	1,000
University of Pretoria	-	1,380
University of Venda	3,000	-
University of Rhodes	1,380	-
Employed Bursary Programme	1,356	-
Thuthuka upliftment (TEUF)	5,000	-
University of Limpopo	3,000	-
	14,628	26,740
FEMALE LEADERSHIP PROGRAMME		
IWFSA	112,942	164,763
Wits	36,968	54,912
African Women Chartered Accountants' Forum (NPO) ("AWCA")	1,810	-
	151,720	219,675
PROFESSIONAL BODY PROGRAMME		
SAIT	-	830
CIMA	-	1,250
SAIPA	3,626	-
	3,626	2,080
MATHS, ACCOUNTING AND ENGLISH PROGRAMME		
ST Johns	-	1,296
Mamone Science Centre	-	1,845
Thandulwazi	-	1,701
	-	4,842
Public Sector Grant 2023/24		
North West Provincial Treasury	3,358	5,330
Eastern Cape Provincial Treasury	3,025	3,900
Limpopo Provincial Treasury	1,445	2,600
Office Of the Premier Free State	6,000	-
Mpumalanga Provincial Treasury	6,000	-
CSIR	617	1,040
SITA	31,007	37,800
Northern Cape Provincial Treasury Internship	5,500	-
Northern Cape Office of the premier	2,100	-
	59,052	50,670
TOOLS OF TRADE		
TVETCGC	-	3,918
CET PROGRAMME		
Gauteng CET College	-	500
KZN CET college	-	600
	-	1,100

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
21. Commitments (continued)		
Discretionary Special Projects, Learnerships and Internships 2023/24		
TVETCGC	-	30,384
Graca Machel Trust	14,844	14,844
Parkhomes	-	3,023
TVET WBE Programme-2023/24	50,425	65,503
TVET Placement 2023/2024	1,080	-
SAPCO	11,964	20,620
Blu Trust Foundation	-	24,000
IISA	-	2,000
IRBA	864	864
South African National Association Tertiary Cooperative Ltd (SANACO)	516	-
Tsogo-Tihago Trading Enterprise Ltd	1,160	-
Family Tree Holding	3,941	-
Sekhukhune TVET College	1,208	-
Workers College South Africa (Trade Union support)	1,095	-
Ben Van AS & Association	303	-
VEXOSAT	708	-
ADAMO Holdings	465	-
National Corporative Association of South Africa (NCASA)	1,708	-
University of KwaZulu Natal	4,760	-
Youth Employment Services (YES) HET Work Programme	12,853	50,440
Youth Employment Services (YES) NSC Work Programme	1,029	14,006
	108,923	225,684
DIGITAL SKILLS PROGRAMME _ 2023/24		
Astute Training Incorporated	6,339	8,518
Bismuth Holdings (Pty) Ltd	-	1,000
Kaelo Computer Training	-	500
MMC Business Solutions	2,743	4,333
Royal Knowledge Academy	1,000	1,000
Zikode Investments	-	2,511
Masithuthuke	-	2,486
	10,082	20,348
Bursary, Academic support and special projects 2022/2023		
The South African Actuaries Development Programme (SAADP)	10,570	13,397
Imbeleko Dr Seni Myeni Foundation	-	5,898
Thandulwazi Trust	-	3,264
The Graduate Institute of South Africa	-	630
Tshwane University of Technology	-	1,030
Injeje consulting & training (Pty) Ltd	13,897	28,191
North West Provincial Treasury	-	327
National Treasury	-	4,200
South African Institute of Chartered Accountants (SAICA -MOU)	44,983	47,500
Fumi & Mixo	20,788	22,846
St John College - Mthatha	1,314	2,007
TVET College Lecturer Bursary 2023	-	297
TVET College Learner Bursary _2023	-	3,316
University Learner Bursary (Internally managed bursaries with various institutions)_Ac Year 2023	-	28,080
	91,552	160,983
2021/2022 Discretionary special projects, Learnerships and Internships to be implemented in 2022/2023		
TVET WBE Programme 2022/2023	1,238	15,977
Non-Government organisation	39,215	23,964
	40,453	39,941

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
21. Commitments (continued)		
	-	
Grand total	850,018	755,979

An amount of R 850 018 000 (2023: R 755 979 000) was committed out of the total R 600 510 000 (2023: R 774 563 000) discretionary reserves. The percentage committed as at 31 March 2024 is 142%. A request for utilisation of the accumulated discretionary surplus will be to DHET.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

22. Related parties

Relationships

Controlled entities entities under common control

By virtue of the fact that FASSET is a National Public Entity controlled by DHET, It is considered related to other seta's, the QCTO and the NSF, public Universities, CET colleges and TVET colleges. The transactions are consistent with the normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such. This will include and transactions that may occur during the period under review recognised in the statement of financial performance, and balance outstanding at the reporting period recorded in the statement of financial position as well as any committed balance at reporting date. At reporting date committed amounts related to Public Universities, CET collages, Seta's and TVET colleges included in the notes to the financial statements amount to R 138 102 000, R 2 000 000, R 23 480 000 and R 31 082 000 respectively. (2023:R 96 335 000, R 1 100 000, R 0 and 13 408 000) balances included in the statement of financial position relating the public Universities, TVET and CET collages amount to R 354 000, R 0 and R 0 respectively, (2023 R 3 576 000, R 0 and R 75 000) at the reporting date.

Members of the Accounting Authority whose Entities are beneficiaries of FASSET grants

Basamandla Consulting (HB Mathibela) amount included in commitment R 163 000 (2023: R 374 000)
LEDA (M Mushwana) amount Included in commitment R 361 000, (2023: R 2 125 000)
NEDO (N Nyathela-Mahanjana) amount Included in commitment R 350 000, (2023: R 0)
R Singo

Members of Accounting Authority

H. Mathibela
N. Nyathela-Mahanjana
J. Maboja
X. Lingani
M. Mushwana
M. Metuse
P. Ngwenya
T. Phatlane
P. Khumalo
T. Masemola
M. Magasa
N. Mapiloko

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
22. Related parties (continued)		
Members of key management		
	A.Mafuleka (CEO)	
	Z. Alli (CFO)	
	NM. Mthombeni (DCS)	
	M. Siziba (CIO)	
	M. Thebethe (COSEC)	
Related party balances		
Amounts included in receivable from non-exchange transaction regarding related parties		
MICTSETA	4	271
Amounts relates to the inter-seta transfer receivables to FASSET.		
Transactions with SETAs and other entities under common control		
QCTO	4,551	3,861

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

2024

2023

23. Remuneration of Executive Management and Members of Accounting Authority

Remuneration of Executive management

2024

	Basic	Allowance	Employee related benefits	Bonus	Total
Ayanda Mafuleka - Chief Executive Officer	1,791	501	301	424	3,017
Zakariya Alli - Chief Financial Officer	1,500	48	224	290	2,062
Nokulunga Mthombeni - Director Corporate Services	1,250	48	187	239	1,724
Makabongwe Siziba- Chief Information Officer (Appointed 1st December 2023)	437	16	66	-	519
Mapula Thebethe - Company Secretary	1,250	48	187	-	1,485
	6,228	661	965	953	8,807

2023

	Basic	Allowance	Employee related benefits	Leave payout	Bonus	Settlement Payout	Total
Ayanda Mafuleka - Chief Executive Officer	1,756	469	288	-	424	-	2,937
Elizabeth Thobejane - Chief Operating Officer (Terminated November 2022)	1,164	27	176	95	-	1,176	2,638
Ebrahim Boomgaard - Research Director(Resigned June 2022)	204	3	32	101	-	-	340
Zakariya Alli - Chief Financial Officer	1,449	44	217	-	286	-	1,996
Nokulunga Mthombeni - Director Corporate Services	1,197	44	179	-	195	-	1,615
Thembelani Maphanga - Chief Information Officer (Resigned June 2022)	300	6	45	53	-	-	404
Mapula Thebethe - Company Secretary	1,197	44	179	-	131	-	1,551
	7,267	637	1,116	249	1,036	1,176	11,481

Remuneration - Members of the Accounting Authority (excludes travel)

2024

L. Ntuli (Chairperson)	-	132
R.I Singo	137	139
J. Maboja	142	147
X. Lingani	107	139
N. Mapiloko	267	240
P. Khumalo	177	170
T. Masemola	323	336
M. Magasa	18	134
H.B Mathibela	566	272
M. Metuse	221	217
M.F. Mushwana	278	298
P. Ngwenya	142	104

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

Figures in Rand thousand	2024	2023
23. Remuneration of Executive Management and Members of Accounting Authority (continued)		
NE. Nyathela-Mahanjana	169	160
TC. Phatlane	263	220
M.P Nhlapo	196	172
	3,006	2,880

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

24. Financial Instruments

Liquidity risk

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

2024	Carrying amount	6 months or less	6-12 months	1-2 years
Payables from exchange transactions	(3,432)	(3,432)	-	-
Project Creditors	(671)	(671)	-	-
Project accruals	(3,204)	(3,204)	-	-
	(7,307)	(7,307)	-	-
2023	Carrying amount	6 months or less	6-12 months	1-2 years
Payables from exchange transactions	(3,999)	(3,999)	-	-
DG accrual	(3,290)	(3,290)	-	-
Project accruals	(67,466)	(67,466)	-	-
Project creditors	(12,560)	(12,560)	-	-
	(87,315)	(87,315)	-	-

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

24. Financial Instruments (continued)

Credit risk

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

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

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

2024	Carrying amount	6 months or less	6-12 months	1-2 years
Receivables from exchange transactions	84	84	-	-
Prepayment - Projects	5,693	5,693	-	-
	5,777	5,777	-	-
		Gross	Impairment	Carrying amount
Cash and cash equivalents		746,357	-	746,357
2023	Carrying amount	6 months or less	6-12 months	1-2 years
Receivable from exchange transactions	1	1	-	-
Prepayment - Projects	4,898	4,898	-	-
	4,899	4,899	-	-
		Gross	Impairment	Carrying amount
Cash and cash equivalents		1,002,357	-	1,002,357

Market risk

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Notes to the Audited Annual Financial Statements

24. Financial Instruments (continued)

Interest rate risk

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

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

2024	Floating rate	Non-interest bearing	Total
Cash	746,357	-	746,357
Receivables from exchange transactions	-	84	84
Prepayment-Projects	-	5,693	5,693
Payables from exchange transactions	-	(3,432)	(3,432)
Project creditors	-	(671)	(671)
Project accruals	-	(3,204)	(3,204)
	746,357	(1,530)	744,827

2023	Floating rate	Non-interest bearing	Total
Cash	1,002,357	-	1,002,357
Receivables from exchange transactions	-	1	1
Prepayment - Projects	-	4,898	4,898
Payables from exchange transactions	-	(3,999)	(3,999)
DG accrual	-	(3,290)	(3,290)
Project accruals	-	(67,466)	(67,466)
Project creditors	-	(12,560)	(12,560)
	1,002,357	(82,416)	919,941

Notes to the Audited Annual Financial Statements

25. Budget differences

Notes to Statement of Comparison of Budget and Actual amounts

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

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

Note 25.1 Interest received

Interest received was 84% above budget during the reporting period due to slow spending in discretionary grants and the increase in interest rate.

Note 25.2 Depreciation and loss on disposal of assets

FASSET does not budget for depreciation and disposal of assets.

Note 25.3 Lease rentals on operating lease

Lease rentals on operating lease were 41% below budget in the year due to additional space not yet procured as planned.

Note 25.4 Consulting and professional fees

Consulting and professional fees are 42% lower than expected due to slow implementation of ICT projects.

Note 25.5 Internal audit fees

Internal audit fees were 59% lower than budget due to the new internal audit firm only joined in September 2023. Certain audits were still in progress as at 31 March 2024 to be completed after financial year end.

Note 25.6 Employee related costs

Employee related costs were 10% lower than budget due to vacant posts not filled in time.

Note 25.7 Employer grants and projects costs

Employer grants and project costs were 33% lower than budget due to slow implementation of DG projects.

Note 25.8 Other administrative costs

Other administrative costs were 81% lower than budget due to delays in the approval of the Purchase of office space.

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Figures in Rand thousand

2024

2023

26. Contingencies

Discretionary projects

First time employer registrations

The Skills Development legislation allows an employer, registering for the first time, 6 months to submit an application for a Mandatory Grant.

At the reporting date it is estimated that, as a result, additional Mandatory Grant expenditure of R 815 000 (2023: R680 000) will be payable. The amount is contingent on the number of submissions received and approved.

Legal case 1

In December 2012, the Minister promulgated Regulation 4(4) of the 2012 Grant Regulations which reduced the mandatory grant payable to employers from 50% to 20%. This led to BUSA challenging the reduction of grants (amongst other things) at the Labour Court.

The litigation between the parties begun in 2015 and was finally settled by the Labour Appeal Court (LAC) during October 2019 which held that Regulation 4(4) was "irrational and lacking in any legal justification" and was consequently set aside. Despite the said regulation being set aside, the LAC ruling is silent on the percentage quantum that must be paid back to employers, which creates uncertainty as to what percentage quantum that must be paid back to employers, which creates uncertainty as to what percentage of mandatory grants should be paid or accrued by the SETA during the reported year. DHET is currently negotiating with BUSA on the percentage increase that will be implemented for mandatory grants. The discussions are still underway and not finalised. At this stage, no agreement has been reached by the parties.

The minister has issued draft SETA Grant Regulations for comment, where mandatory grant was maintained at 20%. To date no further communication has been received regarding gazetting of these regulations.

DHET continues to split the mandatory grant levy income portion at 20% in the levy download information. Consequently, the SETA continued to pay and accrue mandatory grants at 20% in the 2023/24 financial year which is aligned to the approved annual performance plan. The mandatory grant expenditure in Note 7 as well as the mandatory grant liability in note 16 were calculated at a rate of 20%.

Considering the outcome of the judgement, there is a possible liability due to additional grant payments over and above those that have been paid in the current year based on a payment rate of 20%, however, due to this uncertainty on when the SETA should start paying additional mandatory grants and the rate not yet determined, the amount of the possible liability cannot be reliably estimated.

Legal case 2

A claim has been submitted in favour of FASSET to the value of R 1 956 656.65 on the deceased estate of the deceased sole director of Trend Setters Consultants (Pty) Ltd and Afro-Ban Thai Massage (Pty) Ltd who had projects with FASSET. The amounts claimed were for monies that had not yet been transferred to universities for learner study fees at the time of death of the director when operation ceased to continue. The outcome is currently uncertain.

Surplus Funds

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Figures in Rand thousand 2024 2023

26. Contingencies (continued)

Retention of cash

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realized in the previous financial year without obtaining the prior written approval of National Treasury. During May 2017, National Treasury Issued Instruction No.12 of 2020/21 which gave a revised definition of a surplus. According to this instruction, a surplus is based on cash and cash equivalents, plus receivables, less current liabilities at the end of the reporting period.

Application to retain accumulated surplus as at year-end

The FASSET will be applying for the retention of its accumulated surplus at the financial year ending 31 March 2024 in terms of section 53(3) of the PFMA from National Treasury during the second quarter of the 2024/25 financial year. The accumulated surplus as at year-end is therefore disclosed as a contingent liability until approval has been obtained. On 30 November 2017, DHET issued Skills Development Circular No. 15/2017 which requires SETAs to continue to apply for the retention of surpluses in terms of section 53(3) of the PFMA and should observe National Treasury Instruction No.12 of 2020/21.

As of 31 March 2024, the surplus for the period is as follows:

Cash and cash equivalents at the end of the year	746,357	1,002,357
Add: Receivables	6,064	5,891
Less: Current liabilities	(151,292)	(233,146)
Accumulated surplus	601,129	775,102

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

Committed Amount

Amount per surplus calculation above	601,129	775,102
Administration commitments	(12,495)	(5,060)
Projects commitments	(850,018)	(755,979)
Accumulated surplus net off commitments	(261,384)	14,063

27. Operating lease

The operating lease relate to the rental of office space in which the entity operates. FASSET entered into a lease agreement on 1 August 2018 until 31 July 2023 and it was extended to 31 March 2025. The monthly rental escalates annually by 7.5% on the anniversary of the start date.

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

Within one year	4,231	1,031
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Figures in Rand thousand	2024	2023
28. Irregular, fruitless and wasteful expenditure		
Irregular Expenditure	-	405
Fruitless and wasteful expenditure *	489	6
Less: Amount written off - current	(4)	-
Less: Amount written off - prior period	(6)	-
Financial losses through criminal conduct **	660	-

Criminal or Disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

* Incident description 2022/23.

Due to poor service delivery payments have stopped to the service provider and a detailed way forward was performed by ICT unit. An amount of R 485 415 was identified as an amount which no value was obtained. A reassessment of the status of the development of the ERP system is in progress.

** Incident description 2023/24

Payment made on fictitious documentation and communication by employee. An investigation is currently underway.

29. Events after the reporting date

No events after the reporting period.

30. Going concern

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

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

31. Prior period error

31.1 Trade payables

Trade payables were incorrectly overstated by R 6 423 000 in prior period March 2022, This relates to the migration from Microsoft dynamics 2012 AX to Microsoft dynamics 365 where some of the vendors were omitted/wrong amount where migrated. The opening accumulated surplus of 01 April 2022 has been restated.

31.2 Employer grant and project expenses

Employer Grant and Project expenses were incorrectly understated by R 19 557 000 in prior period March 2023, this mainly relate to mandatory grants of R 19 306 000 which were approved and paid late in 2024 financial year and an amount of R 251 000 relates to the invoice incorrectly recorded twice in two different vendor.

31.3 Other administration expenses

Other administration expenses were incorrectly overstated by R 55 000 in prior period March 2023, these mainly due to the invoice incorrectly recorded twice in two different vendors.

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior period error:

Statement of financial position

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Figures in Rand thousand

2024

2023

31. Prior period error (continued)

2022

	As previously reported	Correction of error	Restated
Payable from non-exchange transactions	97,057	6,423	103,480

2023

	As previously reported	Correction of error	Restated
Payables from exchange transactions	3,910	89	3,999
Payables from non-exchange transactions	103,480	19,502	122,982
Net Assets	708,074	(37,693)	670,381

Statement of financial performance

2023

	As previously reported	Correction of error	Restated
Employer grant and project expenses	548,595	19,557	568,152
Other administration expenses	18,423	(55)	18,368
Total expenditure	625,705	19,502	645,207
Surplus for the year	136,666	(19,502)	117,164

Project commitments

Project commitment was understated by R 29 872 000 in 2023 financial year, 2023 figures were restated as below:

Project commitment	As previously reported	Correction of error	Total
University Learner Bursary Year 2023	- 16,483	11,597	- 28,080
Tshwane University of technology	- -	1,030	- 1,030
SAADP	- -	13,397	- 13,397
University of Western Cape	- 2,701	1,799	- 4,500
TVET CGC	- 1,869	2,049	- 3,918
	- 21,053	29,872	- 50,925

Finance and Accounting Services Sector Education and Training Authority

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Reconciliation of irregular and fruitless expenditure as at 31 March 2024

	31 March 2024	31 March 2023
Opening Balance	2 364 272,24	10 843 671,60
Add: Irregular expenditure confirmed	-	405 447,24
Less : Irregular expenditure condoned	-	8 884 846,60
Less : Irregular expenditure not condoned and removed	2 364 272,24	-
Closing Balance	=	<u>2 364 272,24</u>

Details of Irregular expenditure balance – Current Year

The irregular expenditure balance of R2,364 million has been approved for write-off by the Accounting Authority after following the relevant framework by the National Treasury.

Reconciling notes to the annual financial statements

	31-Mar-24	31-Mar-23
<i>Irregular expenditure for the current financial year</i>	-	405 447,24

Details of the current and previous year irregular expenditure condoned

<i>Reconciling notes to the annual financial statements</i>	31-Mar-24	31-Mar-23
<i>Irregular expenditure for the current financial year</i>	-	8 884 846,60

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2024

Reconciliation of irregular and fruitless expenditure as at 31 March 2024

Details of the current and previous year irregular expenditure written off and removed

Reconciling notes to the annual financial statements	31-Mar-24	31-Mar-23
Irregular expenditure for the current financial year	2 364 272,24	-

Irregular expenditure to the value of R 2 364 272,24 had been written-off and by the Accounting Authority and removed in the 2023/24 financial period

Reconciliation of Fruitless and wasteful expenditure as at 31 March 2024

	31 March 2024	31 March 2023
Opening Balance	6 128,26	
Add: Fruitless expenditure confirmed	489 590,97	6 128,26
Less : Fruitless expenditure written off	10 303,78	
Closing Balance	485 415,45	6 128,26

Details of fruitless expenditure balance – Current Year

Due to poor service delivery payments have stopped to the service provider and a detailed way forward was performed by ICT unit. An amount of R 485 415 was identified as an amount which no value was obtained. A reassessment of the status of the development of the ERP system is in progress. The remainder of the fruitless expenditure incurred was for a "No show" flight bookings.

Reconciling notes to the annual financial statements

	31-Mar-24	31-Mar-23
Fruitless expenditure for the current financial year	489 590,97	6 128,26

Finance and Accounting Services Sector Education and Training Authority

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Reconciliation of irregular and fruitless expenditure as at 31 March 2024

Details of the current and previous year fruitless expenditure written off

	31-Mar-24	31-Mar-23
Fruitless expenditure for the current financial year	10 303,78	-

Fruitless expenditure to the value of R 10 303,78 had been written-off and by the Accounting Authority and removed in the 2023/24 financial period

Details of material losses through criminal conduct as at 31 March 2024

	31 March 2024	31 March 2023
Opening Balance	-	-
Add: Other Material Losses	660 000,00	-
Closing Balance	660 000,00	=

Details of material losses through criminal conduct – Current Year
 Payment made on fictitious documentation and communication by employee. An investigation is currently underway.





higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA