

# **FASSET SECTOR SKILLS PLAN 2024/25**

**August 2023  
Final Annual Update**



## COVER LETTER

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**31 July 2023**

Dear Ms. Sikaka,

### **SUBMISSION OF THE FASSET SECTOR SKILLS PLAN 2020 TO 2025 – UPDATE 2024/2025**

We have the pleasure in presenting to the Department of Higher Education and Training (DHET) the 2024-2025 Final FASSET Sector Skills Plan (SSP) Update. The submission of this SSP includes this Covering Letter, Executive Summary, updated Continuous Improvement Plan (CIP), and the final top ten list of Sectoral Priority Occupation and Interventions Programmes (SPOI). This SSP final submission is aligned to the updated DHET guidelines and SSP Framework. Updates on this present submission have been made based on the DHET SSP Feedback received on the 16<sup>th</sup> of February 2023 and the FASSET Board recommendations.

The submission of this SSP comes at a time that FASSET has been undergoing some changes. These changes include the system used for the submission of the WSP/ATR data. In previous years, FASSET used a service provider to receive and process the submission of the WSP/ATR data. This has recently changed as FASSET has taken this process to be administered internally. Consequently, various hiccups have emerged, including amongst others the complexity of the new system as indicated by some of our stakeholders. The decision to administer the submissions of the WSP/ATR data internally was twofold: first to align the entire process to the requirements of the Protection of Personal Information Act (POPIA) and secondly, internalising the system to save costs.

FASSET notes the matters affecting the South African economy. At the forefront is the unprecedented energy crisis, which has resulted in loadshedding which has negatively impacted the Finance and Accounting Services (FAS) sector and the South African economy at large. Businesses have had to opt for alternative means of acquiring power which comes at a hefty price. This situation is a perilous one as it has tainted the strides that have been achieved and has the potential of marring future economic growth.

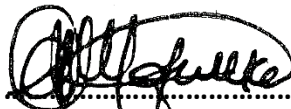
The socio-economic challenges faced by the country were further exacerbated by rising fuel and food prices, which disproportionately affected the poor. This has been exacerbated by the structural challenges and weak growth which have undermined progress in reducing pov-

erty levels, unemployment and inequality. However, there is some light at the end of the tunnel due to recent studies by Stats SA revealing that there has been a 0.4% increase in GDP with the FAS Sector playing a significant role in this increase.

Given this, we believe that significant investments are to be made on programmes that create better chances for the employment of youth. Our education and training programmes need to be responsive to the economic needs of this country. In addition to this, programmes that increase the likelihood of self-employment need to be revisited. The government's Economic Reconstruction and Recovery Plan (ERRP) in the context of SETAs like FASSET should be implemented considering the programmes such as Internships, TVET Work-based Experience programmes and support for the Small, Micro and Medium Enterprises (SMMEs).

Implementation of these programmes should take place considering the penetration of the Fourth Industrial Revolution (4IR). Changes brought by the 4IR need to be factored into our programmes to ensure relevance of training and skills being provided for the beneficiaries. As FASSET, we intend to use the resources entrusted to us to make things better, by contributing to our sector specific skills needs and national priorities while not ignoring the changes taking place as consequence of our link to the global world.

Yours in skills development,



.....  
**Ms. Ayanda Mafuleka CA (SA)**  
**FASSET Chief Executive Officer**



.....  
**Mr. Bongani Mathibela**  
**Interim: FASSET Board Chairperson**

## FOREWORD

The 2024/25 Sector Skills Plan (SSP) Update identifies skills priority areas in the immediate- and the medium-term, following the analysis of the Finance and Accounting Services (FAS) sector's economic and labour market performance. A special emphasis is on the outcomes of the preceding financial year and the future skills plans of FASSET. In addition, this document provides an economic outlook and sectoral and countrywide impact of FAS sector change drivers such as the Fourth Industrial Revolution (4IR) and its accompanying technological advancements.

The document provides essential information for Finance and Accounting Services Sector Education and Training Authority (FASSET)'s Accounting Authority to better make decisions concerning the allocation of funding and specific interventions required to meet both the sectoral and national objectives.

The Top Ten Sectoral Priority Occupations and Interventions (SPOI) list which was previously known as the PIVOTAL list, has further allowed the identification of existing and new scarce skills. The allocation of funding for the interventions required to address the Sectoral Priority Occupations (SPO) skills list has been deliberated upon by the FASSET Accounting Authority in its 2023 Quarter 2 engagements and includes Discretionary Grants and programmes that will be disbursed and implemented to address the SPO skills list.

In the five (5) year SSP (2020 – 2025), FASSET identified the following strategic priorities:

- The need for a long-term and holistic view of the national skills pipeline;
- Ensuring that new entrants to the sector achieve professional status in the sector;
- Strengthening the capability of Technical Vocational Education and Training (TVET) colleges and improving the absorption of TVET learners into the labour market and;
- Supporting the transformation of the sector across various demographic factors.

The priority areas are linked to FASSET's Strategic Impact Statement: **“Facilitating the timely and relevant upskilling of the FASSET sector”**.

This SSP annual update will be of value to various stakeholders such as employers, professional institutes, learners and education and training institutions in the sector and will act as a guide for planning, implementation, development and impact analysis.

I am confident that FASSET will continue to deliver valuable knowledge tools that are responsive to the skills development needs within the FAS sector and the broader South African economy.

Thank you,



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**Mr. Bongani Mathibela**  
Interim: FASSET Board Chairperson.

## ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
AAT (SA)	Association of Accounting Technicians
ABASA	Advancement of Black Accountants of Southern Africa
ABSIP	Association of Black Securities and Investment Professionals
ACCA	Association of Chartered Certified Accountants
ACFESA	Association of Certified Fraud Examiners South Africa
ADP	Audit Development Programme
AGSA	Auditor General of South Africa
ATR	Annual Training Report
AWCA	African Women Chartered Accountants
BBCSA	Black Brokers Council of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
CA(SA)	Chartered Accountant (South Africa)
CESM	Classification of Educational Subject Matter
CET	Community Education and Training colleges
CFE	Certified Fraud Examiner
CFO SA	Certified Financial Officer South Africa
CIMA	Chartered Institute of Management Accountants
CPD	Continuous Professional Development
CSSA	Chartered Secretaries Southern Africa
CTA	Certificate in the Theory of Accounting
DHET	Department of Higher Education and Training
EEA	Employment Equity Act No. 55 of 1998
EMIS	Education Management Information System
ERRP	Economic Reconstruction and Recovery Plan
ERR Strategy	COVID-19 Economic Reconstruction and Recovery Skills Strategy
ETDP SETA	Education, Training & Development Practices Sector Education & Training Authority
ETQA	Education and Training Quality Assurance Body
FAS	Finance and Accounting Services
FASSET	Finance and Accounting Services Sector Education and Training Authority
FSB	Financial Services Board
FSCA	Financial Services Conduct Authority
GDP	Gross Domestic Product
GWM&E	Government wide monitoring and evaluation
HEI	Higher Education Institution
HEMIS	Higher Education Management Information System
HET	Higher Education and Training
HRDS-SA	Human Resource Development Strategy for South Africa
HTFV	Hard-to-Fill Vacancies
IACSA	Institute of Accounting and Commerce
IASSA	Investment Analysts Society of South Africa
ICB	Institute of Certified Bookkeepers
ICBA	Institute of Certified Bookkeepers and Accountants
ICM	Institute of Credit Management
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IIASA	Institute of Internal Auditors of South Africa
IMFO	Institute of Municipal Finance Officers
IRBA	Independent Regulatory Board for Auditors

IT	Information Technology
MG	Mandatory Grant
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
NATED	National Accredited Technical Education Diploma
NCV	National Certificate (Vocational)
NDP	National Development Plan
NEHAWU	National Education, Health and Allied Workers' Union
NLEG	Non-PIVOTAL Learner Employment Grant
NLRG	National Student Financial Aid Scheme Loan Repayment Grant
NP-PSET	National Plan for Post-School Education and Training
NQF	National Qualifications Framework
NSA	National Skills Authority
NSC	National Senior Certificate
NSDP	National Skills Development Plan
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OFO	Organising Framework for Occupations
OHF	Organisational Huge File
ORA	Oversight Registered Auditors
PAO	Professional Accountancy Organizations
PFMA	Public Finance Management Act
PIVOTAL	Professional Vocational Technical and Academic
PSA	Public Servants Association of South Africa
PSET	Post School Education and Training
PSETA	Public Service Education and Training Authority
QAP	Quality Assurance Partner
QCTO	Quality Council for Trades and Occupations
ROI	Return on Investment
SAIBA	Southern African Institute for Business Accountants
SAICA	South African Institute of Chartered Accountants
SAIGA	Southern African Institute of Government Auditors
SAIPA	South African Institute of Professional Accountants
SAIT	South African Institute of Tax Professionals
SARS	South African Revenue Service
SASBO	The South African Society of Bank Officials
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SLA	Service Level Agreement
SMMEs	Small, Medium and Micro Enterprises
SP	Strategic Plan
SPO or SPOI	Sectoral Priority Occupations and Interventions
SSP	Sector Skills Plan
StatsSA	Statistics South Africa
ToC	Theory of Change
TVET	Technical and Vocational Education and Training
WBE	Work-based Experience
WIL	Work Integrated Learning
WSP	Workplace Skills Plan

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## EXECUTIVE SUMMARY

The Finance and Accounting Services Sector Education and Training Authority (FASSET) has been promulgated as a Sector Education and Training Authority (SETA) for the Finance and Accounting (FAS) sector and is made up of 17 Standard Industrial Classification (SIC) codes. Most of these categories fall within the broader group “Finance, Real Estate, and Business Services”.

This Sector Skills Plan (SSP) outlines the FAS sector skills needs. The SSP is a coherent framework for sector analysis and interpretation to enable credible skills planning for the FAS sector. In working towards the 2024/25 update, the SSP report was guided by the Department of Higher Education and Training’s SSP guidelines and requirements framework. As it is explained in the methodology section, the 2024/25 FASSET SSP was developed drawing from multiple datasets, particularly the Workplace Skills Plan (WSP) and Annual Training Report (ATR) data submitted to FASSET in May 2023. In addition, the SSP update used data from the Statistics South Africa (StatsSA) Quarterly Labour Force Survey (QLFS) and Gross Domestic Product (GDP) data; the Post School Education and Training (PSET) statistics; as well as the Higher Education Management Information System (HEMIS), amongst others. Furthermore, stakeholder consultation workshops were conducted with the FAS sector employers, Training Providers, Professional Bodies, FASSET key staff members, and other FASSET stakeholders; a FASSET survey was distributed to employers in the FAS sector; and stakeholder interviews were conducted.

One of the key aspects in ensuring economic development and growth within a country is the availability of a productive, adequately skilled workforce. Additionally, the workforce needs to be skilled in accordance with the skill requirements of the various economic sectors. In order to achieve the above, an appropriate education, training, and skills development system is required to ensure that the existing labour force and new labour force entrants are adequately skilled and competent. Furthermore, this system needs to be able to respond to changes and technological advances in real-time, to ensure that the labour force remains competent and to eliminate redundancies.

### FAS Sector Profile

In 2023 Q1, the South African economy grew by 0.4% and the Finance sector by 0.6%. The Finance, real estate and business services sector was amongst the key contributors to growth, contributing 0.15 percentage points. The sector is showing some recovery post the COVID-19 pandemic, however employers in sector indicate that the current loadshedding pandemic is negatively impacting the sector. In 2021/22, the FAS sector had 8 511 levy paying employers, a decline from the 2020/21 period, when the sector had 8 919 employers. The large majority (75%) of employers operating in the sector are small businesses (0-49 employees), with 15% being medium (50-149 employees) and 10% being large (150+ employees). Despite the largest number of employers being small businesses, stakeholders in the sector state that these businesses struggle most to keep up with the changing demands in the sector. They are unable to invest large sums of money in the latest software and as such struggle to retain clients. Employers are predominantly operating within the Accounting, Bookkeeping, Auditing, and Tax Services sub-sector, and are mostly located in the Gauteng, Western Cape, and KwaZulu Natal provinces.

In terms of employees in the sector, between 2022Q1 and 2023Q1, employment in the finance sector increased from 2.3 million people to 2.7 million people, reaching higher than pre-pandemic levels (StatsSA, 2023Q1). Employees in the FAS sector are predominantly Black (67%), male (58%), between the age of 25-44 years (61.7%), and living in the Gauteng (54%) or Western Cape provinces (23%).

### **FAS Sector Change Drivers**

Change drivers in the FAS sector include learning and training; the fourth industrial revolution (4IR) and digital transformation; environmental, social and governance (ESG); escalation of loadshedding; and ethics.

The mismatch/gap between basic education, higher education and the workplace remains a problem for throughput in the education and training system. Basic education comes across as receiving much greater concern by stakeholders compared to higher education and the workplace. The fundamentals for an individual who will form part of the FAS Sector commences at this juncture with a great interest in namely: Mathematics, Accounting, English and in some cases Economics. Mathematics plays a greater role compared to the other subjects due to it being a compulsory subject for admission in a FAS Sector related qualification. However, schools opt for Mathematical Literacy to push up the overall pass rate of the matriculants. This is detrimental to the FAS sector. This is exacerbated in tertiary institutions because the curriculum is said to be disjointed from the skills required in the FAS sector.

The lack of Mathematics passes and the overall disconnect between the education and training system and the FAS sector negatively impacts the ability of FAS sector businesses to fully implement 4IR technologies and digital transformation. The new technologies that have been introduced have had a direct impact, especially on problem-solving and decision-making in the workplace. Also, digital transformation has become a powerful democratising force, providing access to networks and markets for many more people and businesses around the world. As such, the emergence of the 4IR has contributed to the escalation of Hard-To-Fill-Vacancies (HTFVs) in the sector.

Furthermore, the focus of the FAS sector is shifting towards the consideration of the environment, improving social conditions and promoting good governance. Increasingly, organisations are reporting on ESG and as such institutions of higher education need to come to introduce more programmes and qualifications which talk to ESG reporting because companies and investors advocate for it.

Other change drivers are loadshedding and the detrimental impact it has on businesses operating within the FAS sector. Also, recent scandals have tainted the accounting and auditing profession, negatively impacting the willingness of youth to venture into these professions.

### **Occupational Shortages and Skills Gaps**

The HTFV show a higher need for Accountants and Auditors occupations, totalling to a need of 625 positions (WSP/ATR, 2023). This is confirmed by the FASSET survey where many of the respondents listed External Auditor, Accountant in Practice, Accounting Technician, Accounts Clerk and Tax Professionals as HTFV.

With the advent of the 4IR, digital skills demand has been sharply increasing, signalling the need for investment in relevant skills for future industry survival. The general sentiment is

that basic digital skills will be the new numeracy and literacy skills, and that traditional occupations will shift where workers are required to take on multiple functions and tasks. The skills needed to fill emerging occupations will also require hybrid skillsets which integrate technological/digital skills into existing roles. This means most professionals will need to have ICT competencies.

In terms of skills supply, 32.3% of learners that took the 2022 Matric exam wrote Mathematics, and the achievement percentage was 17.8% of the total. Additionally, 12.6% of learners that took the 2022 Matric exam wrote Accounting, and the achievement percentage was 9.5% of the total. In terms of TVET colleges, there was an overall increase in enrolments between 2020 and 2021, from 421 544 to 558 717 enrolments. Completions is significantly lower than enrolments, reaching 106 589 completions in 2021. After a gradual increasing trend in enrolments in SET and Business and Management subjects at HEIs between 2013 and 2020, there was a sharp decline in enrolments in 2021. This decline in enrolments is concerning for stakeholders in the sector as the sector is already experiencing a shortage of professionals such as accountants and auditors. Completions from South African public HEIs in relevant subjects steadily increased between 2013 and 2021, indicating a general increase in the level of potential skills supply for the finance and accounting services sector. However, completions remain well below enrolments overtime.

Some of the supply problems facing employers include the insufficient quantity of people holding Mathematics related qualifications entering the FAS sector; the current curricula and syllabi are fast becoming outdated and not in line with local and global sector methods and trends; the disjoint between theoretical learning at education and training institutions and the practical requirements of the job when entering the workplace; amongst others.

### **FASSET Partnerships**

FASSET's partnerships are critical to the goal of the SETA, which is skills development. All FASSETs programmes have been through partnerships with institutions such as universities, corporations, government entities, and many others. FASSET considers a successful partnership one with a high throughput rate of learners who can advance to the next level in their academic or professional careers. As such FASSET's partnerships are responding to various government policies, major national plans, and strategies such as the BEE, transformation agenda, NSDP 2030, and the strategic pillars of the ERRP to influence skills demand and supply in the FAS sector.

### **FASSET Monitoring and Evaluation**

While FASSET does not have an M&E Unit, FASSET employs a more formative approach where there is much more emphasis on feedback to improve performance and to determine the value of its programmes. This M&E approach has been DG-funded and implemented using a service provider. These projects include M&E, Due Diligence, Track and Tracer Study, and the Impact Assessment Study. These projects include the internal data, data collection of previous beneficiaries, research, site visits and project evaluations. The Skills Planning and Research Unit oversees these activities and continues to carry out the development of annual M&E reports.

### **FASSET Skills Priority Actions**

FASSET is cognisant of the challenges facing South Africa, the previously disadvantaged groups, in particular the youth, women, and people living with disabilities. As this SSP and

other FASSET reports, including the FASSET Sector Trends Report have previously indicated, transformation remains the biggest issue in the FAS sector. FASSET remains focused on its priorities that were identified at the beginning of the National Skills Development Plan 2030. These priorities are:

- Increasing the flow of new Finance and Accounting entrants into employment
- Developing and growing the skills required in the sector and the economy
- Facilitating transformation and inclusivity of the FAS sector workforce
- Increasing responsiveness of skills planning to change drivers

Finally, DHET's support and guidance in the development of this SSP is acknowledged. This SSP will feed into the Strategic Plan and Annual Performance Plan. Also, the Board's support in providing strategic direction and the management team and staff's drive for implementation of FASSET's mandate and contributing to nation building through FASSET's programmes is acknowledged and appreciated.

**Ms. Ayanda Mafuleka CA(SA)**  
**FASSET CEO**

Signature:.....

**Date: 31 July 2023**

## RESEARCH PROCESS AND METHODS

The SSP is a coherent framework for sector analysis and interpretation to enable credible skills planning for the FAS sector. This section outlines the research process and methods utilised by FASSET in the updating of this SSP. In the development of the 2024/25 update, the SSP Report was guided by the Department of Higher Education and Training's (DHET) SSP Guidelines and Requirements Framework. The SSP is informed by evidence-based research, a comprehensive and consultative conversation with stakeholders, a systematic analysis of sub-sector needs, and a strategic engagement at the level of the board. The process and methodology used are described in the section below.

The research that informs the FASSET SSP is an amalgamation of the quantitative and qualitative methodologies, consisting of document reviews, data analysis, and stakeholder consultations. This section outlines the application of research methods in each chapter, including details about research tools, sampling, data sources, and data analysis techniques.

### The SSP Research Process

FASSET's SSP is aimed at providing a comprehensive and up-to-date picture of the skills position in the FAS sector. The topics included in the research are prescribed in the SSP Guidelines issued by the DHET and comprise of, namely: the sector profile, key skills change drivers in the sector and the SETA, occupational shortages and skills gaps, partnerships of the SETA, and the monitoring and evaluation adopted by the SETA. The research culminates in the skills development priorities set by the SETA. The SSP aims to address and ultimately resolve the skills needs of the sector and those emerging from the government's economic and social development priorities.

Quantitative and qualitative data utilized in the SSP development was sought systematically - mainly through the interrogation of research reports and internet searches. Statistical information on the sector profile and occupational shortages was obtained from the Workplace Skills Plan/Annual Training Reports (WSP/ATRs) submitted to FASSET in May 2023. The study spans all FASSET's subsectors. It is also imperative to take note of the financial skills needs in their entirety within the South African economy. Some of the key data sources interrogated for the purposes of this SSP update include:

1. Government's strategic plans and legislation;
2. Statistics South Africa (Stats SA);
3. FASSET Sector WSP/ATR data;
4. FASSET Organisation Huge File (OHF) data;
5. The DHET's Higher Education Management Information System (HEMIS) data;
6. FASSET survey, sector trends, transformation, and other publications;
7. Industry-provided research and literature; and sector-related literature

N.B. FASSET also hosted industry stakeholder and internal staff workshops through virtual focus group sessions in the month of May 2023. These sessions permitted robust conversations with industry and professional bodies and verified existing information collected through desktop research. In addition, FASSET interviewed key stakeholders in the sector to

get detailed inputs on factors impacting skills needs in the FAS sector. Table 1 below shows list of studies conducted to inform some sections of the SSP.

**Table 1: Research conducted in preparing FASSET’s 2024/25 Update**

Research topic	Objectives of the study	Type of research	Purpose	Unit of analysis	Type of research	Target quarter
Sector Trends and Transformation study	To track the Financial and Accounting Services sector trends in terms of employment, training trends, economic profile and transformation	Mixed method	The Sector Trends’ purpose is to explore the performance of the education sector, from the basic to post school education.	PSET data (from DHET, Professional Bodies and SETA data)	Mixed method	4
Applying the Organising Framework for Occupations to explore occupational changes in the FAS sector	To apply the OFO to explore the extent of occupations are changing in the FAS sector	Qualitative - Interviews and Focus Groups sessions	The purpose of the sector occupational change study will be to use the Organising Framework for Occupations (OFO) and sectoral current information to examine the extent to which occupations are changing and have changed in the FAS sector.	Sector Professional Bodies	Qualitative - Interviews and Focus Groups sessions	3
Exploring the extent to which professional designations can fast-track transformation in the Finance and Accounting Services sector.	To explore the extent to which obtaining professional designation can accelerate transformation in the Finance and Accounting Services sector	Qualitative - Self-administered online survey and qualitative interviews	The purpose of this study will be to explore the extent to which professional designation promotes transformation in the Finance and Accounting Services sector	Project beneficiaries and professional bodies.	Qualitative - Self-administered online survey and qualitative interviews	3
Impact Assessment of the FASSET TVET	To investigate how TVET WBE	Document analysis	This report will unpack the role of the FASSET	TVET WBE beneficiaries	Document analysis	3

Research topic	Objectives of the study	Type of research	Purpose	Unit of analysis	Type of research	Target quarter
WBE programme and its role in achieving Inclusive Growth in the FAS sector	can be used to ensure inclusive growth	and Qualitative interviews	TVET WBE programme contribute to inclusive growth in the Finance and Accounting Services sector.	and host companies	and Qualitative interviews	
Tracing and tracking the beneficiaries of one FASSET bursary programme	Assess the impact of the intervention to date	Qualitative and Quantitative Research	What are the successes and failures of this intervention	FASSET beneficiaries	Qualitative and Quantitative Research	3

**Table 2: WSP/ATR submissions by employer size 2023 submissions**

Enterprises	2022 Submissions	2023 Submissions
Large Employers (150+ employees)	55	106
Medium Employers (50 – 149 employees)	104	167
Small Employers (1 – 49 employees)	669	805
Government	6	-
Unidentified	214	47
<b>TOTAL</b>	<b>1048</b>	<b>1125</b>

Source: WSP/ATR 2023



# 1 SECTOR PROFILE

## 1.1 INTRODUCTION

This chapter presents a broad overview of the Financial and Accounting Services (FAS) Sector. The chapter elaborates on the scope of coverage of the sector, key role-players, economic performance and the profile of employers and employees. Key sources of information include Statistics South Africa (StatsSA), World Bank, secondary literature, and WSP/ATR data submitted to FASSET by employers.

## 1.2 SCOPE OF COVERAGE

The FAS sector in the context of the South African (SA) skills development landscape is defined by the demarcation of Standard Industrial Classification (SIC) codes to different Sector Education and Training Authorities (SETAs) by the Minister of Higher Education and Training.

The establishment of SETAs as per government notice R1055 in Government Gazette 33756 of 11 November 2010, allocated 17 SIC codes to the FAS sector. Except for organs of state falling under the sector, the rest of the SIC codes allocated to the sector fall within the broader Finance, Real Estate and Business Services sector, as defined by Statistics South Africa. To facilitate engagement and service delivery, organisations belonging to the sector have been clustered into seven sub-sectors. The SIC codes and the sub-sectors to which each belongs are indicated in the table below.

**Table 3: SIC and Sub-sector Descriptions**

Sub-sector	SIC Code	SIC Description
Investment Entities & Trusts & Company Secretary Services	81904	Investment Entities & Trusts
	88103	Company Secretary Services
Stockbroking & Financial Markets	83110	Administration of Financial Markets
	83120	Security-dealing Activities
	83121	Stockbroking
	88102	Asset Portfolio Management
Development Organisations	83180	Development Corporations & Organisations
Accounting, Bookkeeping, Auditing & Tax Services	88101	Tax Services
	88120	Accounting, Bookkeeping & Auditing Activities
	88121	Tax Consultancy Activities of Accountants & Auditors registered in terms of the Public Accountants & Auditors Act
	88122	Activities of Cost & Management Accountants
	88123	Bookkeeping Activities, including Relevant Data Processing & Tabulating Activities
Activities Auxiliary to Financial Intermediation	83190	Activities Auxiliary to Financial Intermediation
Business & Management Consulting Services Sub-sector	88140	Business & Management Consulting Services
	91108	South African Revenue Service (SARS)
	9110E	National Treasury Provincial Treasuries

The sub-sector descriptions are generally self-explanatory. However, the development organisations belonging to the sector include only those that provide financial assistance and (in some instances) business advice, such as the Industrial Development Corporation (IDC) and other development finance institutions which do not fall under the banking sector.

Similarly, business and management consulting services encompass a wide range of activities and may also fall under other SETAs. Only those organisations that choose to describe their main functions in terms of SIC codes 88140 or 88142 are included in this sub-sector. Some of the accounting and auditing firms also provide business and management consulting services but because accounting and auditing is their primary business, they are classified in the Accounting, Bookkeeping, Auditing and Tax Services sub-sector.

The sub-sector ‘Activities Auxiliary to Financial Intermediation’ includes statutory bodies such as the Financial Sector Conduct Authority (FSCA)—formerly known as the Financial Services Board (FSB)—and the Independent Regulatory Board for Auditors (IRBA), professional associations, as well as services not included in any of the other sub-sectors. Debt collection is an example of such a service.

### 1.3 KEY ROLE-PLAYERS IN THE SECTOR

The table below lists the various types of key role-players in the financial and accounting services (FAS) sector as well as descriptions of their respective roles.

**Table 4: Key role-players in the FAS sector**

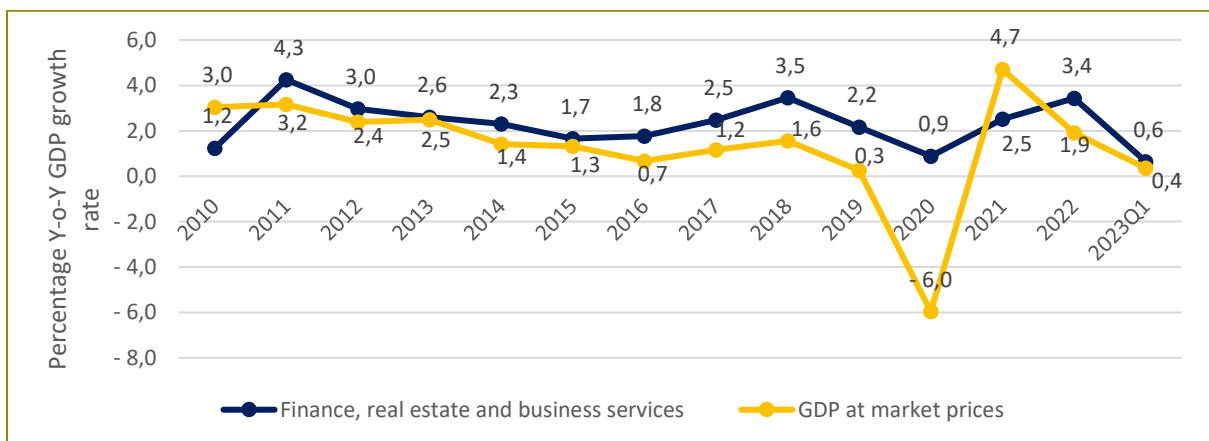
Role-Players	Roles	NSDP Outcome Alignment
<b>Professional Bodies:</b> <ul style="list-style-type: none"> <li>• AAT</li> <li>• ACCA</li> <li>• CIMA</li> <li>• CSSA</li> <li>• ICB</li> <li>• IIASA</li> <li>• SAIPA</li> <li>• SAICA</li> <li>• SAIT</li> </ul>	Professional bodies set the standards for professions and occupations, maintain ethical codes and standards for professional conduct, investigate and deal with complaints of unprofessional conduct against their members, hold disciplinary enquiries and impose sanctions against practitioners who contravene the codes of professional conduct.	Professional Bodies have extensive networks and forums and can assist in <b>identifying occupations in high demand (Outcome 1)</b> while also playing a <b>crucial role in the development of learnerships for the FAS sector</b> and economy. Professional Bodies, in partnership with FASSET, further <b>facilitate workplace-based learning (Outcomes 2 and 4)</b> through the various pathways to obtain professional qualifications. These bodies also act as the Assurance Quality Partner (AQP) for most qualifications that are required in the sector.
<b>PSET institutions:</b> <ul style="list-style-type: none"> <li>• 26 public universities</li> <li>• 50 public TVET colleges (264 campuses)</li> <li>• Private higher education institutions</li> <li>• Private colleges</li> <li>• Accredited private training</li> </ul>	As individuals seek to obtain relevant qualifications in this field, institutions of higher learning are key players on the skills supply side. TVET colleges provide National Accredited Technical Education Diploma (NATED) programmes (N1–6), which include bookkeeping and other business administration skills, while universities offer commerce diplomas and degrees.	PSET institutions, through providing a supply pipeline from NQF1 through to NQF 10 in the FAS sector, ensure that the <b>production of occupations in high demand (Outcome 1)</b> is met, while also ensuring that accredited programmes are <b>occupationally directed (Outcome 4)</b> through WBL programmes, RPL and lifelong learning, which ultimately <b>improves the skills level of the workforce and lining education in the workplace (Outcomes 3 and 2)</b> . Partnerships with education institutes such as TVET colleges further <b>support socio-economic development in</b>

Role-Players	Roles	NSDP Outcome Alignment
providers and SDPs		South Africa through accredited programmes offered ( <b>Outcome 5</b> ).
<b>Industry Bodies &amp; Associations:</b> <ul style="list-style-type: none"> <li>IASSA</li> <li>ABSIP</li> <li>ABASA</li> <li>BBCSA</li> <li>SAAA</li> <li>AWCA</li> <li>CFO South Africa</li> </ul>	Employer bodies in the sector play an important role in advancing sector interests, including skills development, ethical behaviour, services quality improvement, etc. Industry bodies and associations have a role to play in achieving all the outcomes of the NSDP.	Most employer bodies aim to ensure the representation of minority groups and previously disadvantaged groups and professionals in the FAS industry. Employer bodies promote the economic and social interest of their members, including the facilitation of <b>skills development support for its members (Objective 6)</b> while providing a platform for <b>employers to discuss occupational needs (Outcome 1)</b> and for knowledge sharing.
<b>Regulators:</b> <ul style="list-style-type: none"> <li>SARS</li> <li>IRBA</li> <li>FSCA</li> </ul>	Regulatory bodies monitor, review and oversee how business is conducted within the sector. They set standards, ensure transparency, and promote good corporate governance. Regulators work closely with voluntary professional bodies.	By ensuring competence and accountability, and partnering with controlling bodies in the industry, regulators are <b>also linking education to specific occupations and capabilities (Outcome 2)</b> . Regulators also play an important role in the <b>setting of educational standards, standards of professional conduct and CPD requirements (Outcomes 3 and 4)</b> .
<b>Trade Unions:</b> <ul style="list-style-type: none"> <li>NEHAWU</li> <li>PSA</li> <li>Other unions such as SASBO</li> </ul>	Trade unions play an important role in bargaining councils, training committees and SETA structures. They lobby for fair labour practices, strive for better wages and employment conditions, and ensure that workers contribute to decision making processes.	The overarching objectives of trade unions mean that they have an active role to play in the <b>attainment of all outcomes of the NSDP</b> . They lobby for better work conditions, which include things such as <b>ensuring education is linked to the workplace</b> .

## 1.4 ECONOMIC PERFORMANCE OF THE SECTOR

Figure 1 shows the annualised growth rates in industry value added GDP for the Finance, Real Estate and Business Services sector and the overall South African economy (Statistics South Africa, 2023Q1).

**Figure 1: Annual growth rates in industry value added and GDP (constant 2015 prices, seasonally adjusted): 2010–2023Q1**

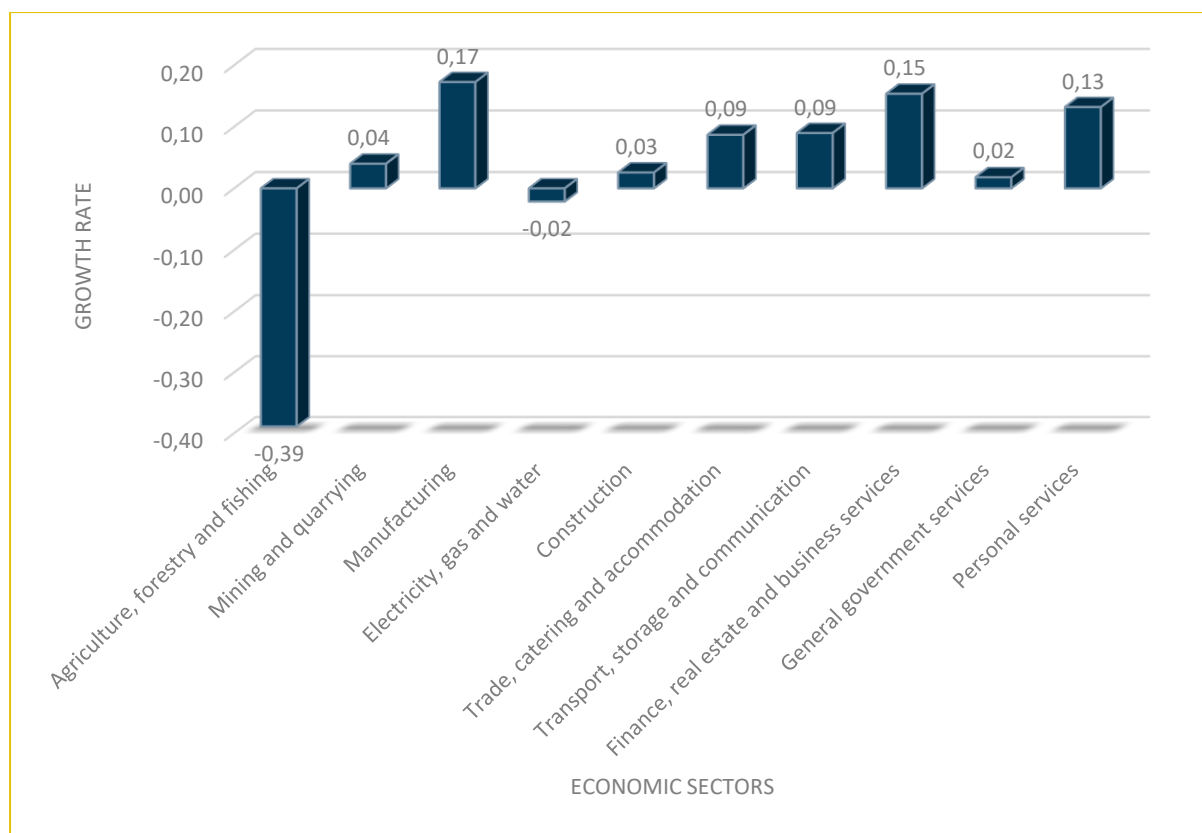


Source: Statistics South Africa 2023Q1

As shown in Figure 1, the Finance, Real Estate, and Business Services sector registered a recovery in terms of a growth rate of 2.5% in 2021 from 0.9% in 2020. The overall economy's growth rate also rose sharply from the -6% in 2020 to 4.7% in 2021. The 2022 GDP growth rate for the Finance sector show the sector beginning to settle into pre-pandemic growth rates (StatsSA, 2023Q1). However, for the South African economy as a whole, the GDP growth rate declined to 1.9% in 2022.

In 2023Q1, the South African economy grew by 0.4% and the Finance sector by 0.6%. The figure below shows that the Finance, real estate and business services sector was amongst the key contributors to growth, contributing 0.15 percentage points. Other key contributors were manufacturing (0.17 percentage points) and personal services (0.13 percentage points).

**Figure 2: Economic performance by annual growth rate of the different sectors, 2023Q1**



Source: StatsSA QLFS 2023Q1

#### 1.4.1 FUTURE OUTLOOK AND COMPETITIVENESS OF THE SECTOR

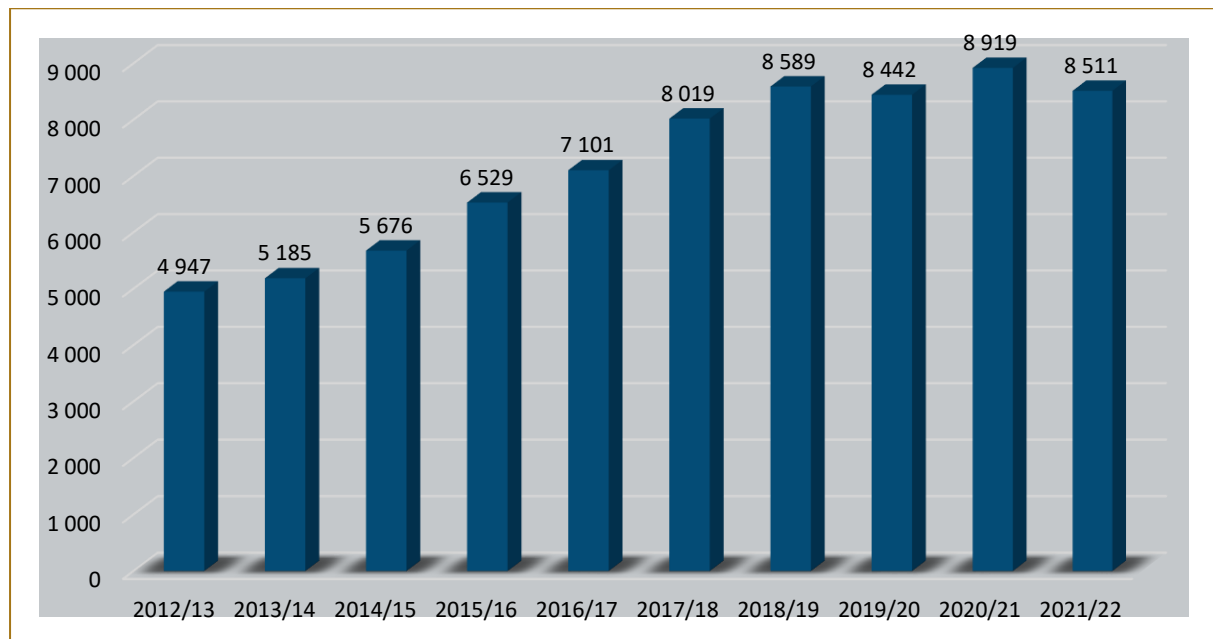
The South African economy grew by 1.9% in 2022, in line with the 1.9% growth rate in the 2022 Medium Term Budget Policy Statement (MTBPS). However, the medium-term growth outlook has deteriorated. Real GDP growth is now projected to average 1.4% from 2023 to 2025, compared with 1.6% in the 2022 MTBPS (Statistics South Africa, 2023; National Treasury, 2023). The biggest and most immediate constraint to growth is inadequate electricity supply (Loadshedding), which significantly impacts production, investment and employment. In addition, rising interest rates and inflation continues to limit household spending by raising the cost of living (National Treasury, 2023).

The FAS sector is not immune to these constraints. Additional constraints for the sector include, market challenges, changing client expectations, evolving technologies, and legislative and regulatory changes which will continue to impact the sector in 2023 (Munu & Quercla, 2023; PwC, 2023). One of the key issues that South African companies need to react to is the country’s greylisting that happened in February 2023 by the international Financial Action Task Force (FATF). Research by the International Monetary Fund (IMF) shows that countries that have been greylisted experienced a drop in capital flows equal to 7.6% of GDP over a period of nine months (PWC, 2023; National Treasury, 2023).

## 1.5 EMPLOYER PROFILE

The figure below shows that the number of levy paying employers in the FAS sector grew steadily between 2012/13 and 2018/19, from 4 947 employers to 8 589 employers, respectively. The year 2019/20 saw a decline in levy paying employers to 8 442 employers, before it increased significantly in 2020/21 to 8 919 employers. In 2021/22, the FAS sector had 8 511 levy paying employers, a decline from the 2020/21 period.

**Figure 3: Number of SDL paying organisations, 2012/13 - 2021/22**



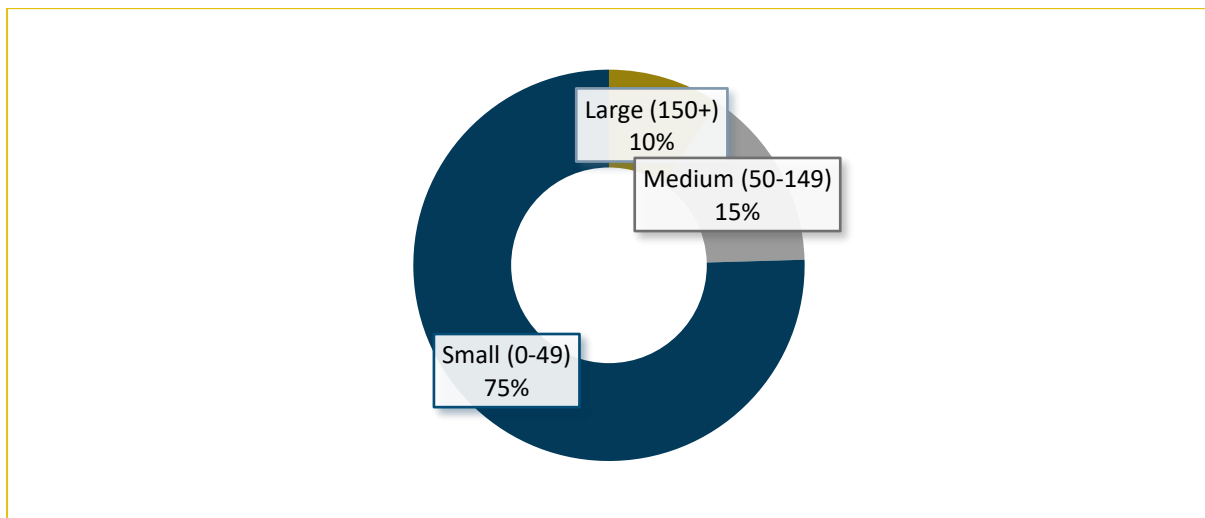
Source: FASSET data system, 2022

The analysis on employers that follow uses WSP/ATR data from May 2023. 1125 employers submitted WSP/ATR information in 2023. Of these 986 were submitted online and a further 139 were manual submissions. Unfortunately, 47 of the manual submissions were not useable because they were in the wrong format or were not filled in. Therefore, the analysis of the WSP data is based on 1078 submissions.

### 1.5.1 SIZE OF EMPLOYERS

The figure below shows that the majority (75%) of employers operating in the sector are small businesses (0-49 employees), with 15% being medium (50-149 employees) and 10% being large (150+ employees).

**Figure 4: Size of employers, 2022/2023**



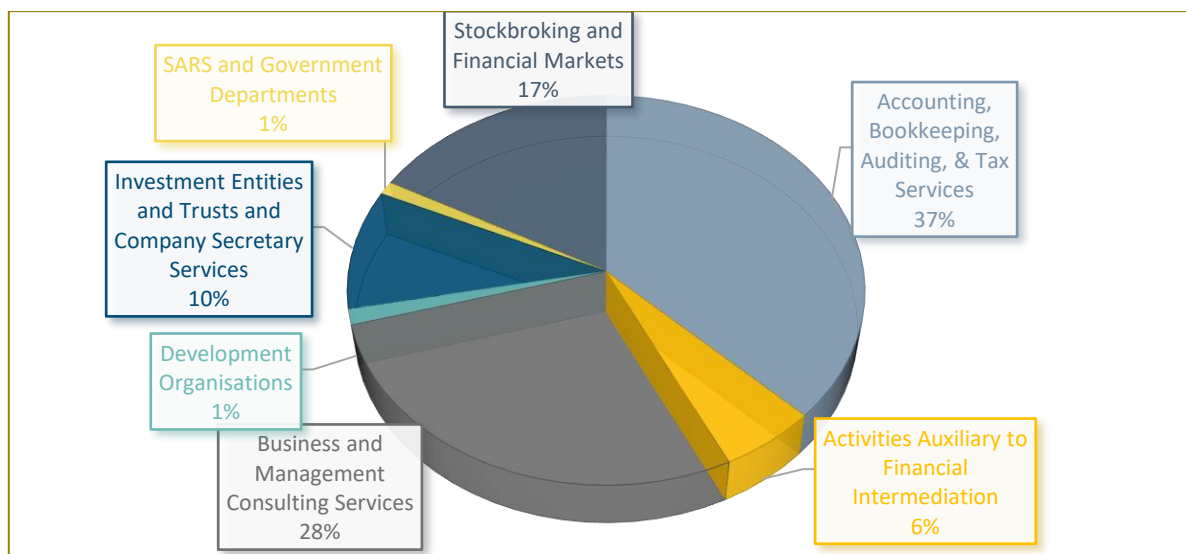
Source: WSP/ATR 2023

Despite the largest number of employers being small businesses, stakeholders in the sector state that these businesses struggle most to keep up with the changing demands in the sector. They are unable to invest large sums of money in the latest software and as such struggle to retain clients (Stakeholder interview, 2023).

### 1.5.2 SUBSECTOR DISTRIBUTION OF EMPLOYERS

The largest percentage (37%) of employers are operating within the Accounting, Bookkeeping, Auditing, and Tax Services sub-sector, followed by the Business and Management Consulting Services sub-sector (28%) and the Stockbroking and Financial Markets sub-sector (17%). The Investment Entities and Trusts and Company Secretary Services comprises a 10% share of employers; Activities Auxiliary to Financial Intermediation comprises 6%; Development Organisations comprises 1%; and SARS and Government Departments at 1%.

**Figure 5: Sub-Sector Distribution of Employers, 2021/2022**

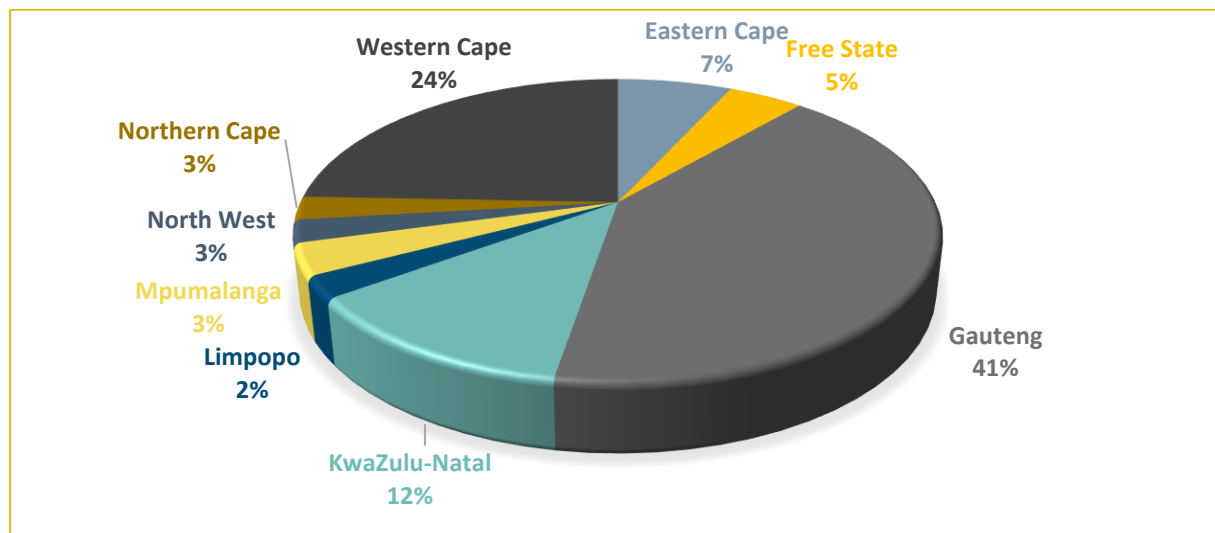


Source: FASSET data system 2022.

### 1.5.3 PROVINCIAL DISTRIBUTION

The figure below shows that the largest concentration of employers are found in Gauteng (41%). This is followed by 24% in the Western Cape and 12% based in KwaZulu-Natal. Limpopo (2%) hosts the lowest number of employers in the sector.

**Figure 6: Provincial Distribution of FASSET Employers, 2022/2023**



Source: WSP/ATR 2023

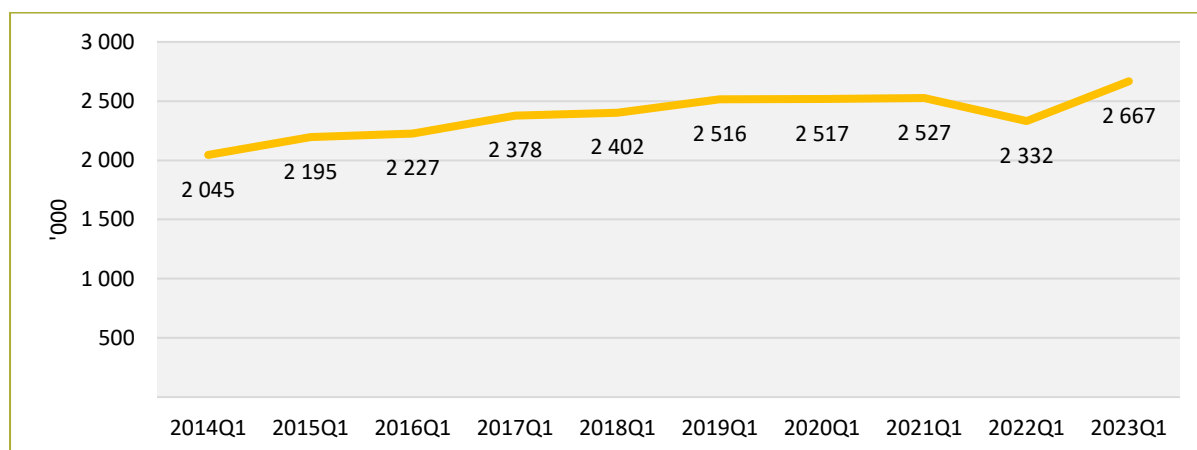
## 1.6 LABOUR MARKET PROFILE

### 1.6.1 EMPLOYMENT TRENDS

The analysis on employment trends in the FAS sector uses Statistics South Africa data – the Quarterly Labour Force Survey 2023Q1, as far as possible. Some graphs are developed from WSP/ATR 2023 data.

The figure below shows that the number of employees in the sector generally increased over-time, except for the dip in 2022 as a result of the COVID-19 pandemic. Data from Statistics South Africa (StatsSA) show that between 2022Q1 and 2023Q1, employment in the finance sector increased from 2.3 million people to 2.7 million people, reaching higher than pre-pandemic levels.

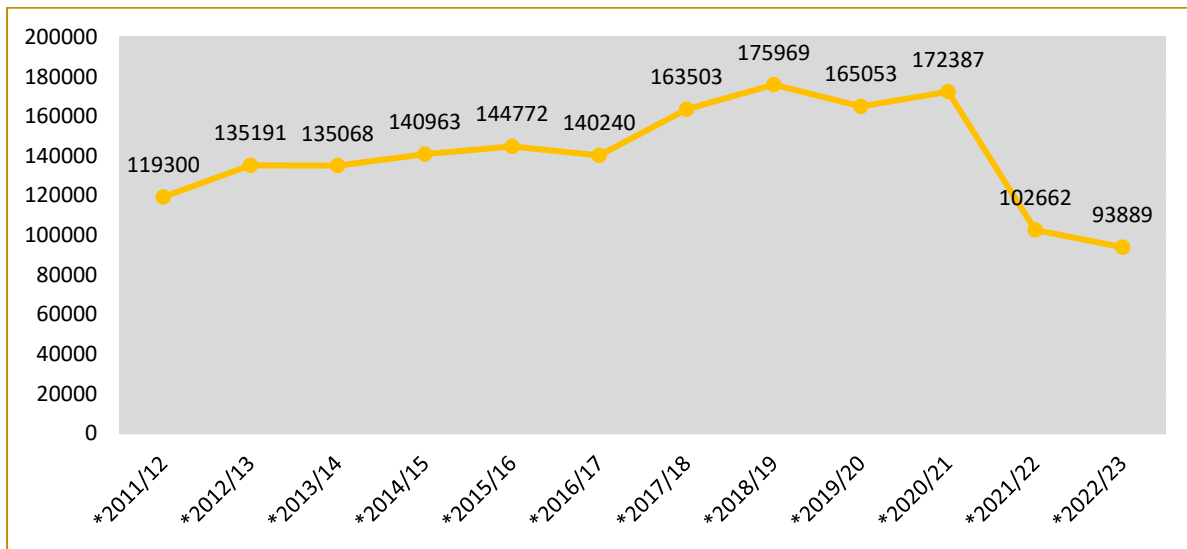
**Figure 7: Number of employees in the finance sector, 2014Q1-2023Q1**



Source: StatsSA QLFS 2023Q1

According to the WSP/ATR data (2023), the FAS sector reported a total of 93 889 employees for the 2022/23 financial period. Employment trends for the sector between 2011/12 and 2020/21 have been relatively stable, with mere percentage differences. However, the decline in employment between 2020/21 and 2021/22 was significant – a 40% decline from 172 387 employees in 2020/21 to 102 662 employees in 2021/22. A further decline is recorded in 2022/23.

**Figure 8: Estimates of Total Employment in the FASSET Sector: 2011/12-2022/23**

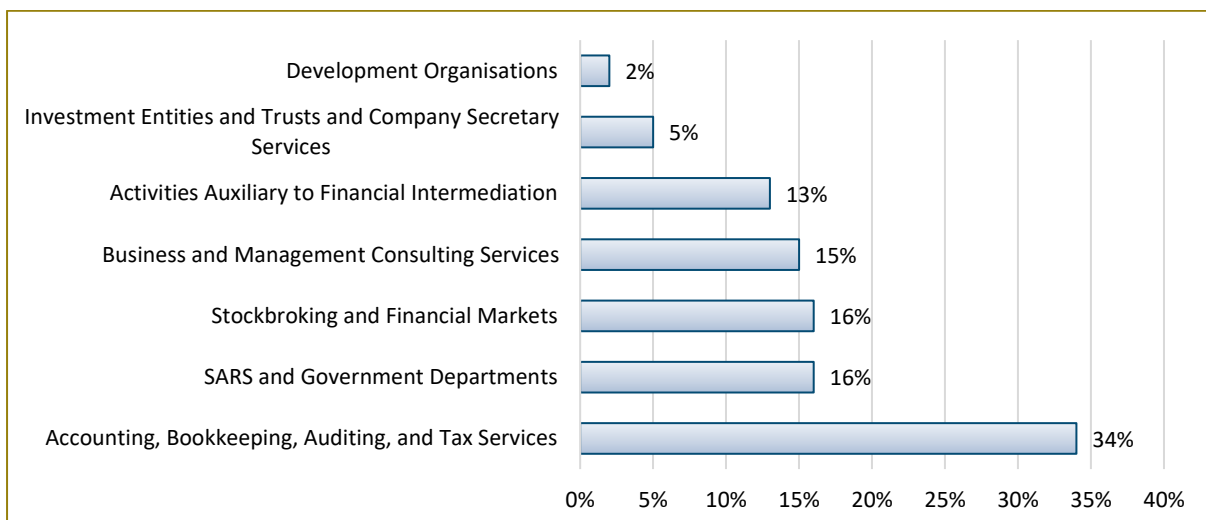


Source: WSP/ATR 2023.

## 1.7 SUB-SECTOR DISTRIBUTION OF EMPLOYEES

The figure below shows that in the 2021/22 financial period, the Accounting, Bookkeeping, Auditing, and Tax Services sub-sector recorded the largest proportion of employees in the sector, contributing 34% to the sector’s employment. The SARS and Government Departments sub-sector and the Stockbroking and Financial Markets sub-sector each account for 16% of the FAS sector labour force.

**Figure 9: Sub-sector Distribution of Employees: 2021/22**



Source: FASSET data system 2022.



The sub-sector with the least number of employees is the Development Organisations sub-sector, accounting for 2% of the number of employees in the FAS sector.

### 1.7.1 PROVINCIAL DISTRIBUTION OF EMPLOYEES

The table below shows that a considerable number of employees in the sector are based in Gauteng. Gauteng comprises around 54% of employment in the sector. However, the number of employees based in Gauteng declined from 82 642 in 2020/21 to 57 143 in 2021/22 and again to 50 370 in 2022/23, suggesting that employees are either finding other employment or relocating to other provinces such as the KwaZulu-Natal and Western Cape. The Western Cape and Kwa-Zulu Natal provinces host the second and third largest population of FAS sector employees, with 23% and 10% of employees being in these provinces, respectively. Relatively small percentages of employees were in the remaining six provinces.

**Table 5: Provincial Distribution of Employees: 2020-2023**

Sub-Sector	2020/21		2021/22		2022/23	
	Number	%	Number	%	Number	%
Eastern Cape	6 141	4	4 369	4	4 112	4
Free State	3 506	2	2 698	3	1 738	2
Gauteng	82 642	48	57 143	56	50 370	54
KwaZulu-Natal	13 267	8	9 579	9	9 014	10
Limpopo	3 914	2	2 834	3	1 565	2
Mpumalanga	3 283	2	2 295	2	1 747	2
Northern Cape	2 884	2	1 056	1	1 713	2
North West	1 374	1	1 883	2	1 510	2
Western Cape	29 522	17	20 805	20	21 792	23
Unallocated	25 855	15	-	0	328	0
<b>Total</b>	<b>172 388</b>	<b>100</b>	<b>102 662</b>	<b>100</b>	<b>93 889</b>	<b>100</b>

Source: WSP/ATR 2023

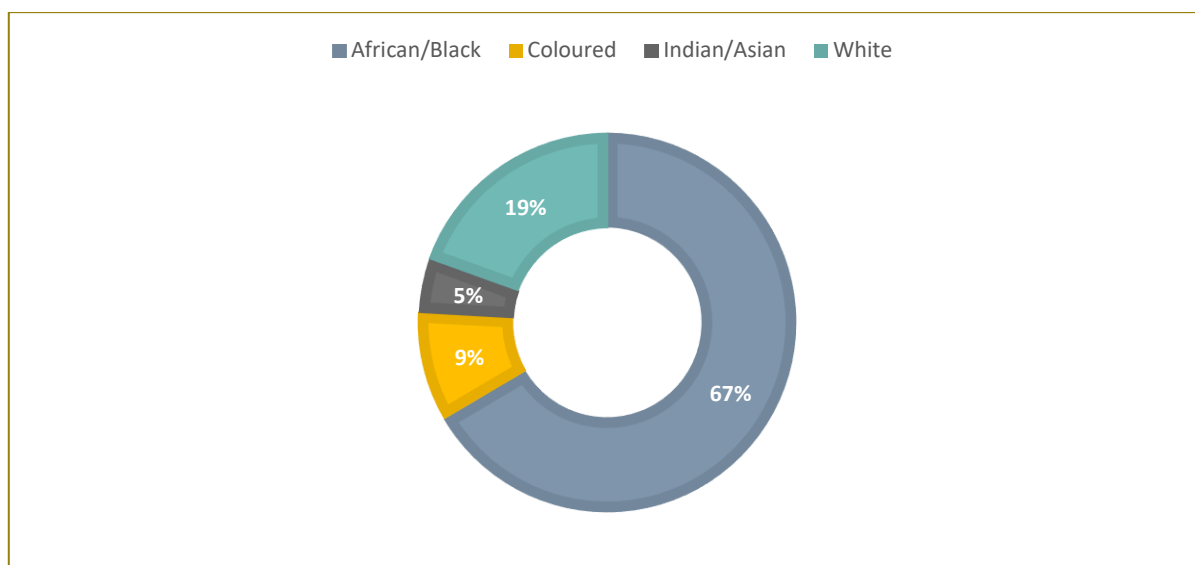
## 1.8 EMPLOYEE PROFILE

### 1.8.1 RACE OF EMPLOYEES

Historically, employment equity has been a major challenge in the FAS sector, with many of the highly skilled occupations in the sector being reserved for the White demographic. There have been changes in the equity profile of the sector, with FASSET programmes (such as learnerships and internships linked to professional registration) contributing to an increase in the numbers of Black people in managerial, professional, and technical positions.

StatsSA reported that for the 2023Q1 period 67% of the employee base in the sector are Black. This is followed by White (19%), Coloured (9%) and the smallest share of employees being Indian (5%).

**Figure 10: Proportion of employees by race, 2023Q1**



Source: StatsSA QLFS, 2023Q1

The table below shows that despite Black people occupying most of the jobs in the sector, this population group are predominantly employed as service and sales workers (36.2%); elementary workers (23.9%); and clerks (11.5%). Only 7.1% of Black people are employed as managers and 9.2% as professionals (StatsSA, 2023Q1).

**Table 6: Proportion of employees by race and Major OFO group, 2023Q1**

Occupation Group	African/ Black	Coloured	Indian/ Asian	White
Legislators; senior officials and managers	7,1%	10,1%	17%	26,4%
Professionals	9,2%	10,1%	44,4%	32,9%
Technical and associate professionals	8,4%	17,3%	21,2%	19,9%
Clerks	11,5%	21,6%	12,9%	15,1%
Service workers and shop and market sales workers	36,2%	9,9%	1,4%	2,3%
Skilled agricultural and fishery workers	0,2%	0,3%	0%	0%
Craft and related trades workers	2%	4,1%	1%	1,8%
Plant and machine operators and assemblers	1,6%	1,4%	0,6%	0,6%
Elementary Occupation	23,9%	25,1%	1,5%	1,2%
<b>Total number of employees per population group</b>	<b>1 809 895</b>	<b>255 005</b>	<b>125 551</b>	<b>530 681</b>

Source: StatsSA QLFS, 2023Q1.

A FASSET study (2022c) on transforming the finance and accounting services sector through professional designation found that there was a considerable rise in the number of previously disadvantaged groups with professional designations in the FAS sector. This includes Black Africans, Indians, Coloureds, women, youth and people living with disabilities. In particular, the number of Black Africans and women entering and succeeding in the FAS sector within professional designations (as was previously not the case), has significantly increased. Transformation has occurred in the sector; however, it has been at a slow pace. A key finding was that the pace at which transformation takes place needs to speed up and be reflective of the population status.

## 1.8.2 GENDER OF EMPLOYEES

The table below shows that there are more males than females employed in the sector. Data from StatsSA shows that in 2023Q1, 1.1 million females and 1.5 million males were employed in the sector (StatsSA, 2023). Despite this, the quarter-to-quarter change as well as the year-on-year change for female employees is more than that of male employees – between 2022Q4 and 2023Q1, 12.2% more females were employed in the sector, and between 2022Q1 and 2023Q1, 19.9% more females were employed in the sector. The corresponding changes for males are 4.2% and 10.6%, respectively. However, stakeholders in the sector state that the number of graduates coming into the sector with data analytics, quantitative science and computer science qualifications is still very skewed to males (Stakeholder interview, 2023).

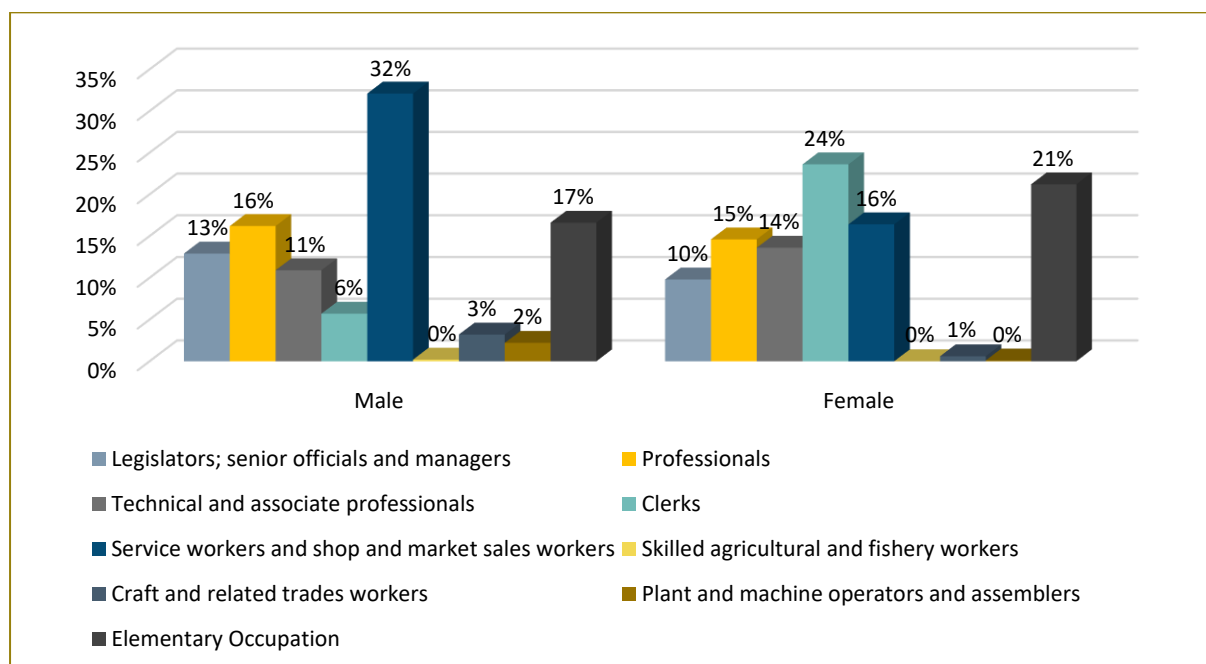
**Table 7: Number of employees by gender**

	2022Q1	2022Q4	2023Q1	Quarter-to-Quarter Change	Year-on-year Change	Quarter-to-Quarter Change	Year-on-year change
	Thousand				Percent		
<b>Total</b>	<b>2 332</b>	<b>2 483</b>	<b>2 667</b>	<b>184</b>	<b>335</b>	<b>7,4%</b>	<b>14,4%</b>
<b>Women</b>	938	1 003	1 125	122	187	12,2%	19,9%
<b>Men</b>	1 394	1 480	1 542	62	148	4,2%	10,6%

Source: StatsSA QLFS, 2023Q1

Furthermore, the figure below shows that females are employed as clerks (24%); elementary workers (21%); and service and sales workers (16%). Only 10% of females are employed as managers and 15% as professionals, as reported by StatsSA (2023Q1).

**Figure 11: Proportion of gender per occupation group, 2023Q1**



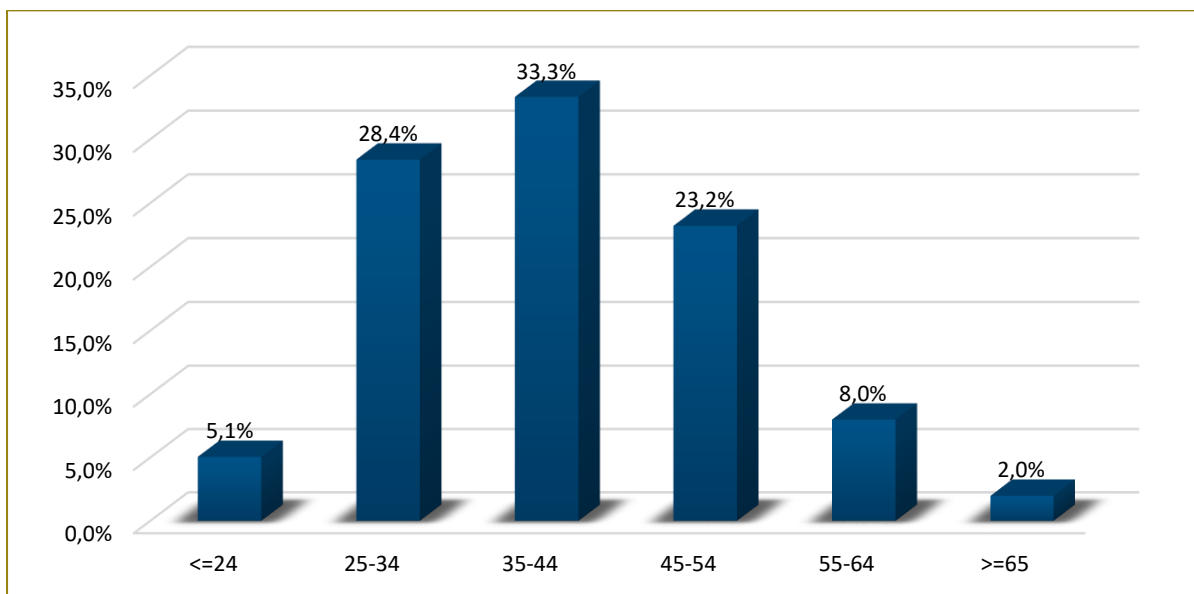
Source: StatsSA QLFS, 2023Q1

The figure further shows that compared to females, a lot more males are employed as managers (13%) and a lot less as clerks (6%) and elementary workers (17%).

### 1.8.3 AGE OF EMPLOYEES

The figure below shows that a substantial proportion of the FAS sector employees are 34 years and younger (33.5%). This means that the FAS sector is predominantly young – a good indicator for national development imperatives, as well as FASSET’s targets, which aim to increase youth employment by 2030. The FAS sector is generally regarded as a training sector with large numbers of learners in learnerships (Chartered Accountant and Professional Accountant learnerships). This is the main reason for the relatively youthful profile of the sector.

**Figure 12: Age of employees in the sector, 2021**



Source: StatsSA QLFS, 2023Q1

The second and third largest age groups are 35-44 years (33.3%) and 45-54 years (23.2%). Very few employees are 55 years and older.

### 1.8.4 DISABILITY

The table below shows that for the 2022/23 period, FAS employers reported in their WSP/ATR submissions that 1 211 employees in the sector are living with a disability - 1.3% of total employment in the FAS sector. The largest number of people living with disabilities in the sector (503 people) are employed in the clerical support workers occupation group.

**Table 8: Workers living with disability according to Occupation Group, 2022/23**

Occupational Group	Workers with a disability	Total Employment	% of Employment
Clerical Support Workers	503	19 832	2,54%
Elementary Occupations	103	3 905	2,64%
Managers	96	13 904	0,69%

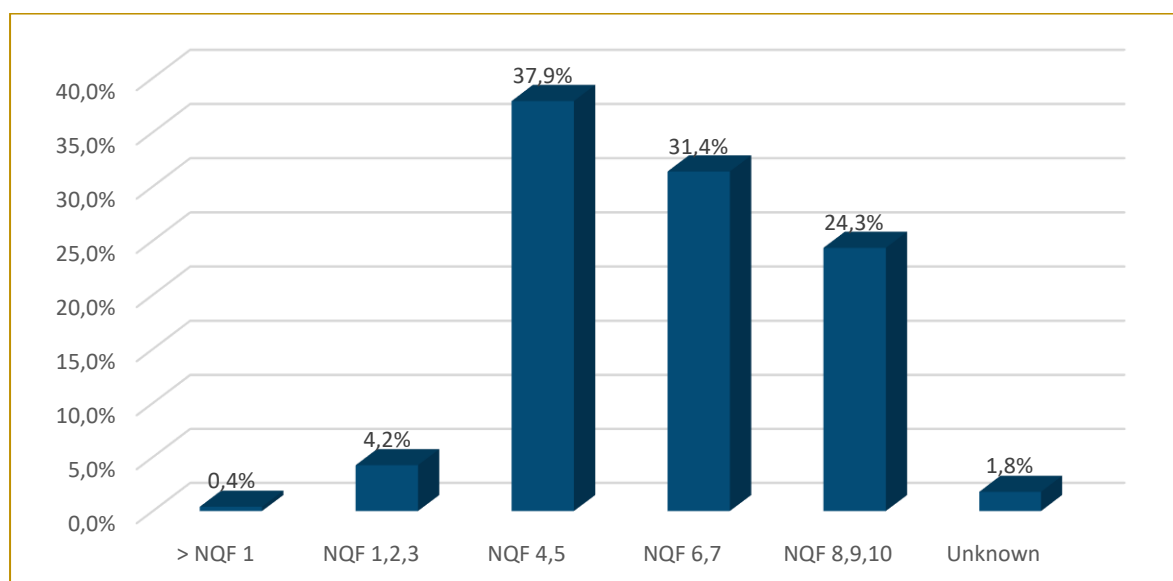
Occupational Group	Workers with a disability	Total Employment	% of Employment
Plant and Machine Operators and Assemblers	4	820	0,49%
Professionals	249	36 672	0,68%
Service and Sales Workers	5	5 635	0,09%
Skilled Agricultural, Forestry, Fishery, Craft, and Related Trades Workers	2	1 429	0,14%
Technicians and Associate Professionals	249	10 080	2,47%
Unknown		1 612	0,00%
<b>Total</b>	<b>1 211</b>	<b>93 889</b>	<b>1,29%</b>

Source: WSP/ATR, 2023

### 1.8.5 QUALIFICATIONS OF EMPLOYEES

The figure below shows that for the 2022/23 period, most of the workforce (93.6%) have at minimum an NQF level 4 qualification (Matric equivalent). 37.9% of the workforce have an NQF level 4 or 5; 31.4% have an NQF level 6 or 7 and 24.3% have NQF levels 8, 9 or 10. Only 4.6% of the workforce have lower than NQF level 4 qualifications. These figures speak to the level of education of the sector.

**Figure 13: Percentage of qualifications by NQF level of FAS workforce, 2022/23**

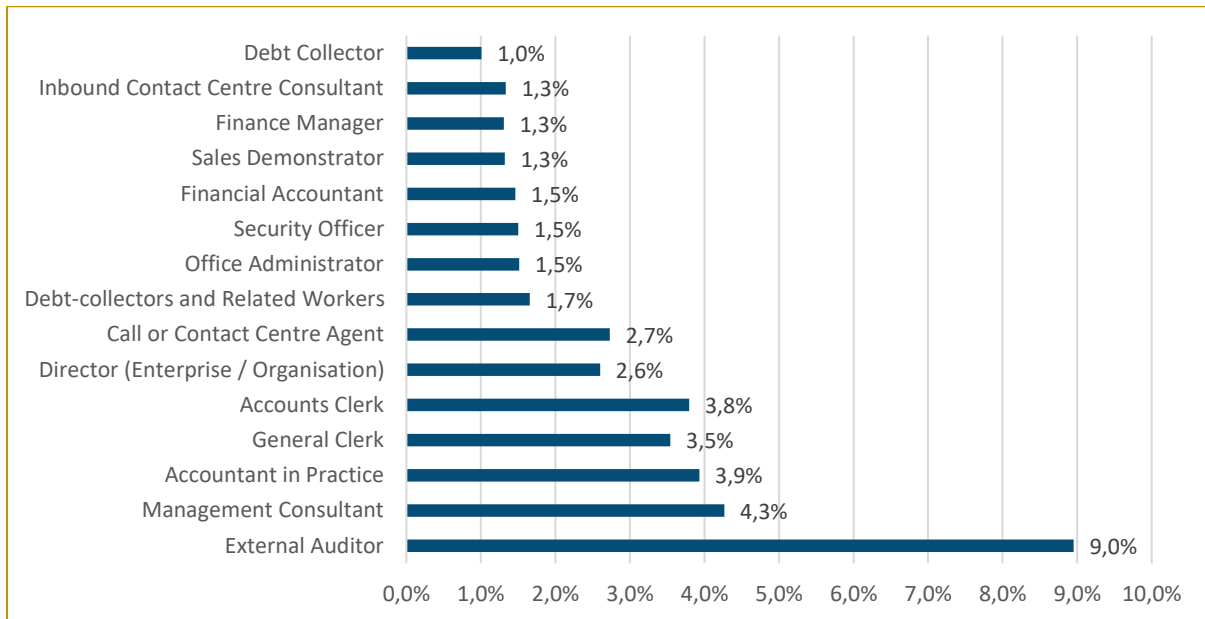


Source: WSP/ATR, 2023

### 1.8.6 DOMINANT OCCUPATIONS IN THE SECTOR

The figure below shows the most held occupations in 2022/23, reported by employers in the 2022/23 WSP/ATR submissions. External Auditor is the most held occupation (9%). This is followed by Management Consultant (4.3%) and Accountant (3.9%).

**Figure 14: Dominant occupations in the sector (reported by medium and large organisations and government departments), 2022/23**



Source: WSP/ATR, 2023.

## 1.9 CONCLUSION

This chapter provided a high-level economic and labour profile of the FAS Sector. The sector is dominated by small organisations, with the Accounting, Auditing, Bookkeeping, and Tax Services sub-sector identified as the most prominent sub-sector. The organisations belonging to the sector are largely concentrated in the metropolitan provinces, including Gauteng, the Western Cape and KwaZulu-Natal. This means there is an opportunity for FASSET to reach out to smaller provinces and areas to broaden skills development interventions toward increasing the supply of South Africans in the sector. The employees in the sector are predominantly male, youth (34 years and younger) and have higher education qualifications (NQF 5-10), which may positively impact the sector’s response to the effects of the pandemic and national developmental imperatives.

In order to accelerate transformation in the sector, FASSET has partnered with various higher education providers to offer an Executive Development programme targeted specifically at black women. There are also programmes being implemented at education system level, entry level employment and advance professionals that are aimed at addressing the issue of transformation in respect of gender and race.

## 2 KEY SKILLS CHANGE DRIVERS

### 2.1 INTRODUCTION

This chapter explores the change drivers in the demand for and supply of skills in the FAS Sector. A change driver is conceptualised as internal or external pressures that change or disrupt the conventional manner of doing business and reshape the world of work as we know it (Spacey, 2018). The change drivers in the sector were identified through desktop research and comprehensive consultative sessions with various industry stakeholders, including interviews and focus groups. Focus group sessions comprised of representatives from across the FAS sub-sectors. In addition, FASSET distributed a survey to levy paying and non-levy paying employers. The analyses of the survey were used to update the chapter.

In this chapter, the major factors impacting on skills demand and supply in the FAS Sector and their implications for skills planning are examined. An analysis of the alignment of sector skills planning to national strategies and plans will also form as a driving point of reference in this chapter.

### 2.2 OVERVIEW OF SKILLS IMPEDIMENTS AND OPPORTUNITIES IN FAS SUB-SECTORS

As Winston Churchill stated that: “To improve is to change; to be perfect is to change often.” The world at large has experienced major changes which have played a significant role in life being executed in the traditional ways. The world is in flux of a new industrial revolution whereby technologies such as artificial intelligence, machine learning, ChatGPT, blockchain technology etc. are bringing about major changes and challenges, and the Finance and Accounting Services Sector has not been spared from these changes.

The following are key factors impacting the outlook and competitiveness of the FAS sub-sectors:

**Accounting.** The accounting sector suffers from a decline in trust in the profession because of recent accounting scandals. As such, while recent regulations aim to bolster efforts to hold auditors to account, there is concern they may make the profession unattractive to graduates who may fear harsh consequences if they are linked to corporate scandals (Timm, 2023; Stakeholder interview, 2023). This, and emigration of professionals, as well as the declining pass rates of candidates sitting for board exams has led to concern over a shortage of auditors and accountants (Timm, 2023; Stakeholder interview, 2023). In addition, there are ongoing concerns about transformation, gender diversity and the continuing decline in quality of accounting in the public sector. Furthermore, regulatory changes that are set to disrupt the industry include the mandatory rotation of auditors, which was due to take effect on 1 April 2023 (Timm, 2023). On the other hand, stricter regulations in the FAS sector makes it increasingly difficult for individuals to handle their own financial matters. As such, the need for financial professionals such as accountants is growing. This increasing need for financial professionals exacerbates the shortage of professionals in the sector, as is the case with registered auditors (Stakeholder interview, 2023).

**Investment and asset management.** The South African investment and asset management industry serves several million consumers and has seen steady growth in consumer numbers, investment activity and assets under management in recent years. Some of the challenges facing the industry include that the industry can be complex for customers to navigate and interpret; a key area for improvement is the clear and transparent disclosure of fees and pricing. Recently, the FSCA imposed a fine on an investment provider that failed to provide investors with clear and transparent management fees as required by the regulator (FSCA, 2022).

During an interview, a representative from the South African Institute of Financial Markets (SAIFM) stated that there are three principal areas of change impacting growth and competitiveness in the finance sector. These are regulatory changes, systems changes and changes in market calculations and assessments (Stakeholder interview, 2023). Regulatory changes have moved the sector from operating in a rule-based environment to a risk-based environment. In terms of systems changes, in the past computers traded without humans but it did so against the rules as they were built into the algorithms by humans. Now the computers are learning on their own and they are changing the rules without humans knowing what the changes are. Humans now need to understand what changes are being made underlying the algorithms that were initially programmed into the computer. In terms of changes in market calculations and assessments, in the past, this was done by accountants reading financial statements but now, this is being replaced by predictive trends using big data. South Africa currently does not have the skills in sufficient quantity to keep up with these changes. This hinders the growth of the sector (Stakeholder interview, 2023).

**Financial Advisory and Intermediaries Industry.** Currently, there are a total of 11 283 registered financial institutions under the Financial Advisory and Intermediary Services (FAIS) Act of 2002, that provide advisory and intermediation services. A large number of small businesses or sole traders get licensed to provide financial advisory services. However, many of these businesses have closed as a result of the COVID-19 pandemic. Also, traditionally, financial advisory services have been centred around the physical presence of an advisor to provide advice; however, remote working has forced advisors to adopt digital channels to connect with their customers thereby increasing trading platforms. Like many other industries, technology platforms have allowed for more accessible and affordable products and services (FSCA, 2022).

**Financial Markets.** For over 13 decades, the Johannesburg Stock Exchange (JSE) has dominated the South African stock exchange landscape. However, a number of new exchanges have emerged in the market, providing financial institutions with a wider range of listing options, and encouraging financial consumers to participate in the investment landscape as a result of more competitive trading fees. But business activity on the JSE remains high, and far exceeds that on the new exchanges in terms of the trades executed and market capitalisation. Despite this, the year-on-year market capitalisation growth rate continues to rise of the new exchanges and even exceeded that of the JSE in 2020. An increase in competition is believed to enhance market efficiency by fostering innovation, improving the performance of competing firms, and lowering prices. Companies have also adopted the dual listing option, further increasing competition and the attractiveness of the alternative exchanges (FSCA, 2022).



Even in the face of recent challenges like the pandemic and geopolitical/economic problems, the financial services sector has shown to be resilient and adaptable. The client experience may be improved by prioritising more intelligent execution and utilising technology (Deloitte, 2023). The FAS sector continues to increase its investment in technology to remain competitive. This includes investment in digital transformation with modern technologies that improve the client experience and gain operational efficiencies (Munu & Quercla, 2023).

Further change drivers in the FAS Sector also include ESG & SDG, Escalation of loadshedding and Ethics which taps on focal points such as grey-listing and whistleblowing. These are dealt with below:

## 2.3 KEY SKILLS CHANGE DRIVERS IN THE FAS SECTOR

### 2.3.1 LEARNING AND TRAINING

The mismatch/gap between basic education, higher education and the workplace remains a problem for throughput in the education and training system. The rigorous SSP Focus Group Sessions that were held with various key stakeholders were emphatic in pointing out that these entities cannot operate in isolation as they form as a yardstick for the other; failure of one disrupts the process. Basic education comes across as receiving much greater concern compared to higher education and the workplace. The fundamentals for an individual who will form part of the FAS Sector commences at this juncture with a great interest in namely: Mathematics, Accounting, English and in some cases Economics. Mathematics plays a greater role compared to the other subjects due to it being a compulsory subject for admission in a FAS Sector related qualification. However, schools opt for Mathematical Literacy to push up the overall pass rate of the matriculants. This is detrimental to the FAS sector because Maths is the core subject to FAS qualifications and that leads to a downwards spiral of learners who can apply for FAS related qualifications.

Tertiary institutions add to the problem due to the curriculum being dissociated from the skills required in the FAS Sector. The FAS Sector is a sector that continuously sees change, however the majority of institutions of higher education tend to be conventional in the curricula that they teach. of the concern is that the education system is outdated. A greater focus is needed on developing analytical thinking, innovation, creativity and mostly application which will assist the candidates in the workplace. There is a need for a massive push towards getting the students to build their confidence in the space of technology.

Since the inception of the Skills Development Act No.97 of 1998, FASSET has achieved great strides with turbulences experienced along the way. SETAs are regarded as custodians who should see through gradual the role of being an intermediary between the educational institutions and the workplace. The points below were raised from the engagements that were held:

- FASSET and SETAs at large as government entities need to increase the participation rates of candidates as studies reveal that only 20% of Black South Africans who matriculate head to university whereas for Whites it is 60%. Such an imbalance is detrimental because the pipeline commences at this stage.

- There has been a decline in terms of funding for post-graduate qualifications when compared to that of undergraduate qualifications. This deprives the FAS Sector of individuals who produce research at the highest order and therefore of adding innovation and progress.
- Students fail to incorporate risk management, cloud-based accounting etc. into their skillset which negatively affects their employability. There are many people with the relevant qualifications, however they lack the relevant experience.

Importantly, training and development must be a continuous process. The emphasis should not only be on getting the unemployed into employment. Skills gaps need to be continuously addressed after one has been employed.

### **2.3.2 FOURTH INDUSTRIAL REVOLUTION (4IR) AND DIGITAL TRANSFORMATION**

While the key skills change drivers are greatly influenced by a myriad of factors, the 4IR and digital transformation takes centre stage. The FAS sector has had to invest in coherent organisation structures and increased technological connectivity to enable business continuity. Furthermore, digital transformation has become a powerful democratising force, providing access to networks and markets for many more people and businesses around the world. Through the peak of the pandemic there was an acceleration for the implementation of the 4IR as employees and employers were subjected to working remotely and see more automation of work.

There have been fears that 4IR and digital transformation will increasingly take over complex decision tasks, leaving little room for human interaction. It has been noted that while these systems do not replicate human intelligence, astoundingly they produce outputs that are beyond par when compared to those of humans. This has brought about the debate of the systems bringing about the demise of certain professions in the FAS Sector. However, it is empirical that humans collaborate closely with technology in order to exploit each of their strengths and compensate for their weaknesses.

The new technologies that have been introduced have had a direct impact, especially on problem-solving and decision-making in the workplace. Furthermore, digital transformation has become a powerful democratising force, providing access to networks and markets for many more people and businesses around the world. Some companies have gone as far as capacitating software developers to meet with the demands of the 4IR and assisting consultants pertaining to addressing issues related to 4IR. The emergence of the 4IR has also contributed to the escalation of Hard-To-Fill-Vacancies (HTFVs). Previously the top requirement for a job in finance was the ability to crunch numbers, which is no longer the case as advances in technology have changed that. Technology related change drivers such as Artificial Intelligence (AI), ChatGPT etc. will be delved on.

#### **2.3.2.1 ARTIFICIAL INTELLIGENCE**

The adoption of AI in finance and accounting departments has led to significant changes in the way businesses operate. AI has the potential to revolutionize corporate business operations by automating repetitive and time-consuming tasks, enabling companies to focus on fundamental aspects such as, strategic initiatives. AI technologies can provide insights which

can come across as great tasks for humans leading to more informed decisions and improved efficiency.

There have been significant developments by AI in finance departments, particularly in fraud detection, finance analysis, and risk management (Ribeiro, 2023). Ribeiro (2023) further argues that in fraud detection, AI is used to identify fraudulent transactions by analysing large amounts of data and identifying patterns that indicate potential fraud. Respondents further stated that this technology can identify fraudulent behaviour that may go unnoticed by humans leading to more accurate detection and prevention of fraudulent activity. AI is also used in financial analysis to analyse vast amounts of data and identify trends and patterns that may not be visible to humans (Ribeiro, 2023). It can further be said that this technology can provide valuable insights into market trends, consumer behaviour, and financial performance leading to more informed decision-making and improved business performance (ACPR, 2018).

AI is making significant changes in accounting departments, particularly in bookkeeping, financial reporting, and auditing. AI technologies can automate repetitive tasks, such as data entry, allowing accounting professionals to focus on more strategic initiatives. Several companies have expressed that there are more opportunities for accountants to create innovative new services and different organisational models, as well as serve entirely new markets and tap into fast-growing networks.

Importantly, while there are challenges to the accountancy profession as developments in AI empower and enable clients to obtain information and be more independent, the advantages offered by technology significantly outweigh the risks.

Stakeholders, especially those from big corporations, argued that intelligent systems assist accountants to provide more insight further along the value chain. More data, better predictions and more intelligent automation has enabled accountants to deliver more value, focus on forward-looking analysis and provide greater leadership to business. Some of the respondents stated that in a world of big data, these machine learning technologies will be vital to gaining insight from new and vast sources of data.

It is noteworthy that AI has made great strides in accounting departments, particularly in bookkeeping, financial reporting, and auditing. It could be argued that AI is a hinderance for the progression of professionals such as bookkeepers. However, it has assisted with automating repetitive tasks, such as data entry, allowing accounting professionals to focus on more strategic initiatives.

Companies have stated that Auditing has benefited from AI due to AI technologies having the capacity to analyse large amounts of data to identify potential errors or fraudulent activity which is a prerequisite for accurate and efficient audits. However, the implementation of AI systems favours the larger organizations compared to smaller organizations as more resources are required.

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### **2.3.3 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)**

ESG is the next wave of corporate transformation as it seeks to shift away from the conventional way of conducting business whereby investors were only inclined to the crunching of numbers. However, the focus has also shifted to the consideration of the environment, improving social conditions and promoting good governance. ESG is often classified as sustainable and socially responsible investment. It is noteworthy that in recent years ESG investments have been on an upwards spiral.

As organizations increasingly report ESG or sustainability-related information, investors, regulators and other stakeholders are placing greater emphasis on the reliability of this information. Studies show that investors prefer information that is assured. Organizations have expressed that addressing ESG factors helps them to manage their environmental and social imprint and determine their business risks and opportunities. To meet increasing stakeholder demands it has been detected that some businesses are shifting beyond the traditional ESG approach and are based on the SDGs which offer a realistic framework for ESG mapping at a higher level and can help to increase the adoption of sustainable investing. It also helps with encouraging responsible corporate behaviour and integrating sector and business specific ESG factors with broader social and global environmental goals.

Fundamentally ESG is more about crafting a tangible and practical plan that achieves sound results. Several of the respondents from the Focus Group Sessions highlighted that the success rate of ESG needs not be centred only on climate change, diversity and disclosure alone. The focal point should be embedding these principles across the business from investment to sustainable innovation. It is through such that investors seek for companies to keep a sharp focus on innovation and financial performance.

Studies also show that accountants and accounting firms have also expanded their role in the preparation and issuance of ESG information. That role includes identifying metrics to report developing ways to measure the metrics, developing processes and controls to produce and verify the information, and preparing ESG reports.

With the escalation of ESG reporting it could be said that the country is moving at a moderate pace pertaining to adapting to this significant change driver because it is noteworthy that at this juncture there are a few institutions in South Africa which tackle the green process, namely: SGS Academy: S.A and ACCA which offers a variety of qualifications and certificates which are ESG related. Institutions of higher education need to come to introduce more programmes and qualifications which talk to ESG reporting because companies and investors advocate for it. There is a shortage of people with the needed qualifications and experience.

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#### **2.3.4 ESCALATION OF LOADSHEDDING**

The impact of the rolling electricity blackouts has affected South Africa since 2008. However as of 2020 the impact across multiple sectors has escalated. It is noteworthy that the soaring electricity crisis impacts negatively on economic growth, investor confidence and business activity. In this context an understanding of the economic impact of load shedding is a critical consideration for all businesses in South Africa. The current electricity constraints are as a result of poor planning and flawed historical cost accounting policies on the part of Eskom and the South African government. Electricity constraints have also impacted the progression of another change driver, namely: 4IR. Organisations which are still in their early stages of incorporating 4IR in their business enterprises expressed that the current dilemma has been a ticking time bomb for business operations.

Investor confidence seems to be dwindling especially at an international level as a result of uncertainty created by the electricity crisis. Businesses that operate at an international level are faced with the challenge of constantly apologising to their counterparts about the network glitches driven by the load shedding. Businesses are finding it difficult to compete at an international level due to this setback. A FASSET survey (2023) revealed that 73.2% of respondents (n=201) indicated that loadshedding impacts their businesses to a great extent. A

further 80.5% (n=201) indicated that the poor economic performance of the country negatively impacts their businesses.

### 2.3.5 ETHICS

The Accounting and Auditing profession has been tainted with scandals. In recent years the FAS sector has been dealt blows from scandals such as the Steinhoff scandal, KPMG saga among other maladministration and corruption related sagas. Fewer young people want to venture to these professions due to the scandals. The changes in laws have also been a contributing factor as some of the work conducted by accountants and auditors has been on the firing line, with the act of negligence being scrutinized and put in the spotlight.

The country has been greylisted by the Financial Action Task Force (FATF), an intergovernmental organisation and finance watchdog that was established to combat money laundering, terrorist and proliferation financing as well as other threats to the integrity of the international financial system. Greylisting means that a country is under increased monitoring by the FATF due to certain deficiencies in its anti-money laundering and combatting the financing of terrorism and proliferation financing framework.

While it is said to be difficult to measure in absolute terms, greylisting is generally considered to be an effective means of incentivising countries to take action to comply with anti-money laundering best practices, as prolonged greylisting can impact a country's ability to participate in, and profit from international trade. While the greylist is designed to improve international safety and security by curbing money laundering and the financing of terrorism and proliferation, it can have indirect implications for a country's international reputation, financial system and economy, and can affect foreign investment, access to international financial services, and long-term prospects. Studies have shown that the action executed by the FATF is said to not be train smash as it will raise the standard of compliance in the country.

Studies have also shown that the direct impact will not be high, given the remedial action that has been taken. The expectations are that the greylisting could cause retraction in foreign direct investment into South Africa as investors gravitate towards economies with less uncertainty. Some of the remedial action undertaken has seen the establishment of the Fusion Centre which consists of bodies such as, the NPA, SIU, SARS, the Hawks, Crime Intelligence, State Security Agency and the FIC. Since the inception of the Fusion Centre there has been approximately a recovery of R1,75 billion in criminal assets. Further it has been noted that another of the key areas where South Africa will have to satisfy the FATF is in delivering prosecutions of those implicated in State Capture by the Zondo Commission report.

With anti-money laundering campaigns there has been an emergence of whistleblowing. However, whistleblowing has not reached its apex due to whistle-blowers not being granted the necessary protection. With that being the case there has been a decline in terms of whistle-blowers which could be seen as an impediment because the role that the play is a prudent one.

## 2.4 POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

The table below discusses the major national plans and strategies affecting skills demand and supply in the FAS sector. In addition, the implications for skills planning in the sector is dis-




cussed for each of the identified national strategies and plans. Furthermore, the table discusses the measures the SETA put in place in support of the national plans and strategies, including the Economic Reconstruction and Recovery Plan and its Skills Strategy.

**Table 9: Key plans and strategies impacting skills planning**

KEY PLANS AND STRATEGIES IMPACTING SKILLS PLANNING; IMPLICATIONS FOR SKILLS PLANNING; AND MEASURES THE SETA PUT IN PLACE	
<p><b>The Economic Reconstruction and Recovery Plan (ERRP) &amp; The Economic Reconstruction and Recovery Strategy</b></p> 	<p>FASSET’s mandate to facilitate skills development across the PSET pipeline is seen in the human resource development initiatives undertaken by the organisation. FASSET also aims to facilitate the timely and relevant upskilling of the FAS sector which is in line with the priority interventions outlined in the South African Economic Reconstruction and Recovery Plan (ERRP) of 2020 and the ERR Strategy of 2021 in response to the impacts of the COVID-19 pandemic.</p> <p>The ERRP details priority interventions to ensure the inclusive and sustainable recovery of the economy following the COVID-19 pandemic. The ERR Strategy has been located within skills planning and emphasises that skills development initiatives are critical enablers of economic recovery and reconstruction efforts. The ERR Strategy encourages institutions such as SETAs to concentrate on supporting skills planning, industry engagement, funding, and workplace-based learning toward this end.</p> <p>The mandate of FASSET aligns with the key enablers of recovery from COVID-19 as articulated in the ERR Plan and Strategy, which includes the roll-out of interventions to support economic recovery and development in line with changing global trends and technological advancement. The ERRP also calls for job creation initiatives to be achieved through infrastructure investment, reindustrialisation, growing small businesses, accelerating economic reforms, and improving the capability of the state.</p> <p>At present, the collaborative efforts between key FAS sector role-players are enabling job creation and entrepreneurship in the sector through increasing the flow of entrants into the sector and enterprise development initiatives. Fasset makes it its priority to spearhead job creation and reskilling and upskilling through its internship, learnership, WIL and WBL programmes. The ERRP also prioritises the economic inclusion of Black people, women, youth, persons with disability, and other disadvantaged groups into key sectors of the economy. The Employment Equity Act, 55 of 1998 and the Broad-Based Black Economic Empowerment (B-BBEE) legislation drive transformation in the FAS sector and are considered good practices.</p> <p>Accordingly, FASSET targets 85 Black Africans, fifty-four women, 4 people with disabilities and 80 youth in developing the supply of professionals in the sector.</p>
<p><b>The National Development Plan (NDP)</b></p> 	<p>While the ERRP was adopted to address the impact of COVID-19, the NDP is the anchoring framework for economic development in SA and prioritises improving the quality of education, skills development, and innovation. Improving the quality of education, skills development, and innovation is a method through which the reduction of inequality, poverty, and unemployment can be realised. Therefore, the role FASSET plays in its skills development programmes is essential to empowering learners and beneficiaries with the learning and training required to be employable in the FAS sector.</p>
<p><b>The National Skills Development Plan 2030 (NSDP)</b></p> 	<p>In line with the NSDP, which seeks to identify and increase the production of occupations in demand, link education and the workplace, improve skills levels in the workforce, and increase access to occupationally directed programmes, FASSET’s partnerships with employers, training providers, and professional bodies increase the opportunities for beneficiaries to acquire workplace-based experience through internships and learnerships. These partnerships, along with work-integrated learning (WIL) and lifelong learning (LL) initiatives, meet the demand for occupationally directed learning in the sector. They also help to improve the level of skills in the FAS workforce. Such programmes are mandatory for the reskilling and upskilling which is empirical in order to be competitive in this fast-changing sector.</p>
	<p>The WP-PSET and the NP-PSET together call for a well-capacitated, coordinated, and responsive PSET system in SA. The NP-PSET promotes a socially just, responsive, and</p>



**KEY PLANS AND STRATEGIES IMPACTING SKILLS PLANNING; IMPLICATIONS FOR SKILLS PLANNING; AND MEASURES THE SETA PUT IN PLACE**

<p><b>The White Paper for Post-School Education and Training (WP-PSET)</b></p>  <p><b>The National Plan for Post-School Education and Training (NP-PSET)</b></p> 	<p>coordinated PSET system that provides access to a diversity of education and training opportunities and is also the implementation framework for WP-PSET. The NP-PSET and the WP-PSET, which set out strategies to improve the capacity of the PSET system to meet SA’s needs, are reflected in the PSET system through the provision of programmes and curricula that are responsive to the needs of the world of work and society. Through its research, partnerships, performance reporting, and programme targets, FASSET sets out to be responsive to the skills needs of the sector and the wider economy. Since 2020, FASSET also implements monitoring and evaluation (M&amp;E) to ensure accountability and transparency. This is communicated to beneficiaries and role-players, such as the DHET, through FASSET’s annual reports, the five-year Strategic Plan (SP) and the Annual Performance Plan (APP). In addition, the Sector Skills Plan (SSP) is central to FASSET’s skills planning. The SSP informs FASSET as well as role-players in the industry of the economic trends in the sector and identifies occupational and skills shortages. Impact Assessment and Tracer studies are also pivotal in this regard.</p> <p>The findings in the SSP are subsequently interpreted to utilise the Discretionary Grant funding toward skills interventions that address the skills needs, gaps, and other critical areas identified through consultation with industry. Role-players such as training providers, employers, and professional bodies, are then able to come together in a coordinated manner to facilitate the skills interventions of FASSET, as envisioned by the WP-PSET and now NP-PSET.</p>
<p><b>The Human Resource Development Strategy for SA (HRDSSA)</b></p> 	<p>The HRDSSA is a 20-year Strategic Framework that guides the development of human resources. Finally, through creating and promoting skills development initiatives among workers, the unemployed, and those currently in the skills pipeline, FASSET facilitates the objectives of the HRDSSA in the FAS sector. The HRDSSA is a coordinated framework outlining eight critical commitments toward improving the PSET system and enhancing skills development among workers and the unemployed. FASSET, by overcoming shortages in the supply of individuals with critical skills for the sector, creating funding opportunities for previously disadvantaged groups, and responding to emerging trends, supports the development of an appropriately skilled FAS workforce in line with the key policies and strategies outlined here. All training interventions make every effort to align with equity targets.</p>
<p><b>Presidential Youth Initiative (PYEI)</b></p>	<p>The Presidential Youth Employment Initiative, a component of the Basic Education Employment Initiative (BEEI), was fundamentally established with the central objective of tackling the critical issue of youth unemployment while also stimulating the nation’s economy. Since the launch of the initiative in December 2020, great strides have been achieved with the number of youth gaining and enhancing critical skills and workplace experience being at a high pedestal. The initiative saw the introduction of Educator Assistants, General School Assistants, Curriculum Assistants, Enrichment Assistants amongst others. This initiative enhanced the chances of learners accessing higher education opportunities due to educators having considerable time to concentrate on teaching while the Educator Assistants tackle the nitty-gritty, such as the administrative aspects. The PYEI has been able to tackle the unemployment dilemma, has played a fundamental role in supporting the education sector and has enhanced skills of the youth which are the core aspects of what FASSET is about. Through this initiative the youth were provided with training in digital literacy, Artificial Intelligence amongst other skills.</p> <p>FASSET continues to be a driver of change as the challenge that was put to the table by the government through this initiative was taken as of paramount importance. FASSET continues to provide the youth with critical skills and enhance them through</p>

**KEY PLANS AND STRATEGIES IMPACTING SKILLS PLANNING; IMPLICATIONS FOR SKILLS PLANNING; AND MEASURES THE SETA PUT IN PLACE**

their internship programs, learnerships, lifelong learning and workplace-based learning which is an answer to answering the call of curbing youth unemployment. The programs offered by allow candidates to learn critical skills which allow them to transition accordingly to the 4IR just like some of the initiatives by the PYEI. The

**2.5 CONCLUSION**

The FAS Sector in its totality being a prudent role-player in the South African economy has experienced various setbacks with the continuous changes being an empirical factor has risen to the challenge and grabbed the bull by its horns. The change drivers in the FAS Sector have been tackled in-depth with the implications for skills planning and training being a focal point. It is envisaged that these change drivers have remarkable impacts and an amalgamation of institutions like SETAs and their stakeholders ought to put in place mechanisms to respond.



## 3 OCCUPATIONAL SHORTAGES AND SKILLS GAPS

### 3.1 INTRODUCTION

Chapter 3 explores hard-to-fill occupations as well as the skills gaps in the FAS sector. A hard-to-fill vacancy can be defined as a vacancy that an employer was unable to fill within 12 months or one that took longer than 12 months for the employer to find a suitably qualified and experienced candidate. This chapter also addresses issues of supply and demand in the sector and presents the updated Sectoral Priority Occupations and Interventions (SPO) list, previously PIVOTAL list.

FASSET monitors the occupational shortages in the sector by asking employers to identify in the annual mandatory grant applications the occupations in which they experience shortages. Questions regarding various indicators of occupational shortages are also asked of employers, professional bodies and education and training providers in surveys, interviews, and focus groups. These responses were used to inform the sections below.

### 3.2 SECTORAL OCCUPATIONAL DEMAND

#### 3.2.1 OCCUPATIONS THAT ARE HARD TO FILL

This section presents the occupations identified as hard-to-fill or that are considered “scarce skills” in the FAS sector. Hard-To-Fill Vacancies (HTFVs) are a strong labour market signal of occupational demand. They are typically defined as vacancies that employers are unable to fill within 12 months, or where it takes longer than six months to find a suitably qualified and experienced candidate. The section lists the HTFVs in the sector, identified through WSP submissions and described through the primary data collected.

A simplistic approach must not be applied in the analysis of skills shortages. Occupations cannot be viewed in isolation as many occupations on the Organising Framework for Occupations (OFO) draw skills from the same supply pipeline. In most cases, the required skillsets in different occupations are similar and transportable.

The method used to determine the scarce skills or HTFVs for this SSP Update entailed employers identifying such through their WSP/ATR submission. The employers indicated the number of positions that needed filling for each occupation for the upcoming period. The table hereunder lists the most HTFVs, including the total need of employees across sub-sectors for the upcoming period.

**Table 10: Occupational Shortages in the FAS sector, 2023**

Rank	FASSET Occupation Group	Occupation	Needed	Reasons
<b>1</b>	<b>Accountants and Auditors</b>	2021-241104 External Auditor	282	Lack of experience. High remuneration expectations.
		2021-241106 Accountant in Practice	98	Lack of qualifications.
		2021-4311 Accounting and Bookkeeping Clerks	48	Lack of experience.
		2021-121101 Finance Manager	42	Lack of qualification. Lack of experience. High remuneration expectations.
		2021-331303 Tax Technician	32	Lack of qualifications.
		2021-241103 Tax Professional	47	Lack of qualifications.
		2021-241107 Financial Accountant	19	Lack of experience.
		2021-331302 Accounting Technician	14	Lack of qualifications. Lack of experience.
		2021-2411 Accountants	10	Lack of qualifications. Lack of experience.
		2021-431301 Payroll Clerk	8	A lack of consulting environment exposure and system knowledge.
		2021-431103 Taxation Clerk	6	Lack of experience.
		2021-2413 Financial Analysts	5	Equity considerations.
		2021-241108 Forensic Accountant	4	Lack of qualifications. Lack of experience.
		2021-121102 Payroll Manager	3	Lack of experience.
		2021-132109 Quality Systems Auditor	1	Lack of experience.
		2021-241102 Management Accountant	1	Lack of experience.
2021-242209 Accounting Officer	4	Company location.		
2021-335201 Taxation Inspector	1	Lack of experience.		
<b>Total Needed</b>			<b>625</b>	
<b>2</b>	<b>ICT Professionals</b>	2021-251201 Software Developer	70	Lack of experience. Equity considerations.
		2021-311801 Draughtsperson	57	Lack of qualifications. Losing skills to emigration.
		2021-133103 Data Management Manager	38	Lack of qualifications.
		2021-251101 ICT Systems Analyst	37	Lack of experience.
		2021-251203 Developer Programmer	41	Lack of qualifications.
		2021-133104 Application Development Manager	31	Lack of experience.
		2021-252901 ICT Security Specialist	27	High remuneration expectations.
		2021-251202 Programmer Analyst	19	Lack of experience.
		2021-251102 Data Scientist	22	Lack of qualifications. Lack of experience.
		2021-216603 Multimedia Designer	14	Lack of experience.
		2021-133 Information and Communications Technology Service Managers	11	Lack of qualifications. Lack of experience.
		2021-252101 Database Designer and Administrator	13	Lack of qualifications. Lack of experience.
		2021-214102 Industrial Engineering Technologist	10	Lack of qualifications.
		2021-351401 Web Technician	10	Equity considerations.
2021-215301 Telecommunications Engineer	7	Lack of qualifications. Lack of experience.		

Rank	FASSET Occupation Group	Occupation	Needed	Reasons
		2021-2511 Systems Analysts	7	The skill is harder to find in the Market as this is not a generic IT role but requires specific App experience.
		2021-252301 Computer Network and Systems Engineer	10	Lack of qualifications. Lack of experience.
		2021-215103 Energy Engineer	6	Lack of qualifications.
		2021-133101 Chief Information Officer	7	Lack of qualifications. Lack of experience.
		2021-133105 Information Technology Manager	7	Lack of experience.
		2021-3513 Computer Network and Systems Technicians	4	Lack of qualifications. Lack of experience.
		2021-133102 ICT Project Manager	3	Lack of consulting experience and in-depth exposure of this role.
		2021-214908 Materials Engineering Technologist	3	Lack of qualifications.
		2021-216601 Digital Artist	3	Lack of suitable and qualified candidates with sufficient technical knowledge.
		2021-243402 ICT Business Development Manager	3	Lack of qualifications.
		2021-132104 Engineering Manager	2	Lack of tax experience and in-depth exposure of this role.
		2021-214 Engineering Professionals (Excluding Electrotechnology)	2	Lack of qualifications.
		2021-25 Information and Communications Technology Professionals	2	Lack of qualifications.
		2021-251 Software and Applications Developers and Analysts	4	Lack of experienced and qualified Sr BO Developer candidates.
		2021-251901 Computers Quality Assurance Analyst	2	Lack of qualifications. Lack of experience.
		2021-2166 Graphic and Multimedia Designers	1	Lack of qualifications. High remuneration expectations.
<b>Total Needed</b>			<b>473</b>	
<b>3</b>	<b>Actuaries and Statisticians</b>	2021-431101 Accounts Clerk	79	Equity considerations.
		2021-212101 Actuary	13	Lack of qualifications.
		2021-212103 Statistician	8	Difficult to find candidate to pass technical assessments.
		2021-331301 Bookkeeper	6	Lack of experience.
		2021-331401 Statistical and Mathematical Assistant	6	Equity considerations.
		2021-2121 Mathematicians, Actuaries and Statisticians	1	Lack of qualifications.
		2021-212102 Mathematician	1	Lack of qualifications.
<b>Total Needed</b>			<b>114</b>	
<b>4</b>	<b>Management Consultants</b>	2021-242101 Management Consultant	82	Lack of experience.
		2021-24 Business and Administration Professionals	56	Lack of experience.
		2021-121905 Programme or Project Manager	19	Lack of qualifications. Lack of experience.
		2021-121 Business Services and Administration Managers	17	Lack of experience.
		2021-264103 Technical Writer	7	High remuneration expectations.
		2021-33 Business and Administration Associate Professionals	7	Lack of experience.
		2021-334102 Office Administrator	7	Lack of FAS sector experience.
		2021-242102 Organisation and Methods Analyst	6	Equity considerations.

Rank	FASSET Occupation Group	Occupation	Needed	Reasons
		2021-242202 Policy Analyst	6	Difficult skill to find in the market, with consulting experience and in-depth exposure of this role.
		2021-1219 Business Services and Administration Managers not Elsewhere Classified	5	Equity considerations.
		2021-132107 Quality Manager	4	Lack of qualifications. Lack of experience.
		2021-1349 Professional Services Managers not Elsewhere Classified	4	Lack of experience.
		2021-262202 Information Services Manager	4	Lack of qualifications.
		2021-333401 Property Manager	4	Lack of qualifications.
		2021-411101 General Clerk	4	
		2021-441903 Program or Project Administrators	4	Lack of experience.
		2021-132202 Mineral Resources Manager	3	Lack of experience. High remuneration expectations.
		2021-112101 Director (Enterprise / Organisation)	3	Lack of industry knowledge.
		2021-121901 Corporate General Manager	4	Lack of qualifications. Lack of experience.
		2021-134906 Practice Manager	2	Lack of qualifications.
		2021-242203 Company Secretary	2	Equity considerations.
		2021-242210 Business Administrator	2	Lack of FAS sector experience.
		2021-334302 Personal Assistant	2	Lack of FAS sector experience.
<b>Total Needed</b>			<b>254</b>	
<b>5</b>	<b>Investment Practitioners</b>	2021-333907 Property Portfolio and Asset Manager	47	Lack of qualifications. Lack of experience.
		2021-241203 Investment Advisor	27	Lack of qualifications.
		2021-241201 Investment Analyst	23	Lack of qualifications. Lack of experience.
		2021-241301 Financial Investment Advisor	19	Lack of experience.
		2021-242207 Compliance Officer	19	Difficult skill to find in the market, with consulting experience and in-depth exposure of this role.
		2021-331101 Securities Dealer	8	Lack of qualifications. Lack of experience.
		2021-241202 Investment Manager	9	Lack of qualifications.
		2021-241 Finance Professionals	6	Lack of qualifications.
		2021-2412 Financial and Investment Advisors	2	Lack of qualifications. Lack of experience.
		2021-331201 Credit or Loans Officer	3	Lack of qualifications.
		2021-331501 Valuer	2	Lack of qualifications.
		2021-431201 Insurance Administrator	2	Lack of experience.
<b>Total Needed</b>			<b>167</b>	
<b>6</b>	<b>Internal Auditor and Risk professionals</b>	2021-242211 Internal Auditor	73	Lack of experience.
		2021-121104 Internal Audit Manager	13	Lack of qualifications. Lack of experience.
		2021-242208 Organisational Risk Manager	12	Difficult skill to find in the market, with in-depth exposure of this role.
<b>Total Needed</b>			<b>98</b>	

Rank	FASSET Occupation Group	Occupation	Needed	Reasons
7	Human Resources and Related Professionals	2021-121201 Human Resource Manager	15	Lack of qualifications. Lack of experience.
		2021-121202 Business Training Manager	7	Equity considerations.
		2021-226302 Safety, Health, Environment and Quality (SHE&Q) Practitioner	2	Lack of experience.
<b>Total Needed</b>			<b>24</b>	
8	Client Information Workers & Customer Service	2021-421401 Debt Collector	42	Lack of experience.
		2021-422202 Outbound Contact Centre Consultant	25	Hard to hold on to staff as they leave for alternate employment.
		2021-143905 Call or Contact Centre Manager	11	Lack of experience.
<b>Total Needed</b>			<b>78</b>	
9	Sales and Marketing Professionals	2021-122101 Sales and Marketing Manager	17	Lack of experience.
		2021-243102 Market Research Analyst	8	Lack of qualifications. Lack of experience.
		2021-264201 Copywriter	7	Lack of qualifications.
		2021-333201 Events Manager	7	Lack of experience.
		2021-122102 Sales Manager	3	Lack of experience.
		2021-122104 Interactive and Direct Marketing Strategist	4	Fairly new occupation in South Africa.
		2021-122103 Director of Marketing	2	Lack of qualifications and skill.
		2021-332201 Commercial Sales Representative	2	Lack of experience.
2021-333406 Property Lease Administrator	2	Lack of experience.		
<b>Total Needed</b>			<b>55</b>	
10	Legal Professionals	2021-261101 Attorney	5	Lack of qualifications.
<b>Total Needed</b>			<b>5</b>	

Source: WSP/ATR 2023.

The table reflects HTFV data from 2023 WSP/ATR submissions. In the previous SSP, many Client Information Workers and Customer Service occupations were identified as the most difficult to fill for the sector. Now, when the impact of the pandemic on the labour market has stabilised, employers have identified more broad occupational categories in the scarce skills/HTFV list. The submissions in 2023 indicate a higher need for Accountants and Auditors occupations, totalling to a need of 625 positions. This is confirmed by the FASSET survey where many of the respondents listed External Auditor, Accountant in Practice, Accounting Technician, Accounts Clerk and Tax Professionals as HTFV (FASSET Survey, 2023).

Interviews with stakeholders in the sector highlighted the need for Risk Managers in the FAS sector. According to stakeholders, regulation in the sector is moving from rule-based to risk-based and people are needed to understand the risks their businesses are facing. In addition, because of the changes in systems and market operations in the FAS sector, there is an increasing need for quantitative scientists, big data experts and data engineers– “at the moment, the whole world is trying to get their head around machine learning, and the math algorithm and analytical thinking sitting behind that” (Stakeholder interview, 2023).


Stakeholders in the sector state that they are struggling to fill entry level positions and as such there is a shortage of Chartered Accountants at entry level (Stakeholder interview, 2023).




In the list above, Forensic Accountant is listed as a HTFV. A FASSET (2022b) study on Fraud Examiner and Forensic Auditor Occupations found that these occupations are particularly important in the sector as there is a constant need for fraud and forensic services. The study further found that there is a great shortage of people with these occupations in the sector. Despite this, when hiring Forensic auditors and Fraud examiners, experience is needed. Employers require no less than 5 years of experience.

### 3.2.2 MAJOR SKILLS GAPS IN THE SECTOR

The major skills gaps evident in the sector were identified, validated, and updated through stakeholder interviews, stakeholder focus groups as well as the 2023 FASSET survey administered to employers within the FAS sector. The table below lists the skills gaps per entry, lower, middle and senior level occupations.

**Table 11: Critical skills gaps across broad occupational levels**

Broad Levels	Occupational Levels	Occupations	Critical Skills Gaps
<b>Entry</b> 	Graduate workers, trainees, junior professionals	2021-241106 Accountant in Practice 2021-331401 Statistical and Mathematical Assistant	Computer literacy skills Basic professional competence & etiquette Communication (online & interpersonal) Time management skills Self-management skills Sense of urgency & responsibility Critical thinking Analytical thinking Adaptability Work ethics

Broad Levels	Occupational Levels	Occupations	Critical Skills Gaps
<b>Lower</b> 	Clerical support workers, service and sales, trade workers, elementary occupations	2021-441903 Program or Project Administrators 2021-431201 Insurance Administrator 2021-431101 Accounts Clerk 2021-411101 General Clerk 2021-422202 Outbound Contact Centre Consultant 2021-431301 Payroll Clerk 2021-431103 Taxation Clerk 2021-421401 Debt Collector	Communication skills Computer skills – MS Excel Customer service Complex problem solving Negotiating skills Self-management Time management Emotional Intelligence
<b>Middle</b> 	Professionals, technicians, and associate professionals	2021-226302 Safety, Health, Environment and Quality (SHE&Q) Practitioner 2021-242211 Internal Auditor 2021-241301 Financial Investment Advisor 2021-212101 Actuary 2021-212103 Statistician 2021-252301 Computer Network and Systems Engineer 2021-332201 Commercial Sales Representative 2021-331302 Accounting Technician 2021-333401 Property Manager 2021-333907 Property Portfolio and Asset Manager	IT-related skills Advanced MS Excel skills Time management skills Negotiation skills Critical thinking and analytical skills Supervising skills Project management Complex problem solving Operational advisory services
<b>Senior</b> 	Managers	2021-242208 Organisational Risk Manager 2021-121101 Finance Manager 2021-133101 Chief Information Officer 2021-133102 ICT Project Manager 2021-121905 Programme or Project Manager 2021-121104 Internal Audit Manager 2021-121201 Human Resource Manager 2021-121202 Business Training Manager	Emotional intelligence High-level leadership skills Managing remotely Change management Conflict management skills Negotiating & networking skills Entrepreneurial skills Complex problem solving Creative & integrative thinking Outcome-driven Management skills ICT skills (Specifically Big Data analysis) Communication skills

Some of the skills gaps identified above are applicable across the spectrum, particularly skills in relation to technology. A study commissioned by FASSET (2022c) on transforming the finance and accounting services sector through professional designation found that the FAS sector has not been spared the phenomenon of the 4IR. The study further found that majority of the professional bodies are incorporating issues of data analysis. This is done because professionals in the sector are known to deal with a lot of data. Digitalisation has also been introduced to fast-track the concept of remote work. It was found that skillsets of employees

in the sector need to be reskilled and upskilled to stay abreast of the latest technological developments.

### 3.2.3 INCREASINGLY NEEDED OCCUPATIONS AND SKILLS

Diagrams 1 and 2 below illustrate the occupations and skills that are increasing in need in the FAS sector, identified through focus groups with industry.

Diagram 1: Occupations increasing in need in the FAS sector



Diagram 2: Skills increasing in need in the FAS sector



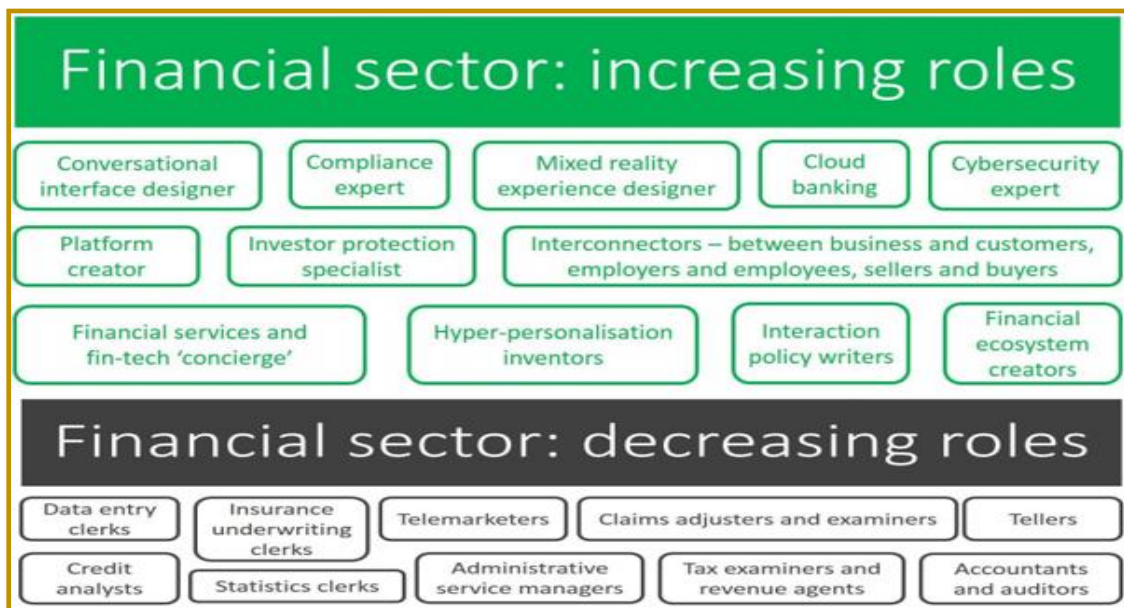
With the advent of the 4IR, digital skills demand has been sharply increasing, signalling the need for investment in relevant skills for future industry survival. The general sentiment is that basic digital skills will be the new numeracy and literacy skills, and that traditional occupations will shift where workers are required to take on multiple functions and tasks. The skills needed to fill emerging occupations will also require hybrid skillsets which integrate technological/digital skills into existing roles. This means most professionals will need to have ICT competencies in the future. Industry states that this will protect jobs, and occupations are



unlikely to become obsolete where workers can upskill and re-skill to accommodate new trends. This is supported by a FASSET study on exploring occupational changes and emergence of new occupations and skills (2022a). The study states that “it is imperative that computer skills are reskilled and upskilled because the number of jobs which require it are growing at a rapid scale”. In addition, several soft skills have increased in demand as a result of emerging technologies. These include problem solving, communication, and critical thinking (FASSET, 2021b). With continuous professional development (CPD) in key occupations and soft skills, it was found that employees would remain competitive and coexist with emerging technologies. However, this is dependent on their ability to adapt and learn new skills.

In terms of redundant occupations, the FASSET (2022a) study states that it is unlikely for technological advancements to render occupations in the FAS sector, such as accountants as obsolete. AI will make the basic accounting tasks faster and be done more efficiently and will also allow accountants to focus on high-impact and high-quality tasks. As such, it may reduce the need for accountants to do process-driven or repetitive bookkeeping tasks (FASSET, 2022a). This is supported by a FASSET study on the impact on skills development and training of the financial and accounting services sector in the midst of emerging technologies (2021b). The study found that for more repetitive tasks that can be easily replaced by 24 hour working bots and AI code, the sector should brace for near future job losses. Furthermore, occupations likely to be impacted by emerging technologies are accountants, auditors, bookkeepers, tax practitioners and data capturers. However, these occupations will not become obsolete, emerging technologies will change the way in which they operate. It was found that with sufficient CPD, most workers are likely to retain their jobs. In fact, it was found that due to emerging occupations, several jobs will likely be created as a result of the adoption of emerging technologies. These include data scientists, product designers, digital auditors, AI & Robotics managers, cybersecurity specialists, among others.

The figure below provides a list of financial sector increasing roles and decreasing roles, based on research conducted by FASSET (2022a)



Source: FASSET, 2022a

FASSET should strive to incorporate future skills needs in current interventions; workers in the coming years will be expected to have ICT competencies from the beginning. To facilitate these ICT competencies, stakeholders in the sector highlight the importance of high levels of Mathematics by people entering the FAS sector. Currently, there is an insufficient quantity of people with Mathematics skills entering the sector – “we need to understand the maths for algorithms, for coding, distributed ledger, technology and big data” (Stakeholder interview, 2023).

In addition, as the sector becomes more used to remote work, there will be need for professionals in the FAS sector to adopt strong Work from Home (WFH) ethics, as well as privacy and confidentiality across occupation levels. Findings from professional bodies indicate that FAS curricula should shift away from theory- and programme-based knowledge approaches towards competencies of technology, business acumen, and ethics and conduct. Normal pathways will not ensure work-readiness for future workers.

### 3.3 EXTENT AND NATURE OF SUPPLY

#### 3.3.1 ENTRY ROUTES INTO THE SECTOR

There are several learning pathways to create new skills in the sector, and several routes are available for those who want to work permanently in the sector. Common entry requirements for most qualifications in the FAS Sector include proficiency in Mathematics, English, and Accounting.

#### 3.3.2 EDUCATION AND TRAINING AT TVET LEVEL

The main groups of providers of education and training at entry level are the formal school system, public and private TVET institutions, and professional bodies such as the ICB, the AAT and the IBM in collaboration with employers.

##### a) Senior Certificate

Senior certificate examination results are the baseline gateway for the supply of accounting and other professional skills, with a key indicator being the pass rates in accounting and mathematics. Grade 12 Mathematics is a prerequisite for tertiary studies in most of the study fields relevant to FASSET. Grade 12 Accounting is, however, not a prerequisite for entry into Higher Certificate, Diploma or Degree programmes in the finance and accounting field.

Nevertheless, many students who are interested in the finance and accounting field select Accounting as a subject at school level. Bookkeepers and Accounting Clerks could, however, be drawn from Grade 12 learners who have Mathematics and Accounting as subjects. Pursuing Accounting at the school level can spark learners’ interest in pursuing accounting as a career.

To gain admission to tertiary programmes in most professional study fields in the labour market, a grade of 30% or more in the National Senior Certificate (NSC) is required. The table below gives a summary of the Grade 12 enrolments and completions for 2018–2022.

**Table 12: Grade 12 statistics: 2018–2022**

Number of learners who:	2018		2019		2020		2021		2022	
	N	%	N	%	N	%	N	%	N	%
Wrote Grade 12	512 735	100	504 303	100	578 468	100	704 021	100	834 565	100
Achieved Grade 12	400 761	78	409 906	81	440 702	76	537 687	76.4	580 555	80.1
Wrote Mathematics	233 858	46	222 034	44	233 315	40	259 143	36.8	269 734	32.3
Achieved Mathematics (30% and more)	135 638	26	121 179	24	125 526	21.7	149 177	21.2	148 346	17.8
Wrote Accounting	90 278	18	80 110	16	92 767	16	105 894	14.9	104 789	12.6
Achieved Accounting (30% and more)	65 481	13	62 796	12	70 014	12.1	79 093	11.2	78 993	9.5

*\*2019 per subject reporting changed from above 40% to above 30% by the Department of Basic Education.*

*Source: Adapted from Department of Basic Education (DBE, 2023a); (DBE, 2023b); (DBE, 2022)*

The table above shows that 32.3% of learners that took the 2022 Matric exam wrote Mathematics, and the achievement percentage was 17.8% of the total (with a subject national pass rate of 55.0%). Additionally, 12.6% of learners that took the 2022 Matric exam wrote Accounting, and the achievement percentage was 9.5% of the total (with a subject national pass rate of 75.4%). Results show that while pass rates for both subjects were positive, there were still declines in the overall proportion of students pursuing entry subjects into the FAS sector.

#### **b) TVET Colleges Education and Training in the Finance and Accounting field**

There are 50 TVET Colleges in South Africa, which collectively have more than 264 campuses. The main programmes offered at TVET colleges in South Africa are the National Certificate (Vocational) (NCV) and the National Accredited Technical Education Diploma (NATED) (N1–N6). The majority of TVET Colleges offer the NCV in Accounting, Economics, and Finance. This NCV creates an alternative to an academic Grade 10 to 12 for learners by providing them with specialised training on NQF levels 2 and 4. The NCV is a three-year programme composed of three certificates obtained on NQF levels 2, 3, and 4. NCV programmes consist of a vocational component and a fundamental component. The fundamental component focuses on language and mathematical skills. The vocational component for the NCV in Finance, Economics, and Accounting covers Applied Accounting, Economic Environment, Financial Management, and New Venture Creation.

The purpose of this programme is to equip students to become self-employed or work in the financial, economics and accounting sector. The qualification gives graduates skills to perform accounting duties; keep records of wages, salaries, petty cash and Value Added Tax (VAT); do reconciliations; prepare financial statements; manage budgets; and analyse the finances of a business. The qualification also prepares graduates for career opportunities in Accounting (Private and Public), Banking, Financial Services, Investment Services, and Insurance Services.

Most TVET Colleges also offer NATED programmes at NQF levels 4 to 6 in Financial Management, Business Management, or both. Upon successful completion of the programmes, graduates obtain either a national certificate or a national diploma. Completion of these programmes equips the graduates for career opportunities such as Financial Management, Credit Management, Bookkeeping, Financial Accounting, Debtors/Creditors, and Banking.

**Table 13: Enrolment in TVET Colleges: 2013–2021**

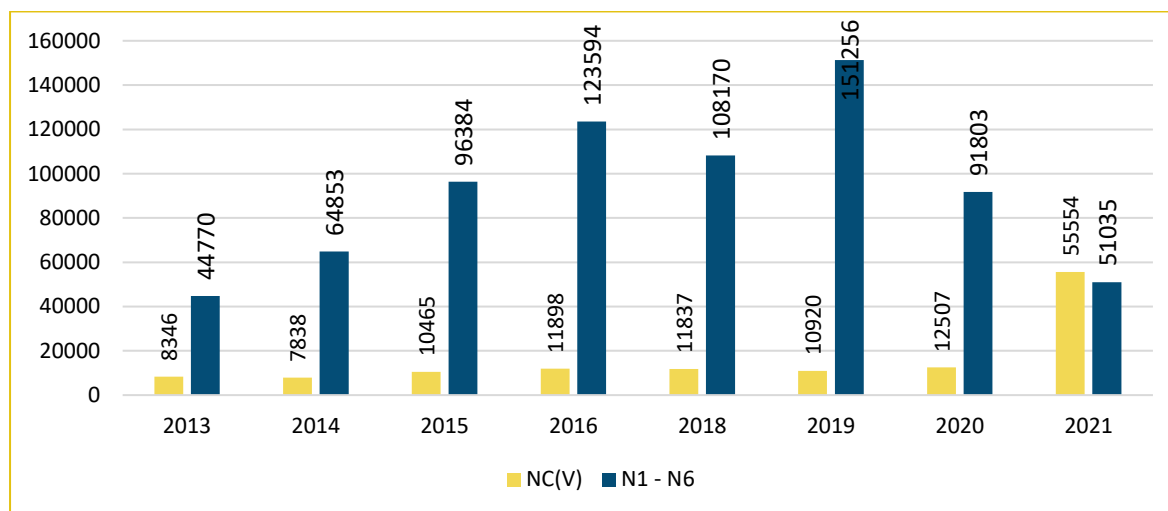
Qualification Category	2013	2014	2015	2016	2017	2018	2019	2020	2021
NC(V)	154 960	166 433	165 459	177 261	142 373	131 212	138 912	146 637	141 768
(N1-N6)	442 287	486 933	519 464	492 026	510 153	482 175	494 070	274 907	416 949
<b>Grand Total</b>	<b>597 247</b>	<b>653 366</b>	<b>684 923</b>	<b>669 287</b>	<b>652 526</b>	<b>613 387</b>	<b>632 982</b>	<b>421 544</b>	<b>558 717</b>

*\*Excludes enrolment data for Occupational Qualifications, Other, and PLP as reported.*

*Source: Statistics on Post-schools Education & Training in South Africa: 2023*

There was an overall increase in enrolments between 2020 and 2021, from 421 544 to 558 717 enrolments in TVET colleges. However, there was a slight decrease in NC(V) enrolments to 141 768 in 2021 when compared to 146 637 in 2020. On the other hand, there was a significant increase in N1-N6 enrolments to 416 949 in 2021 compared to 274 907 in 2020.

**Figure 15: Completions in TVET Colleges: 2013-2021**



*\*Data on completions for the 2018 year was not included in the 2018 report*

*Source: Statistics on Post-schools Education & Training in South Africa Reports: 2016-2023*

The figure above shows that completions statistics mirror enrolment statistics in terms of the general trend. There was a steady increase in completions from 2013 to 2019 (interrupted with 2018 N1-N6 completions), followed by a dip in 2020, reflecting the pandemic’s impact and then an increase in 2021.

It should be noted that completions increased from 12 507 in 2020 to 55 554 in 2021 for NC(V) qualifications and decreased from 91 803 in 2020 to 51 035 in 2021 for N1-N6 qualifications.

### c) Professional Body Qualifications at TVET Level

The table below shows the FASSET learnerships at NQF levels 3 and 4 registered with SAQA. These learnerships serve as entry routes to occupations, membership of the professional bodies, and the designations conferred by the professional bodies. However, most of the learners are based in organisations that do not fall within the FAS sector.

**Table 14: Learnerships at TVET level**

Learnerships	NQF Level	Professional Body
Certificate: Accounting Technician	3	AAT
Certificate: Local Government Accounting	3	AAT
National Certificate: Bookkeeping	3	ICB
National Certificate: Business Administration	3	CSSA
Further Education and Training Certificate: Accounting Technician	4	AAT
Further Education and Training Certificate: Bookkeeping	4	AAT
Further Education and Training Certificate: Debt Recovery	4	FASSET
Further Education and Training Certificate: Local Government Accounting	4	AAT
National Certificate: Management and Administration	4	CSSA
National Certificate: Public Sector Accounting	4	AAT
National Certificate: Small Business Financial Management	4	ICB

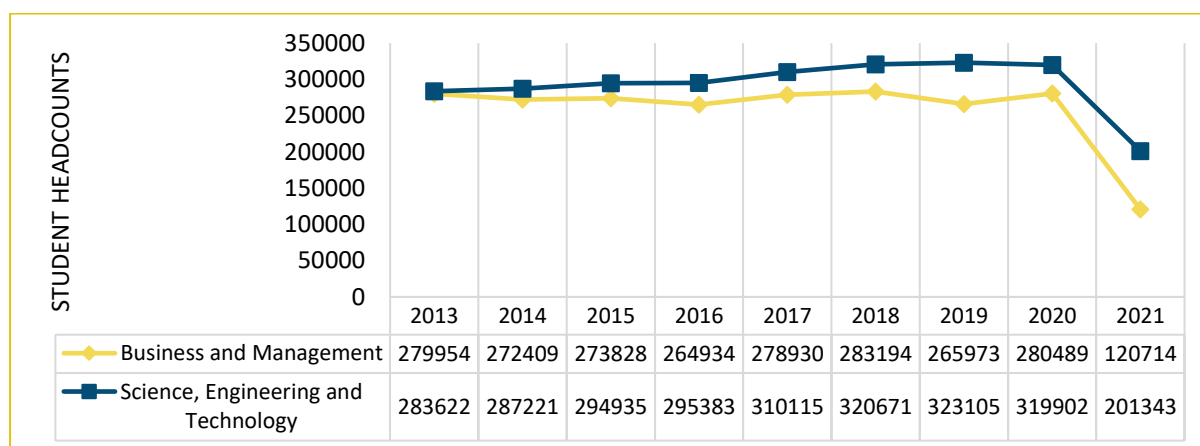
Source: South African Qualifications Authority, Registered Qualifications, 2021

Several of the professional associations offer registered qualifications, some of which are also internationally recognised. Preparatory education for the qualifying assessments is offered by some of the public as well as private TVET Colleges, while the qualifying assessments are generally set by the professional bodies.

### 3.3.3 HIGHER EDUCATION INSTITUTIONS

The sector is also supplied by graduates coming from South African Higher Education Institutions (HEIs). This section presents statistics on enrolments into HEIs, as well as completions in subjects most relevant to the FAS sector.

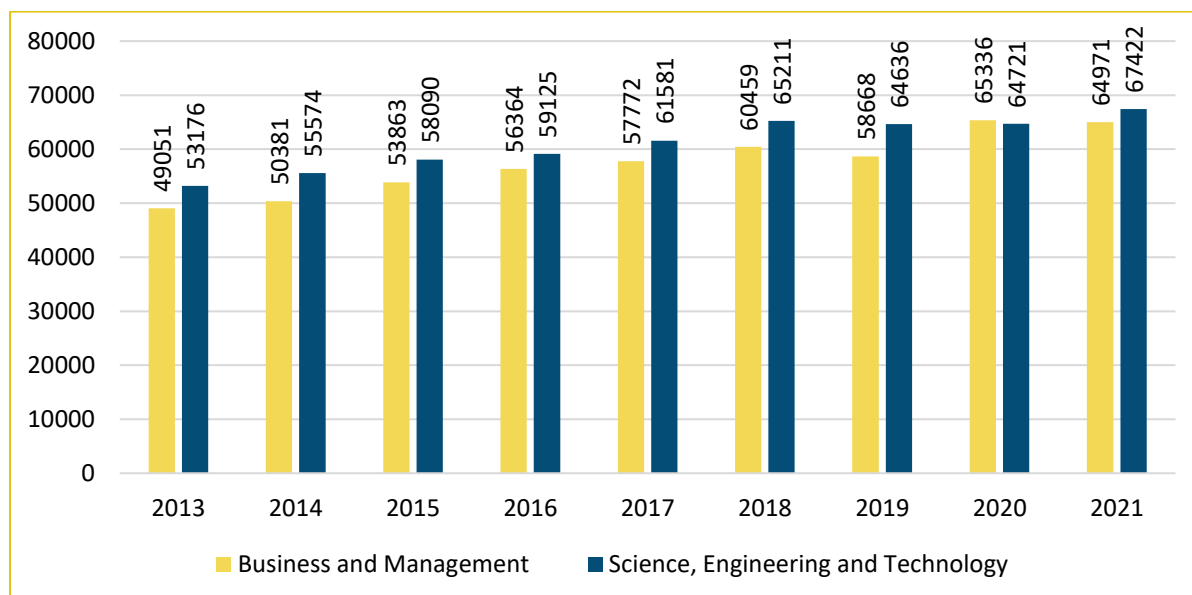
**Figure 16: Enrolments into HEIs in SET plus Business & Management subjects: 2013-2021**



Source: Statistics on Post-schools Education & Training in South Africa Report: 2023

After a gradual increasing trend in enrolments in SET and Business and Management subjects at HEIs between 2013 and 2020, there was a sharp decline in enrolments in 2021. This decline in enrolments is concerning for stakeholders in the sector as the sector is already experiencing a shortage of professionals such as accountants and auditors (Stakeholder interview, 2023).

**Figure 17: Completions from HEIs in SET plus Business & Management subjects: 2013-2021**



Source: Statistics on Post-schools Education & Training in South Africa Report: 2023

Completions from South African public HEIs in relevant subjects steadily increased between 2013 and 2021, indicating a general increase in the level of potential skills supply for the finance and accounting services sector.

It should be noted that completions remain well below enrolments overtime. Stakeholders in the sector state that too few students gain access to university and when they do gain access, they are ill prepared for university – “a challenge in terms of both quantity and quality” (Stakeholder interview, 2023). According to stakeholders, the South African schooling system does not adequately prepare students for university. This makes it very difficult for them to successfully complete their education programmes. As such, many of them take longer than the minimum years to complete (Stakeholder interview, 2023).

With the FAS sector requiring additional learning after completing a university degree, the quantity of individuals supplied to the sector is further reduced – “the retention as people move through the system is quite low... It is a high attrition rate” (Stakeholder interview, 2023).

### 3.3.4 FAS SECTOR LEARNING PROGRAMMES

According to the Statistics on Post-School Education and Training in South Africa 2021 (DHET, 2023); the actual number of employees registered for FASSET-supported Learnership programmes exceeds the number that was planned. The table below shows that with FASSET-supported Skills Programmes however, the number registered is significantly lower than planned. Furthermore, the actual number of FAS sector employees that were certified in a Learnership programme is more than what was planned, 190 planned compared to 246

achieved. And the number of people certified in FASSET-supported Skills Programmes is far less than what had been planned. The DHET report shows that the underachievement recorded for SETA-supported Skills Programmes was a trend across fourteen SETAs, as they did not reach their targets for Skills programmes certifications.

**Table 15: Number of Workers Registered and Certified in FASSET-supported Learning Programmes, by programme type, 2021/2022**

FASSET	Learnerships			Skills Programmes			Total target	Total actual
	Target	Actual	Achieved (%)	Target	Actual	Achieved (%)		
Workers registered	310	349	112,6%	24 500	10	0,04%	24 810	359
Workers certificated	190	246	129,5%	24 500	1 932	7,9%	24 690	2 178

Source: Statistics on Post-School Education and Training in South Africa: 2021 (DHET 2023)

**Table 16: Number of unemployed persons registered and certificated for SETA-supported learning programmes, by programme type, 2021/22**

FASSET	Learnerships			Internships			Skills Programmes			Total target	Total actual
	Target	Actual	Achieved (%)	Target	Actual	Achieved (%)	Target	Actual	Achieved (%)		
Unemployed persons registered	4 896	5 163	105,5%	960	1 136	118,3 %	4 495	5 781	128,6%	10 351	12 080
unemployed persons certificated	2 450	2 942	120,1%	0	0	n.a	1 687	234	13,9%	4 137	3 176

Source: Statistics on Post-School Education and Training in South Africa: 2021 (DHET 2023)

The PSET report shows that FASSET was more focused on supporting the learning of unemployed people in their Learnership programmes, as the number not only exceeds what was planned but also exceeds the number of learnerships for workers planned. Similarly, the number of unemployed people registered for FASSET-supported Internships and Skills programmes have exceeded what the SETA had planned. The number of unemployed people certificated in FASSET-supported Skills programmes was a lot less than the planned target. As shown above, there were no Internship recorded at this time.

When looking at the actual numbers, the tables above show that FASSET provides more support to unemployed persons than employed persons. This is generally supported by stakeholders in the sector when asked whether the SETA should focus more on the employed or unemployed (Stakeholder interview, 2023). The table below provides a more detailed analysis on FAS sector qualifications provided by the Higher Education Management Information System (HEMIS).

**Table 17: Number of enrolments and graduates for FAS sector specific qualifications, 2021**

Qualifications	Number of Enrolments	Number of Graduates
ACCOUNTING AND RELATED SERVICES	85 435,083	19 000,75
FINANCE AND FINANCIAL MANAGEMENT SERVICES	20 205,5	4 869,667
MANAGEMENT SCIENCES AND QUANTITATIVE METHODS	3 217,25	910,583
TAXATION	3 498,583	1 181

Source: HEMIS, 2023



As shown above Accounting and Related Services has the highest number of enrolments (85 435,083) and graduates (19 000,75), with Finance and Financial Management Services coming in second (enrolment: 20 205,5 | graduates: 4 869,667). On the other hand, Management Sciences and Quantitative Methods (enrolment: 3 217,25 | graduates: 910,583), and Taxation (enrolment: 3 498,583 | graduates: 1181), has the lowest numbers of enrolments and graduates.

An undergraduate qualification at a SAICA-accredited university is the first step towards becoming a chartered accountant. This is followed by the completion of a SAICA-accredited Postgraduate Diploma in Accounting (PGDA), previously known as the Theory of Accounting (CTA) programme, or equivalent on NQF level 8 that allows access into the first of two qualifying examinations: the first being SAICA’s Initial Test of Competence (ITC) previously known as Part I of the Qualifying Examination. Previously this was followed by a Part II examination, which was replaced in 2014 by the Assessment of Professional Competence (APC).

During 2022, 6 201 students enrolled in the PGDA and 2 073 completed (a 33% pass rate). There was both a decline in enrolments and completions when compared to 2021, which saw 7 350 students enrolling and 3 297 students completing. A similar trend is observed for the ITC and APC enrolments and completions. For ITC, 5 889 students enrolled in 2021 and 3 682 students completed, before 4 612 students enrolled in 2022 and 2 153 students completed. For APC, 4 928 students enrolled in 2021 and 3 549 students completed, before 4 671 students enrolled in 2022 and 2 711 students completed. The decrease in enrolments and the pass rate can be ascribed to the impact of COVID-19 pandemic.

### 3.3.5 EDUCATION AND TRAINING IN THE WORKPLACE

The education and higher learning streams lead to skills and training in the workplace for appropriately qualified individuals. For the FAS sector, as shown on Diagram 3, the following workplace-based learning programmes relevant:

**Diagram 3: FASSET workplace-based learning programmes**

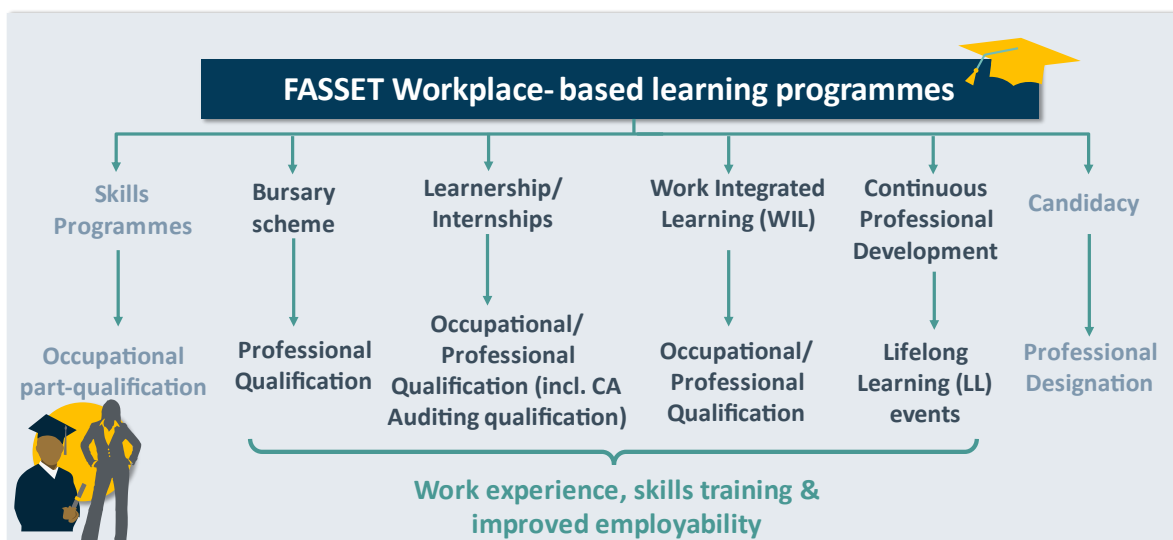




Diagram three above demonstrates the range of workplace-based learning programmes for the sector, which include the following.

- a) **Bursary schemes** are programmes that support unemployed individuals toward the achievement of undergraduate or postgraduate qualifications, issued by an accredited or registered formal institution of learning. The programme is primarily based on theoretical knowledge; however, some institutions have a work experience component (sometimes called an internship) as part of the credits required to complete the qualification.
- b) **Learnerships and internships** are workplace-based education and training programmes that are typically 12–18 months long. Learnerships also lead to an NQF registered qualification. Employers in the FAS sector play a crucial role in the successful implementation of learnerships and internships as they provide the workplace experience component critical in the formation of entry-level skills. Most of the **professional body qualifications** in the sector are achieved through learnerships. In certain components of the sector, such as accounting and auditing firms, learnerships have become institutionalised, and employers actively participate in the development of the learners who are registered with them. Since 2001, the majority of all completed FASSET learnerships were for the Chartered Accountant: Auditing qualification, which is administered by SAICA and forms part of the CA learning pathway. Other common learnerships completed in the sector are the TVET Certificate: Debt Recovery (NQF level 4); the National Certificate: Business Administration Services (NQF level 2); the Post-Graduate Diploma: Professional Accountant in Practice (NQF level 8); and the Certificate: Public Sector Accounting (NQF level 4).
- a) **Work-Integrated Learning (WIL)** refers to the workplace experience components of certain qualifications. These qualifications range from National Diplomas conferred by TVET colleges and the qualifications offered by Universities of Technology (UoT) to the Quality Council for Trades and Occupations (QCTO) qualifications. WIL is aimed at providing students with the opportunity to acquire all the competencies and skills needed to be successful in the labour market. If WIL leads to formal Sectoral Priority Occupations and Interventions (SPOI) qualifications, the training is eligible for grants from the SETAs and points on B-BBEE scorecards. WIL programmes can also lead to the achievement of credits that are awarded for registered unit standards, continued professional standards, and improved performance or skills. WIL also leads to the achievement of **part-qualifications**, quality-assured through the QCTO and assessed through an accredited body.
- b) A compulsory requirement to retain a professional body membership in the FAS sector is that employed professionals undergo **continuous professional development (CPD)** and earn CPD points. CPD plays an important role in skills formation in the sector. CPD centres on **lifelong learning** to ensure that all professionals are kept abreast of all factors impacting their industry. Most of the professional bodies are actively involved in the provision of CPD and/or in the accreditation of providers who offer CPD. Organisations in the sector also provide in-service training to their employees.

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### 3.3.6 SUPPLY PROBLEMS EXPERIENCED IN THE SECTOR

The table below presents the supply problems facing the FAS sector. Informants in the various stakeholder focus groups, stakeholder interviews and FASSET survey (2023) indicated that existing supply problems will be amplified by the impact of emerging technologies. Most of

the problems listed however, are multiform, complex, and rooted in the skills formation pipeline.

**Table 18: Key challenges in skills formation in the FASSET sector**

Key point in pipeline		Key Challenges
Basic Education	School	<ul style="list-style-type: none"> <li>• Low number of Maths passes</li> <li>• Poor (or in some cases no) career guidance</li> <li>• Accounting not a prerequisite for entry into qualifications</li> </ul>
	TVET Colleges	<ul style="list-style-type: none"> <li>• Poor alignment of curriculum/syllabus with new industry practice</li> <li>• Poor lecturer capacity, i.e., no practical work experience</li> <li>• Limited access to or availability of work placements</li> <li>• Perception around quality of transformed candidates produced through TVET stream versus traditional university</li> </ul>
HEI Level	Professional body qualifications	<ul style="list-style-type: none"> <li>• The high demand for FAS qualifications outside FASSET’s scope</li> <li>• Lack of available work experience for completion of qualifications</li> </ul>
	First degrees and diplomas	<ul style="list-style-type: none"> <li>• Lack of or inadequate funding of fees and living expenses (particularly those who are unable to access NSFAS bursaries)</li> <li>• Low throughput rates</li> <li>• Inadequate number of suitably qualified academic staff</li> <li>• Qualifications are theory-based and lack WIL component</li> </ul>
	Postgraduate degrees	<ul style="list-style-type: none"> <li>• Limited and inadequate funding for fees and living expenses</li> <li>• Low pass rate on CTA</li> <li>• Inadequate number of suitably qualified academic staff</li> </ul>
Workplace	Professional body qualifications	<ul style="list-style-type: none"> <li>• Insufficient number of learners progress to professional status</li> <li>• Specific challenges facing Black graduates seeking entry to professions; transformation remains slower than required</li> <li>• Drop-out from learnerships before completion</li> </ul>
	Job seekers	<ul style="list-style-type: none"> <li>• Graduates unable to find employment because employers do not view them as “work ready”</li> <li>• Qualifications only provide theory and insufficient practical exposure</li> </ul>
	Employees	<ul style="list-style-type: none"> <li>• Scarcities remain in certain occupations</li> <li>• Accessibility into certain qualifications within FAS sector still a challenge</li> </ul>

Feedback from stakeholder engagements highlighted the lack of sufficient career guidance interventions targeting students at Grades 8–9 in rural and peri-urban areas. Learners are not exposed to the FAS sector as an employment sector of choice at the right stage, which impacts negatively on the creation of a more demographically representative pipeline – “Initiatives like mathematics tutoring programmes should start earlier than Grade 12 to expose students to the profession and foster enthusiasm” (Stakeholder interview, 2023). Unanimously, stakeholders in the sector state that FASSET should provide support to students as early as secondary schooling level.

The insufficient quantity of people holding Mathematics related qualifications entering the FAS sector was highlighted during stakeholder interviews. Employers are competing for the same scarce resource – people holding degrees in quantitative qualifications and analytical thinking people. The problem starts at school level, where an insufficient quantity of learners are completing with good Mathematics pass rates thereby hindering their ability to get into higher education – “We have got to do better in producing maths matriculants” (Stakeholder

interview, 2023). This is exacerbated at university level, with high dropout rates and even less students successfully completing their studies. And further exacerbated when fewer students get their qualifications in the minimum time – “There is a major pipeline channel problem in South Africa” (Stakeholder interview, 2023).

Another challenge is that the current curricula and syllabi are fast becoming outdated and not in line with local and global sector methods and trends. According to FASSET (2021b), major challenges impacting skills development in the FAS sector considering emerging technologies are the lengthy time it takes for curriculum development by training providers, budget limitations, and resistance to change in terms of adjusting to emerging technologies. A stakeholder in the sector stated that “Universities can take up to three years to get courses accredited but within those years there is a lot of change that happens in the world, which makes the course almost obsolete. New emerging programmes and sector changes requires a degree that is flexible and is able to adapt to these changes” (Stakeholder interview, 2023).

Furthermore, the FASSET study (2021b) found that the FAS sector’s capacity to prepare for, and to manage emerging technologies is constrained by a mismatch between employer skills demand and skills supply by education and training providers and (to an extent) professional bodies. While employers had a long list of necessary skills (inclusive of soft skills such as: emotional intelligence, change agility & flexibility, problem solving, critical thinking and communication; as well as technical skills such as data mining, data analytics, cloud computing, database management and cybersecurity) that they require their employees to possess in the wake of changing technology, training providers were found to have no skills programmes in the pipeline targeting such demands. Most professional bodies, however, were found to be making an effort to close these skills gaps (FASSET, 2021b; Stakeholder interview, 2023).

Stakeholders in the sector stated that there is a disjoint between theoretical learning at education and training institutions and the practical requirements of the job when entering the workplace – “some of the concepts are very theoretical, and that students struggle to engage with them in a practical manner” (Stakeholder interview, 2023). This is where gaining experience in the workplace becomes critical. However, stakeholders in the sector noted that there is a significant barrier in the finance sector when it comes to gaining comprehensive experience. Many individuals have entry-level qualifications but struggle to acquire well-rounded experience. A key enabler of well-rounded experience is good mentorship. Stakeholders in the sector highlighted the importance of mentorship which is often lacking in the sector. Learnerships help address the issue of gaining experience, but accessing learnerships is challenging due to the various requirements set by learnership providers. In addition to experience, continuous education is required to work in the FAS sector, beyond entry level qualifications – “Continuous studying and further qualifications are necessary for growth in the finance sector” (Stakeholder interview, 2023). The FAS sector often requires specific qualifications and experience, making it difficult for those with minimum qualifications to find jobs. However, limited financial resources and the lack of suitable opportunities hinder individuals from pursuing further education and gaining valuable experience.

Furthermore, the quality of graduates coming into the FAS sector lacks the necessary soft skills to succeed in the sector. These include emotional intelligence, work readiness, professionalism, communication, amongst others. The need for critical thinking, problem solving,

and cognitive thinking was highlighted by stakeholders. There is a need to be able to critically analyse information in the FAS sector and this is often lacking. These are skills that must be developed from the schooling system and not at the end of the education and training cycle. Moreover, there was concern over academic dishonesty or cheating in assessments.

In addition to the above skills, it is now a requirement for graduates coming into the sector to have digital skills and this is often lacking – “Matriculants and University graduates might not have had access to computers or had limited access” (Stakeholder interview, 2023). According to stakeholders in the sector, it is important to address these skills gaps through education and training programmes, starting at secondary schooling level and extending into tertiary education. Furthermore, stakeholders state that FASSET should play a role in closing these skills gaps as it would benefit the FAS sector by making graduates more attractive to employers thereby enhancing employability in the sector. Also, stakeholders state that long-term programmes that span from secondary school through to university and into employment are needed – “Investing in individuals earlier in their education reduces the financial burden later when they are employed” (Stakeholder interview, 2023). This is particularly important considering that many in the sector view the route into the sector as disjointed – “a student coming out of the secondary schooling system is not prepared for university and then the university graduate is not prepared for the workplace” (Stakeholder interview, 2023).

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### **3.3.7 IMPACT OF FASSET TRAINING PROGRAMMES**

FASSET conducted an impact study (2023a) on beneficiaries of the TVET WBE programme who benefited from the initiative between 2014 and 2019. 1 116 beneficiaries benefited. The results that follow are from 309 respondents:

- Majority of the respondents are happy with how the FASSET programme was managed as well as the value they derived from the programme.
- 65% of the respondents are employed, 26% are unemployed, 6% are studying further, 2% are in the NEET category whilst 1% did not disclose their employment status.
- 51% of respondents are in permanent employment, 16% are employed on a contract basis, 11% are in experiential learning, whilst 22% did not disclose their employment status.
- 47% of the respondents are employed in Large Enterprises, 10% in Medium, 19% in Small, and 2% in Micro Enterprises. 22% of the respondents did not disclose the size of the organization they are employed in.
- The majority of the respondents work in Gauteng (81%), followed by the North West province (7%), and Mpumalanga (3%). Eastern Cape, Kwa-Zulu Natal, and Limpopo all employed 2% of the respondents. Western Cape and Free State have 1% of the respondents each, whilst 1% did not disclose the province within which they are employed. None of the respondents indicated that they are employed in the Northern Cape.
- 62% of the respondents earn R10 000 and below, 37% earn between R15 000 – R25 000, whilst 1% of the respondents earn between R30 000 – R40 000.
- Recommendations by respondents include:
  - On-going monitoring and evaluation.
  - Induction of host employers and beneficiaries by FASSET.

- Increased alignment and collaboration among stakeholders.
- FASSET to consider increasing stipends.
- Job search assistance and placement beyond completion of the programme.
- Broaden the scope to include more beneficiaries from rural areas and private colleges.

FASSET conducted another impact study (2023b) on the beneficiaries of bursary schemes between 2018 and 2021. 2 477 beneficiaries benefitted. The results that follow are from 436 respondents:

- 93% of respondents received the necessary support from FASSET.
- 80% of respondents completed their studies, 10% are still studying and 10% have dropped out.
- 69% are employed within the FAS sector of which 58% are in Gauteng, 20% in the Western Cape, 7% in the Eastern Cape and 6% in KwaZulu Natal.
- 76% of employed are employed in large enterprises, 14% in Medium enterprises, and 10% in Small enterprises.
- 40% of employed earn less than R10 000, 38% between R15 000 and R20 000, 16% earn between R25 000 and R30 000, and 6% earn above R35 000.
- 25% are unemployed.
- Recommendations by respondents include:
  - Improve the support provided to beneficiaries, particularly timeous payments.
  - On-going monitoring and evaluation.

## 3.4 SECTORAL PRIORITY OCCUPATIONS AND INTERVENTIONS LIST

Sectoral Priority Occupations and Interventions (SPOI) were previously referred to as Pivotal Occupations. These are essentially high priority occupations in the sector. The SPOI list identifies and describes FASSET's intended interventions to address skills gaps and HTFVs submitted in the WSP process.

### 3.4.1 DESCRIPTION AND METHODS OF THE SPOI LIST

Employers were asked to indicate the sectoral priority occupations that require interventions for the 2023 calendar year as part of their WSP/ATR submissions. Only organisations with more than 50 employees were required to list SPOI training in relation to occupations, while the rest only needed to indicate the training to be undertaken. Due to this reason, the SPOI list consists of sectoral priority training according to occupations submitted by those employers with more than 50 employees. The list was verified during the primary data collection phase in sub-sector focus group discussions and interviews conducted as part of SSP data collection processes. Finally, the SPOI list and the scarce skills (or HTFV) were discussed and approved at FASSET's Board Strategic Session where planning for the following year's programmes are discussed.

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### 3.4.2 INTERVENTIONS IN THE SPOI LIST

The training interventions consist of the educational qualifications that are generally required in the sector and for the specific occupations as well as the high-level learnerships used in the sector. Information from the projects for which educational institutions and professional bodies apply for funding is also considered in the development of the SPOI list. The numerical values in the table are based on the number of people that employers report need education and training support.

#### **Envisaged outcomes from the identified interventions**

The interventions are aimed at reducing occupational shortages and skills gaps in the occupational categories identified. The outcomes of interventions should also capacitate individuals and the FAS sector. Addressing the priority needs of the sector will lead to the advancement of the sector. Other outcomes include growing the skills pool for the necessary professional and technical needs of the sector to keep it competitive and productive; addressing urgent skills gaps by aligning funding with priority needs; and creating pathways for new entrants through training programmes that lead to the appropriate NQF level qualifications. Over time, these outcomes will result in a steady supply of necessary skills, occupations and qualifications into the sector.

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### 3.4.3 SPOI LIST PRIORITY LISTING

Ahead of presenting the SPOI list, it should be emphasised that most of the learnerships offered in the Financial and Accounting Services sector are linked to professional bodies which are, in some instances, global, thereby affording learners access to world-class qualifications. Therefore, qualifications offered by FASSET range from NQF levels 3 to 8. FASSET learnership qualifications include certificates, advanced certificates, TVET certificates and diplomas, occupational certificates and postgraduate diplomas, and many of them are linked to learnerships.

SAICA-accredited undergraduate qualifications in the sector lead to becoming a Chartered Accountant (CA), followed by the completion of a SAICA-accredited postgraduate Certificate in the Theory of Accounting (CTA) programme or NQF level 8 equivalent. Since 2001, the majority of all completed FASSET learnerships were for the CA: Auditing qualification, which is administered by SAICA and forms part of the CA learning pathway. Other learnerships in the sector include the TVET Certificate: Debt Recovery (NQF level 4), the National Certificate: Business Administration Services (NQF level 2), the Post Graduate Diploma: Professional Accountant in Practice (NQF level 8) and the Certificate: Public Sector Accounting (NQF level 4). The table below lists the occupations in the SPOI list identified as occupations that require training and are ranked by occupations considered a priority for the sector. The list provides the training interventions that are best suited to provide the skills required in the identified occupations.

The training interventions consist of the educational qualifications that are generally required in the sector and for the specific occupations as well as the learning interventions used by FASSET to facilitate learning and training. FASSET's SPOI interventions, as shown in the table, addresses the learning and training needs in the sector and ensures the entry of learners into

the FAS workforce, as well as the advancement of workers and professionals already in the workforce through the obtainment of skills, work experience and qualifications. Moreover, the quantity to be supported by FASSET, as shown in the table, appears higher than the need indicated because of the following reasons. The provision of skills requirements within other industries, such as the public services sector and local government, are accounted for too. The quantity to be supported by FASSET is in addition to and makes provision for dropouts and non-completers. Lastly, while the quantity needed is informed by 50+ companies only, the need within small companies, non-levy paying, and non-MG claiming companies are also anticipated.

**Table 19: Sectoral Priority Occupations and Interventions List, 2023**

SETA Name	Period	OFO Code	Occupation	Specialisation/Alternative Title	Intervention Planned by the SETA	NQF Level	NQF Aligned Y/N	Quantity Needed	Quantity to be supported by SETA										
FASSET	2024/25	241104	External Auditor	<ul style="list-style-type: none"> <li>· Forensic Auditor</li> <li>· Investigator</li> </ul>	Bursaries towards Bachelor of Commerce in Accounting, National Diploma in Auditing and other	7 & 8	Y	282	250										
					Learnerships	7 & 8	Y		300										
					Bridging Programmes (articles towards Professional Designation)	7 & 8	Y		800										
					HET Graduate Work Experience Programme	7 & 8	N		400										
					Learner Employment Grant	7 & 8	N		400										
					Professional Body Qualifications and Designations: Learnerships towards achievement of professional designation and learnership linked to specific occupation	7 & 8	Y		530										
FASSET	2024/25	241106	Accountant in practice		Learnerships	6, 7 & 8	Y	98	90										
					Professional Body Qualifications and Designations: Learnerships towards achievement of professional designation and learnership to specific occupation	6, 7 & 8	Y		160										
FASSET	2024/25	242101	Management Consultant (To include 251101 ICT Systems Analyst)	<ul style="list-style-type: none"> <li>· Business Analyst</li> <li>· Technology Development Coordinator</li> <li>· Operations Analyst</li> <li>· Commercial Analyst</li> <li>· Ecommerce Programme Manager</li> <li>· Efficiency Engineer</li> </ul>	Bridging programmes towards designation	6, 7 & 8	Y	119	480										
										<ul style="list-style-type: none"> <li>· ICT Systems Architect</li> <li>· Systems Programmer</li> </ul>	Learnerships	6, 7 & 8	Y	150					
										FASSET	2024/25	242211	Internal Auditor	· Audit Consultant		7 & 8	Y	73	50



SETA Name	Period	OFO Code	Occupation	Specialisation/Alternative Title	Intervention Planned by the SETA	NQF Level	NQF Aligned Y/N	Quantity Needed	Quantity to be supported by SETA
				- ICT Internal Auditor	Bursaries toward National Diploma, Bachelor of Commerce Degree, and other.				
FASSET	2024/25	121101	Finance Manager (To include 241102 Management Accountant*)	· Chief Accountant	Bursaries toward Bachelor of Commerce	6, 7 & 8	Y	51	80
				· Chief Financial Officer	Professional Body Qualifications and Designations: Learnerships towards achievement of professional designation and learnership specific to the occupation	6, 7 & 8	Y		170
				· Budgeting Manager					
				· Account Systems Manager					
				· Cost Accountant					
				· Project Accountant					
· Budget Accountant									
FASSET	2024/25	241103	Tax Professional	· Tax Analyst	Bursaries towards Bachelor of Commerce Degree, Post-graduate Diploma or Advance Diploma in Taxation and Accounting	6, 7 & 8	Y	47	20
					Learnerships	6, 7 & 8	Y		20
					Bridging Programmes	6, 7 & 8	Y		55
					HET Graduate Work Experience Programme	6, 7 & 8	N		20
					Learner Employment Grant	6, 7 & 8	N		50
FASSET	2024/25	241301	Financial Investment Advisor (To include 241201 Investment Analyst)	· Financial Agent	Bursaries toward Bachelor of Commerce	6, 7 & 8	Y	42	40
				· Listed Securities Analyst	Learnerships	6, 7 & 8	Y		50
				· Investment Research Analyst	Bridging Programmes	6, 7 & 8	Y		125
					HET Graduate Work Experience Programme	6, 7 & 8	N		50

SETA Name	Period	OFO Code	Occupation	Specialisation/Alternative Title	Intervention Planned by the SETA	NQF Level	NQF Aligned Y/N	Quantity Needed	Quantity to be supported by SETA
FASSET	2024/25	242207	Compliance Officer	· Financial Markets Compliance Officer	Bursaries towards Bachelor's degree in Accounting, Business Science, Postgraduate Diploma in Compliance Management, and other	6, 7	Y	19	10
					Learnerships	6, 7	Y		10
				· Compliance Officer (Financial Sector)	HET Work-Based Experience	6, 7	N		10
					Professional Body Qualifications and Designations: Learnerships towards achievement of professional designation and learnerships linked to specific occupation	6, 7	Y		15
FASSET	2024/25	251102	Data Scientist		Bursaries towards a Bachelors Degree in Information Technology, Bachelor of Science: Information Systems, Bachelor of Science: Information Technology	7	Y	22	20
FASSET	2024/25	241107	Financial Accountant (To include 241101 General Accountant*)	· Corporate Accountant	Bursaries toward National Diploma in Accounting Science or Bachelors Degree or Bachelor of Commerce Honours in Accounting or Accounting Science	6, 7 & 8	Y	19	50
				· Business Group Accountant	Bridging Programmes: Learnership and Internship programmes	6, 7 & 8	Y		100
				· Performance audit manager	HET Graduate Work Experience Programme	6, 7 & 8	N		30
				· Debtors Manager	Professional Body Qualifications and Designations: Learnerships towards achievement of professional designation and any specific to the occupation	5, 6, 7 & 8	Y		70
				· Bank Accountant	Learnerships	6, 7 & 8	Y		40

Source: WSP/ATR 2023, stakeholder engagements, FASSET survey 2023.

### 3.5 CONCLUSION

This chapter discussed the occupational shortages and skills gaps in the FAS sector. The occupational and skills needs identified in this SSP Update are strongly linked to the emergence of 4IR technologies and remote work in the industry. Employees in the sector must be continuously upskilled

and re-skilled to adapt to the changing world of work. In addition, employers must embrace advanced technology and the 4IR to boost productivity and efficiency while professionals continue to work from home. Most of the evidence presented in the chapter resonated with the skills change drivers in Chapter 2.

## 4 SECTOR PARTNERSHIPS

### 4.1 INTRODUCTION

This chapter summarises existing and future partnerships that are supported by FASSET to supplement the capacity-building mandates. It analyses success factors and challenges experienced within FASSET partnerships.

### 4.2 APPROACH TO PARTNERSHIPS

A SETA partnership is defined as a partnership between two or more parties to achieve specific outcomes to meet comprehensive and common skills goals or priorities, according to NSDP Guidelines. The NSDP Outcomes are aimed at increasing the production of in-demand occupations, by linking education and the workplace, and raising the skills level of the workforce through programmes. FASSET forms partnerships with educational institutions, professional bodies, employers in the sector and government to achieve the skills development goals.

### 4.3 ANALYSIS OF FASSET PARTNERSHIPS

FASSET's partnerships with government and employers in the sector enable internships; its partnerships with training providers (HEIs, TVETs) focus on administering bursaries and providing academic support; and its partnerships with professional bodies secure accredited service providers for quality assurance and other involvement.

Through its Discretionary Grant funding model, FASSET coordinates partnerships according to its mandate, but also to address skills development needs to be aligned with 1) the PIVOT programme and 2) the discretionary programme. PIVOT skills have, more recently, been called sector priority occupations and interventions (SPOI).

While FASSET can provide funding, partner organisations provide the resources, locations, learning and training to achieve their goals. There are also non-monetary partnerships, administered through a Memorandum of Understanding/Agreement (MoU/MoA), and these partnerships are facilitated by institutions.

TVET colleges function as satellite offices in supporting learners and developing the community. This is achieved through career awareness programmes and internship recruitment campaigns. The only financial factor involved in this type of partnership is the allowance the learner receives through the on-site experience.

Each collaborative project meets distinct types of skill needs; for example, scholarships for unemployed learners to attend college or graduate school; the designation of a professional

#### PIVOTAL programmes

- Learner Employment Grants (LEG)
- Bridging for Professional Body Designations
- Bridging for Qualifications
- TVET Work-based Experience Programme
- Bursary Support

#### Discretionary programmes

- Career Awareness
- Lifelong Learning and Training Incentive Grant
- Non-PIVOTAL Learner Employment Grants (NLEG)
- Bridging for Qualifications or Professional Designations (Non-PIVOTAL)

body that conducts board examinations for those studying in the profession; and internships provide work-based learning, where the workplace embraces learners. The key criteria that FASSET uses to establish a partnership includes capacity, sufficient supervisors, qualified supervisors, and the right type and quantity of commercially available resources and/or tools needed to enable learning and training. Partner organisations should also help achieve transformation goals, including representing Black women, the youth and people with disabilities.

#### 4.4 EXISTING PARTNERSHIPS

FASSET establishes partnerships through entering contracts with partner organisations every year, following a process of advertised bids/proposals. The table below provides a brief description on each existing FASSET partnership. The duration of each partnership is also indicated.

**Table 20: Existing partnerships**

Partner organisation	Type of partnership	Objectives	Duration
<b>FASSET Employers (54)</b>	Memorandum of Agreement	Students from public TVET colleges are placed for completion of an 18-month internship as required for the achievement of the National N Diploma	November 2022 - May 2024
<b>DAMCOM</b>	Memorandum of Understanding (MoU)	Place graduates from Public Institution of Higher Learning who completed a qualification that resides within the ambit of Sectoral priority occupation and intervention list so as they enhance competence and/or employability.	April 2023 - March 2024
<b>MICT SETA</b>	Memorandum of Understanding (MoU)	To co-fund and implement 4IR learning and incubation programmes.	April 2023 - March 2024
<b>ABASA</b>	Memorandum of Understanding (MoU)	Place graduates from Public Institution of Higher Learning who completed a qualification that resides within the ambit of Sectoral priority occupation and intervention list so as they enhance competence and/or employability.	April 2023 - March 2024
<b>SAPCO</b>	Memorandum of Understanding (MoU)	Place graduates from Public Institution of Higher Learning who completed a qualification that resides within the ambit of Sectoral priority occupation and intervention list so as they enhance competence and/or employability.	April 2023 - March 2024
<b>SAICA</b>	Memorandum of Understanding (MoU)	To facilitate skills programmes to ensure achievement of professional designation for accountants.	September 2021 - March 2025
<b>NYDA</b>	Memorandum of Understanding (MoU)	Learners from cooperatives and enterprises to be trained on sector and National Priority occupations or trained on entrepreneurship Programme	September 2022 - August 2023
<b>Family Tree Holdings</b>	Memorandum of Understanding (MoU)	Learners from cooperatives and enterprises to be trained on sector and National Priority occupations or trained on entrepreneurship Programme	August 2022 - March 2024

Partner organisation	Type of partnership	Objectives	Duration
<b>SANACO</b>	Memorandum of Understanding (MoU)	Learners from cooperatives and enterprises to be trained on sector and National Priority occupations or trained on entrepreneurship Programme	August 2022 - July 2023
<b>TVET Colleges:</b> <ul style="list-style-type: none"> <li>• Letaba</li> <li>• Vhembe</li> <li>• King Hintsa</li> <li>• Thekwini</li> </ul>	Memorandum of Understanding (MoU)	Collaboration on identified interventions/projects for both parties to fulfil their statutory mandates and obligations in delivering services to their constituencies. The areas of collaboration between the parties include but are not limited to: Infrastructure support; Career Guidance; TVET Learner Bursaries; TVET lecturer capacitation and to provide support for the TVET learners in relation to work placement.	31 March 2023 - 31 March 2025
<b>Community Education Colleges:</b> <ul style="list-style-type: none"> <li>• Limpopo</li> <li>• KZN</li> <li>• Northern Cape</li> </ul>	Memorandum of Understanding (MoU)	The areas of cooperation and collaboration between the parties includes: Infrastructure Development <ul style="list-style-type: none"> <li>• Provide infrastructure support including equipment, tools of trade, connectivity and other identified intervention.</li> <li>• Collaborate with CET college to host career guidance event at the college.</li> <li>• To provide CET programmes from NQF level 1 to level 4</li> <li>• Identification of the programmes to upskill CET lecturers.</li> </ul>	September 2022 - March 2025.
<b>Academic Support Programme:</b> <ul style="list-style-type: none"> <li>• University of the Western Cape</li> <li>• University of Limpopo</li> <li>• University of Venda</li> <li>• University of Fort Hare</li> <li>• Sol Plaatje University</li> </ul>	Memorandum of Agreement (MoA)	Collaboration with previously disadvantaged institutions of Higher Learning to deliver academic support programmes for the unemployed, resulting in the progression of learners that will enter a strategic partnership to provide PIVOTAL academic qualification. The programme is designed for learners that have been identified as at-risk learners. An “at risk” learner is defined as a learner that has the potential to pass an academic year or achieve an academic qualification but will require some form of structured assistance to do so	September 2022 - December 2023
<b>State Information Technology Agency (SITA)</b>	Memorandum of Agreement (MoA)	Students from public TVET colleges are placed for completion of an 18-month internship as required for the achievement of the National N Diploma	April 2023 – March 2026
<b>Imbeleko Dr. Seni Myeni Foundation</b>	Memorandum of Agreement (MoA)	To collaborate in the improvement of the standard of education in the rural areas and reduce educational inequalities as far Maths, Accounting, and English subjects are concerned as well mentoring.	March 2022 – March 2025
<b>St. John's College - Mthatha</b>	Memorandum of Agreement (MoA)	To collaborate in the improvement of the standard of education in the rural areas and reduce educational inequalities as far as Maths, Accounting, and English subjects are concerned as well mentoring.	August 2022 – July 2024

Partner organisation	Type of partnership	Objectives	Duration
<b>International Women's Forum South Africa (IWFSA)</b>	Memorandum of Agreement (MoA)	To collaborate for the training of women in management and/or leadership on Executive Leadership Development Programme (NQF 8) Middle Management Development Programme (NQF 7).	October 2022 – September 2025

#### 4.4.1 SUCCESSFUL PARTNERSHIPS

FASSET considers a successful partnership one with a high throughput rate of learners who can advance to the next level in their academic or professional careers. FASSET expects a throughput rate of 70 and where the partner organisation does not achieve this, penalties are incurred. If a throughput rate between 59–69 is achieved, FASSET deducts 7% of the project management fees; a throughput rate of 0–59 incurs a 20%-fee deduction.

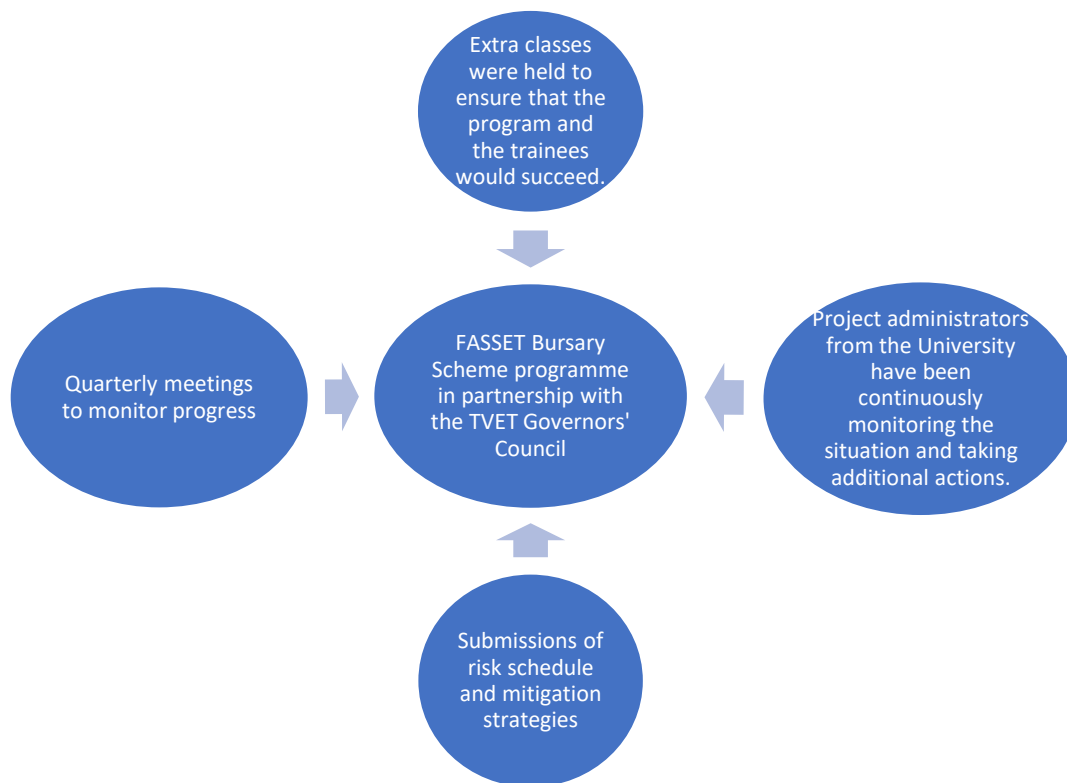
The completion rate of trainees in internships is another measure of success. If learners stay for the duration of the programme, which is typically 12–18 months, the partnership is considered a success. The logbook or portfolio submitted at the end of the learning programme is also evidence that the programme was a success for the learner. At the TVET College level, the output of successful completion is a good indicator. In addition, the number of learners who completed their National Certificate Vocational (NCV) level qualification or other interventions are positive indicators for the partnership. When successful partnerships are established, FASSET forms an ongoing relationship with these organisations in support of its mandate.

FASSET committed to the Nkuhlu Department of Accounting to transform the accounting landscape and provide opportunities to many students who would otherwise have been failed by the system. Many students' lives, as well as the lives of their families and communities, have been positively influenced by FASSET's dedication and commitment to skills development in this initiative. Notably, the Nkuhlu Department of Accounting achieved a 100% pass rate for all first time ITC candidates, which contributed to the FASSET programme.

In addition, FASSET implemented TVET students Bursary Programmes which forms of Bursary Programme. This programme was implemented in a form of partnership to ensure twofold monitoring of the programme.

As presented in figure 18 below, FASSET Model of Successful Partnership is based on multi-faceted approach in which different role-players from the implementing partner are brought together with FASSET team. To ensure success, the Programmes and Quality Assurance as well as the appointed M&E Service Provider conduct due diligence before the inception of the programme. Upon the start of the programme, M&E is conducted on a time to time to ensure that programme is progressing according to plan and where problems arise are dealt with in time. In all these processes the implementing partners is involved and is made aware of their responsibilities as per the contractual agreement (or Memorandum of Agreement) signed.

**Figure 18: FASSET Approach for most Successful Partnership**



#### **4.4.2 UNSUCCESSFUL PARTNERSHIPS**

The indicators of an unsuccessful partnership include a high drop-out rate and a high failure rate in programmes. This often necessitates a review to determine the reasons behind the drop-out and failure rates. It is unlikely that FASSET would withdraw a partner contract as doing so would further impact the learner or beneficiary. However, there is a need to draw up stronger contracts to enforce stricter compliance and agreeable implementation methods from partner organisations. A blacklisting approach may be adopted in the future to ensure that FASSET achieves its targets through effective and beneficial partnerships.

Some of the indicators of non-successful partnership includes amongst other things the depletion of budget before the completion of a programme being implemented.

FASSET is also prone to unprecedented failures in implementing of its programmes through partnership model. In the financial year 2022/2023, FASSET experience serious problems concerning the implementation of the Academic Support programme in which it partnered with institutions of higher learning. The academics and university staff involved in the administration of this programme implementation had a lot of expectations in respect of monetary gains from the programme. This lack of understanding of how SETA grants work from the side of the said implementing partners led to relatively failure of the programme.

#### **4.4.3 LESSONS LEARNED AND CHALLENGES**

FASSET has learnt that continuous monitoring of all its programmes is critical for the successful and effective planning and implementation of all programmes given the challenges that



have been identified with the tracking and tracing of its beneficiaries. The late submission of learner documentation for SETMIS reporting by our stakeholders is a huge challenge for FASSET in its programmes' implementation.

The lessons learnt from partnerships are diverse and could be interpreted in different ways. It is however noteworthy to indicate that most of the failures are as a consequence of lack of clear implementation processes and the clarity in respect of what the implementing partner is entitled to in respect of the project budget.

Lastly, FASSET has learnt that due diligence processes need to include clear explanation of its expectations and clear outline of how allocated will be utilised in implementation of the programme. This due diligence process should be conducted thoroughly before the signing of the MOU.

## 4.5 PLANNED PARTNERSHIPS

**Table 21: Planned partnerships**

Partner organisation	Type of partnership	Objectives	Duration
<b>Lifelong Learning and Learner Professional Development</b>	Memorandum of Understanding (MoU)	Partnership with Professional Bodies and other relevant bodies to deliver training. These include: <ul style="list-style-type: none"> <li>• IRBA - Audit Development Programme</li> <li>• SAIPA - Recognition of Prior Learning</li> <li>• ACFE - Fraud Module</li> <li>• SAIT - Budget and Tax Workshop</li> <li>• ACCA - Ethics Update</li> <li>• CGISA – Governance</li> <li>• CIMA - IFRS Updates</li> </ul>	TBC
<b>Trade Unions - NEHAWU &amp; PSA</b>	Memorandum of Understanding (MoU)	Skills programmes to capacitate trade unions to enable them to execute their mandate.	TBC
<b>Universities</b>	Memorandum of Understanding (MoU)	Strategic Partnership with higher learning institutions (public) and private bursary agencies to implement the FASSET Bursary Scheme.	TBC

## 4.6 CONCLUSION

FASSET's partnerships are critical to the goal of the SETA, which is skills development. All our programmes have been through partnerships with institutions such as universities, corporations, government entities, and many others. These partnerships are responding to various government policies, major national plans, and strategies such as the BEE, transformation agenda, NSDP 2030, and the strategic pillars of the ERRP to influence skills demand and supply in the FAS sector.

# 5 MONITORING AND EVALUATION

## 5.1 INTRODUCTION

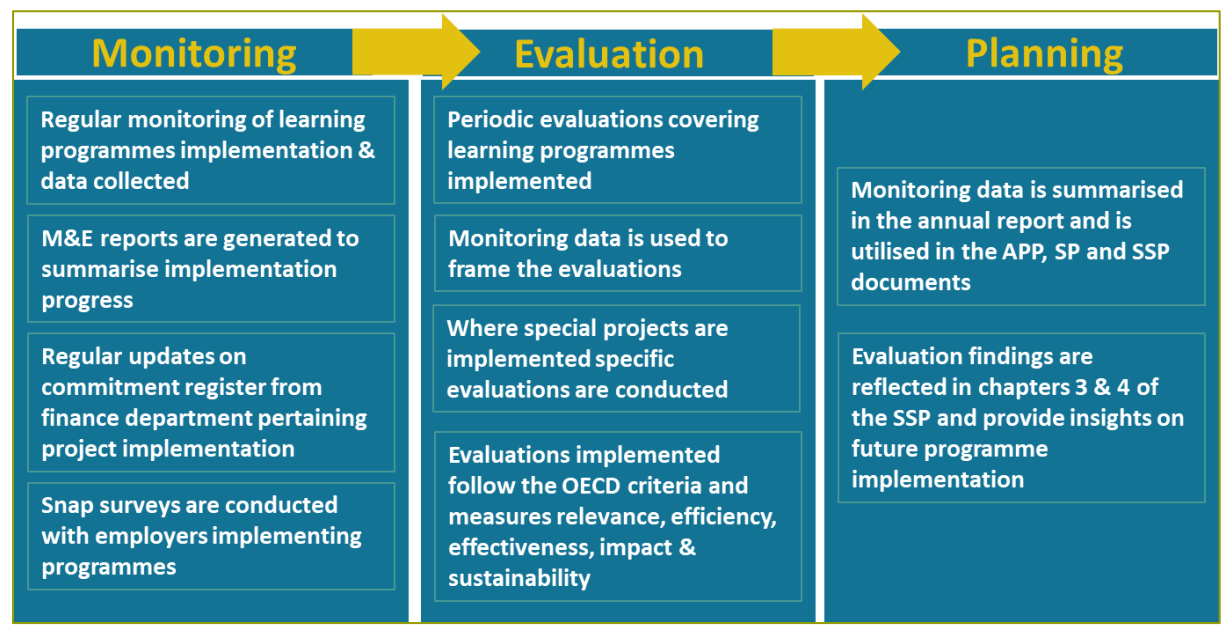
Chapter 5 presents FASSET’s approach to Monitoring and Evaluation (M&E). Furthermore, this chapter outlines the extent to which FASSET achieved the strategic objectives that are articulated in the 2022/23 Annual Performance Plan. M&E challenges and FASSET’s plan of action are also outlined.

## 5.2 APPROACH TO MONITORING AND EVALUATION

FASSET is of the understanding that monitoring is the “systematic and continuous collecting and analysing of information about the progress of a piece of work overtime” (Gosling and Edwards 2003, p12). On the other hand, evaluation is the “systematic determination of the quality or value of something” (Scriven, 1991). Therefore, the approach to M&E by FASSET is project and outcome based. FASSET uses the M&E Framework through the Due Diligence, Track and Tracer and the Impact Assessment Studies to inform research and assess programmes that require more intervention and implementation.

While FASSET does not have an M&E Unit, FASSET employs a more formative approach where there is much more emphasis on feedback to improve performance and to determine the value of its programmes. This M&E approach has been DG-funded and implemented using a service provider. These projects include M&E, Due Diligence, Track and Tracer Study, and the Impact Assessment Study. These projects include the internal data, data collection of previous beneficiaries, research, site visits and project evaluations. The Skills Planning and Research Unit oversees these activities and continues to carry out the development of annual M&E reports. The diagram below illustrates the core elements involved in the monitoring, evaluation, and planning activities of FASSET.

**Diagram 4: FASSET’s Planning and Monitoring and Evaluation Cycle**



Moreover, FASSET’s reporting aligns with the government-wide monitoring and evaluation (GWM&E) system. FASSET developed and adopted a M&E Framework that follows an outcome-based approach. FASSET’s approach to M&E is also informed by the organisation’s five-year Strategic Plan (SP), the SSP, and the APP. These documents are at the core of the planning, monitoring, evaluation, and reporting cycle of FASSET.

At present, the oversight for project monitoring and evaluation at FASSET falls under the responsibility of both the Programmes and Quality Assurance (PQA) Unit and the Research Directorate, which are concerned with the overall improvement of projects. Project evaluation activities are carried out by the project team and assessments are conducted before service providers are contracted. Due to the poor capacity in some instances, FASSET relies on some external contractors to carry out some assessments. This compensates for the critical and analytical aspects required in M&E activities, which require accurate and objective assessment.

In addition, the performance framework and standards with which SETAs need to comply are determined by a Theory of Change (TOC) Framework that guides the overall M&E in SETA environments. The TOC is central to skills planning in the South African PSET system and helps to measure the outcomes of projects implemented. The TOC model is one of the tools used by FASSET in its M&E Framework. FASSET’s TOC Framework follows a chain of activities undertaken through the M&E function, as shown in Diagram 5.

**Diagram 5: FASSET Theory of Change model**



At a higher level, this framework responds to and is in synergy with the DHET prescribed performance framework (“inputs, outcomes, and impact”) shown in Diagram 6. Monitoring and reporting respond to “inputs and activities” that establish an effective and functioning skills planning system. Evaluation is the “outputs and outcomes” that contribute to the throughput of individuals skilled for employment in the FAS sector. The impact is evaluated through conducting Tracer Studies which ultimately leads to the M&E reports. FASSET’s Impact Statement is captured in the 2020–2025 five-year strategic period and aims to facilitate the timely and relevant upskilling of the FASSET sector. Moreover, FASSET’s M&E is also guided by the SETA Performance Management & Standards published by the Rhodes University SETA M&E Research Partnership Initiative.

**Diagram 6: DHET prescribed M&E goals for SETAs**



Diagram 6 shows the DHET prescribed performance framework and standards with which SETAs must comply. The TOC model is a useful guide and tool for FASSET in its outcome-based approach towards achieving its targets.

Source: DHET, 2020

### 5.3 THE USE OF M&E TO SUPPORT RESEARCH AND PLANNING

FASSET strives to meet its M&E aims by ensuring that projects remain on track and are performed in line with agreed deliverables. The challenges listed may be an impediment to FASSET fully achieving its intended impact. The performance and impact of programmes already carried out must inform future actions. If this is not being done effectively, the SETA may find it challenging to address and find programmes to meet the skills needs of the sector productively.

Upon conducting the Track and Tracer and the Impact Assessment Studies through the service provider, FASSET encountered the following limitations:

- 1 A database of bursary beneficiaries which was submitted by FASSET did not have the contact details of 388 beneficiaries.
- 2 Beneficiaries' details were sourced through the help of host employers and professional social media platforms, i.e., LinkedIn.
- 3 Some of the contact details provided by FASSET were inaccurate or no longer in use.
- 4 Considerable effort was allocated to the data cleansing process at the beginning of the project. There were numerous duplicates and inconsistencies in the capturing of the information provided by FASSET.
- 5 Several host employers were reluctant to share beneficiaries' details because of the POPI Act. A few opted to introduce the study to the beneficiaries and distribute the questionnaires. This made the tracking of the response challenging and may have influenced the beneficiaries' responses as the responses were submitted directly to host employers.
- 6 Some beneficiaries are part of the FASSET database but are not found on their host employers' records. It could not be clarified if they were ever part of the program or not.

These limitations are greatly regretted by FASSET and call for effective planning and monitoring and evaluating of the programmes.

### 5.4 FASSET PRIORITY AREAS AND ERP INTERVENTIONS

The focus of FASSET's M&E Framework is on the performance of FASSET skills interventions and its implementation partners. The performance of the organisation is measured against

the targets and milestones outlined in the annual reports and the annual performance plans. The impact is measured through conducting beneficiary tracer studies and impact assessment studies.

Impact and performance information is critical for focusing the attention of the public and oversight bodies like the DHET on whether public institutions such as FASSET are delivering value. The DHET determines this by comparing these institutions’ performance against their budgets and service delivery plans and alerting managers to areas where corrective measures are required. In addition, the availability of performance information allows FASSET managers to follow its outcome-based approach to service delivery.

FASSET’s impact and performance are embedded in its strategic goals outlined in the annual integrated reports. The strategic goals, linked to NSDP Outcomes outlined in Section 1.3, inform FASSET’s deliverables against those of the service level agreements (SLA) and APP signed with DHET every year (including the previous SSP). The table below depicts the link between FASSETs SP and the programme outcomes of the current APP and SSP. The table further shows what ERRP interventions are linked to the programmes and the strategic priorities. An indication of how far FASSET is in achieving its strategic priorities of 2023/24 is given.

**Table 22: Link between FASSETs SP and the programme outcomes of the current APP and SSP as well as FASSET ERRP interventions**

Strategic Priority	APP and SSP Programme Outcomes	ERRP intervention	Status of Implementation
<b>a. Transformation of the FAS sector</b>	<p><b>1</b> 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.</p> <p><b>4</b> Improved quality assurance system for the sector learning programmes</p>	<b>Intervention 3:</b> Employment	In response to the EERP intervention three, FASSET has developed the historically disadvantaged individuals through increased programmes like learnerships, bursaries, and workplace-based trainings. FASSET has also provided SMMEs with funding which has created skills development programmes accessible to the historically disadvantaged individuals. This also further speaks to the NSDP Outcome 6 that calls for SMME support.
<b>b. Strengthened stakeholder engagement and partnerships</b>	<b>1</b> Efficient and effective organisational support system with an enabling culture that will ensure optimal performance with a key focus on service.	<b>Intervention 3:</b> Employment <b>Intervention 8:</b> Gender equality and economic inclusion	This strategic priority action aspires the alignment of partnerships to specific areas and ensures it is outcome-based leverage strategic partnerships for enhanced implementation of programmes and technology partners. Over the past Financial Year, FASSET has been able to increase and strengthen partnerships with several stakeholders. FASSET further sought a Women Empowerment partnership that seeks to upskill and develop the women in employment, amongst other partnerships.

Strategic Priority	APP and SSP Programme Outcomes	ERRP intervention	Status of Implementation
<b>c. Capacity and capability building through an efficient FASSET business model</b>	<b>1</b> Efficient and effective organisational support system with an enabling culture that will ensure optimal performance with a key focus on service.	<b>N/A</b>	FASSET continues to monitor the performance of FASSET on an ongoing basis to ensure that progress towards APP targets is measured and early intervention is implemented to ensure that where progress is not according to plan corrective action is taken.
<b>d. Extension of representation and interventions to urban and rural communities in all regions</b>	<b>3</b> 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	<b>Intervention 3:</b> Employment <b>Intervention 8:</b> Gender equality and economic inclusion	For years, FASSET was invisible to the rural communities. In the past financial year, FASSET increased its footprint in the rural areas by bringing projects in these disadvantaged areas. Through partnerships with several stakeholders like the Zulu Kingdom in KwaZulu-Natal and other stakeholders in the Eastern Cape and Limpopo, FASSET has been able to support the learners in poor backgrounds.
<b>e. Fit for purpose and responsive research and innovation studies</b>	<b>2</b> Appropriate skills intervention determined as informed by research	<b>N/A</b>	FASSET continues to link its interventions to research findings and implement them according to agreed plans and timelines. The Skills Planning and Research Unit being at the top of planning for the SETA, the continuous research guides the future programmes and partnerships by the SETA to ensure that skills development and the NSDP 2030 Outcomes are realised.
<b>f. Monitoring and Evaluation (including post investment impact analysis)</b>	<b>2</b> Appropriate skills intervention determined as informed by research	<b>N/A</b>	FASSET currently does not have an M&E Unit but following the previous SSP Update and feedback from DHET, it is attending to the concern. Currently, FASSET has a method for capturing the achievement of students and tracking their post qualification progress relating to their studies through a service provider. There have been M&E studies like the Track and Tracer Study and the Impact Assessment Study aimed at monitoring and evaluating the implementation and progress of programmes by the SETA.
<b>g. Supporting the development and sustainability of the SME market with critical FAS skills</b>	<b>3</b> Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increasing access to FASSET	<b>Intervention 3:</b> Employment <b>Intervention 8:</b> Gender equality and economic inclusion	FASSET has partnered with various stakeholders including the SMMEs to realise its goal of skills development in the country. Programmes with SMMEs ensure that gender equality and economic inclusion is at the top of the partnership. FASSET has partnered with International Women's Forum South Africa (IWFSa) and Wits to train and develop women in management positions and leadership to upskill and empower them in the ever-changing market.

Strategic Priority	APP and SSP Programme Outcomes	ERRP intervention	Status of Implementation
	products and services for the rural areas		

Due to the diverse nature of FASSET projects, each project has a tailor-made project M&E plan to best suit the operational, data collection, and reporting needs of the project. Emphasis is typically given to the reporting needs of FASSET’s key stakeholders to ensure that accountability data are readily available, as shown in Diagram 6. For each project implemented by external partners, a clear definition of processes is provided in the form of Terms of Reference and SLAs. Moreover, FASSET’s Guiding Policy Framework, as referenced in Chapter 2, Section 2.4, is geared towards the employability and employment of young and previously disadvantaged individuals. The policies are also aimed at transforming the composition of the South African labour market to reflect equitably national demographics. This includes increasing access to education and training in priority occupations and scarce skills for Black Africans, females, and people with disabilities in the FAS sector. FASSET’s skill development activities, which include M&E, therefore align with policy and legislation imperatives that lead to the adequate and appropriate level of skills being developed for the sector towards economic growth, employment creation, and social development.

FASSET aims to achieve policy imperatives by implementing, measuring, and evaluating learning programme interventions to increase the throughput of eligible individuals in the sector. Programme interventions include, inter alia, funding and support through learnerships, bursaries, professional qualifications, grants, lifelong learning, academic support programmes, TVET work-based experience, and career awareness at the learner level in scarce skills areas. FASSET’s bursary scheme, work-based learning programmes, and professional body designation qualifications yield the best evaluation results. The SSP, Sector Trends and Transformation (STT) reports are more significant in terms of planning for upcoming periods, as these documents highlight the areas where interventions are needed to address national developmental imperatives. Together, these programme interventions and research reports inform FASSET’s programme planning for upcoming financial periods.

## 5.5 THE EXTENT TO WHICH THE PREVIOUS YEARS PRIORITIES WERE ADDRESSED

FASSET’s performance for the fiscal year 2022–2023 was 90% (unaudited), up from 84% the year before. The majority of FASSET’s strategic targets were met during the 2022–2023 period. The programmes outcomes, outputs, and indicators as outlined on page 40 of the APP 2023/24 were not fully achieved for the current financial year. Below is an indication of which programme outcomes as per the above table were not achieved:

- Outcome 2 - Less payments were done to small firms and resulted in the target not being achieved.
- Outcome 3 – Not enough learners supported completed their final year of studies.



## 5.6 PLAN OF ACTION

In the main, the outsourcing of M&E was considered as it will not need the organisation to use administration budget but use the DG funds. Table 24 below presents the budget of M&E over the period of 3 years.

**Table 23: M&E Plan of Action for the upcoming period**

Action	Timeframe	Budget
1. Build internal capacity (specialist and administrator)	2024/25	R43 736 078,00
2. External service provider to undertake M&E functions/projects	2022/23 – 2024/2025	
3. Research projects to determine best practices and measure the impact	2022/23 – 2024/2025	

Since the previous submission of the Sector Skills Plan, in August 2022, FASSET has made an efforts to re-strategise its M&E. Part of these efforts, include amongst other things, the revision of FASSET organogram to ensure that it accommodates the independent and full-flashed Monitoring and Evaluation Unit, which will constitute the Monitoring and Evaluation Manager, Monitoring and Evaluation Specialist and Monitoring and Evaluation Administrator. This process is at a stage where necessary documentation and motivation has been served at the relevant FASSET Human Resources Committee of the FASSET Accounting Authority.

The plan is to start implementing the FASSET M&E unit by financial year 2024/2025. It worth noting that this will be subject to availability of budget and approval of the FASSET AA Human Resources Committee. To ensure the success of this plan, FASSET Executive Management is working on the strategies to identify which portion of the Discretionary Grant (Core and Admin) budget can be utilised to funds these M&E positions. This is done to ensure that, while FASSET is implementing its CIP matters in respect of M&E, at the same time it does so in alignment with approved SETA Discretionary Grant Guidelines.

## 5.7 CONCLUSION

FASSET is currently without an M&E Unit, and this is behind the indicated limitations of tracking and tracing beneficiaries. Through its current M&E approach and the use of a service provider, FASSET continues to provide a coherent framework for strategic planning and management. This is done through improved reporting and accountability. While these limitations exist and are regretted, FASSET's performance continues to improve and so is the achievement of good results as a central orientation of the SDP as well as the organisation aligning processes, products, and services to contribute to the achievement of its strategic objectives.



## 6 SETA STRATEGIC SKILLS PRIORITY ACTIONS

### 6.1 INTRODUCTION

This chapter presents the findings of chapters 1 – 5 and SETA strategic skills priority actions. The Chapter is influenced by desk research as well as extensive consultation with FAS sector stakeholders. This is done through stakeholder interviews, survey and focus group discussions.

### 6.2 FINDINGS FROM PREVIOUS CHAPTERS

#### 6.2.1 FINDINGS FROM CHAPTER 1

In 2023Q1, the South African economy grew by 0.4% and the Finance sector by 0.6%. The Finance, real estate and business services sector was amongst the key contributors to growth, contributing 0.15 percentage points. The sector is showing some recovery post the COVID-19 pandemic, however employers in sector indicate that the current loadshedding pandemic is negatively impacting the sector. In 2021/22, the FAS sector had 8 511 levy paying employers, a decline from the 2020/21 period, when the sector had 8 919 employers. The large majority (75%) of employers operating in the sector are small businesses (0-49 employees), with 15% being medium (50-149 employees) and 10% being large (150+ employees). Despite the largest number of employers being small businesses, stakeholders in the sector state that these businesses struggle most to keep up with the changing demands in the sector. They are unable to invest large sums of money in the latest software and as such struggle to retain clients. Employers are predominantly operating within the Accounting, Bookkeeping, Auditing, and Tax Services sub-sector, and are mostly located in the Gauteng, Western Cape and KwaZulu Natal provinces.

In terms of employees in the sector, between 2022Q1 and 2023Q1, employment in the finance sector increased from 2.3 million people to 2.7 million people, reaching higher than pre-pandemic levels (StatsSA, 2023Q1). Employees in the FAS sector are predominantly Black (67%), male (58%), between the age of 25-44 years (61.7%), and living in the Gauteng (54%) or Western Cape provinces (23%).

Based on 2022/23 WSP/ATR submissions, External Auditor is the most held occupation (9%). This is followed by Management Consultant (4.3%) and Accountant (3.9%).

#### 6.2.2 FINDINGS FROM CHAPTER 2

Change drivers in the FAS sector include learning and training; the fourth industrial revolution (4IR) and digital transformation; environmental, social and governance (ESG); escalation of loadshedding; and ethics.

The mismatch/gap between basic education, higher education and the workplace remains a problem for throughput in the education and training system. Basic education comes across as receiving much greater concern by stakeholders compared to higher education and the workplace. The fundamentals for an individual who will form part of the FAS Sector commences at this juncture with a great interest in namely: Mathematics, Accounting, English and in some cases Economics. Mathematics plays a greater role compared to the other subjects

due to it being a compulsory subject for admission in a FAS Sector related qualification. However, schools opt for Mathematical Literacy to push up the overall pass rate of the matriculants. This is detrimental to the FAS sector. This is exacerbated in tertiary institutions because the curriculum is said to be disjointed from the skills required in the FAS sector.

The lack of Mathematics passes and the overall disconnect between the education and training system and the FAS sector negatively impacts the ability of FAS sector businesses to fully implement 4IR technologies and digital transformation. The new technologies that have been introduced have had a direct impact, especially on problem-solving and decision-making in the workplace. Also, digital transformation has become a powerful democratising force, providing access to networks and markets for many more people and businesses around the world. As such, the emergence of the 4IR has contributed to the escalation of Hard-To-Fill-Vacancies (HTFVs) in the sector.

Furthermore, the focus of the FAS sector is shifting towards the consideration of the environment, improving social conditions and promoting good governance. Increasingly, organisations are reporting on ESG and as such institutions of higher education need to come to introduce more programmes and qualifications which talk to ESG reporting because companies and investors advocate for it.

Other change drivers are loadshedding and the detrimental impact it has on businesses operating within the FAS sector. Also, recent scandals have tainted the accounting and auditing profession, negatively impacting the willingness of youth to venture into these professions.

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### **6.2.3 FINDINGS FROM CHAPTER 3**

The HTFV show a higher need for Accountants and Auditors occupations, totalling to a need of 625 positions (WSP/ATR, 2023). This is confirmed by the FASSET survey where many of the respondents listed External Auditor, Accountant in Practice, Accounting Technician, Accounts Clerk and Tax Professionals as HTFV.

With the advent of the 4IR, digital skills demand has been sharply increasing, signalling the need for investment in relevant skills for future industry survival. The general sentiment is that basic digital skills will be the new numeracy and literacy skills, and that traditional occupations will shift where workers are required to take on multiple functions and tasks. The skills needed to fill emerging occupations will also require hybrid skillsets which integrate technological/digital skills into existing roles. This means most professionals will need to have ICT competencies.

In terms of skills supply, 32.3% of learners that took the 2022 Matric exam wrote Mathematics, and the achievement percentage was 17.8% of the total. Additionally, 12.6% of learners that took the 2022 Matric exam wrote Accounting, and the achievement percentage was 9.5% of the total. In terms of TVET colleges, there was an overall increase in enrolments between 2020 and 2021, from 421 544 to 558 717 enrolments. Completions is significantly lower than enrolments, reaching 106 589 completions in 2021. After a gradual increasing trend in enrolments in SET and Business and Management subjects at HEIs between 2013 and 2020, there was a sharp decline in enrolments in 2021. This decline in enrolments is concerning for stakeholders in the sector as the sector is already experiencing a shortage of professionals such as accountants and auditors. Completions from South African public HEIs in relevant subjects

steadily increased between 2013 and 2021, indicating a general increase in the level of potential skills supply for the finance and accounting services sector. However, completions remain well below enrolments overtime.

#### 6.2.4 FINDINGS FROM CHAPTER 4

FASSET’s partnerships are critical to the goal of the SETA, which is skills development. All FASSETs programmes have been through partnerships with institutions such as universities, corporations, government entities, and many others. FASSET considers a successful partnership one with a high throughput rate of learners who can advance to the next level in their academic or professional careers. As such FASSETs partnerships are responding to various government policies, major national plans, and strategies such as the BEE, transformation agenda, NSDP 2030, and the strategic pillars of the ERRP to influence skills demand and supply in the FAS sector.

#### 6.2.5 FINDINGS FROM CHAPTER 5

While FASSET does not have an M&E Unit, FASSET employs a more formative approach where there is much more emphasis on feedback to improve performance and to determine the value of its programmes. This M&E approach has been DG-funded and implemented using a service provider. These projects include M&E, Due Diligence, Track and Tracer Study, and the Impact Assessment Study. These projects include the internal data, data collection of previous beneficiaries, research, site visits and project evaluations. The Skills Planning and Research Unit oversees these activities and continues to carry out the development of annual M&E reports.

### 6.3 SKILLS PRIORITY ACTIONS

This section draws on the key strategic skills priorities for the Finance and Accounting Services Sector Education and Training.

#### 6.3.1 KEY STRATEGIC SKILLS PRIORITIES FOR THE SECTOR

FASSET’s strategic skills priorities were updated to be in line with the findings in the 2024/25 SSP update as summarised in this chapter. The skills priorities are linked to FASSET’s intended impact for the 2020–2025 strategic period, and can be illustrated as follows:

**Diagram 7: FASSET’s Five strategic skills development priorities for 2024/25**



**Facilitating the timeous and relevant upskilling of the FASSET sector**

The key aspects guiding the five strategic skills priorities for 2024/25 are the findings and skills implications identified in Chapter 2, with a specific focus on the 4IR change driver, which call

for upskilling and re-skilling of the FAS workforce to equip them with the skills and competencies to work alongside technological advances and to adapt to the changing world of work.

FASSET's skills interventions for the 2024/25 period in response involve increased spend and intake in entrepreneurial programmes; enterprise development research targeted at growing small and medium enterprises in the sector; skills programmes at Community Education and Training (CET) colleges; TVET bursary interventions for learners plus lecturers; and payment schemes/bursaries to cover the outstanding debt to allow graduation of beneficiaries. These combined interventions, including the planned partnerships for the upcoming period, are shown in Chapter 4.

Moreover, the 2024/25 strategic skills priorities and interventions planned for the upcoming period are also aligned with the objectives of the ERR Plan and Skills Strategy. Namely, increasing employment including that of young people, women, and persons with disabilities; optimising the regulatory environment and structural reforms to boost education and skills development, such as partnerships and ongoing engagements with DHET, for example, and building the skills base in line with a changing global economy and technology advancement. These objectives are particularly reflected in skills priorities 2,3, 4, and 5.

FASSET's upcoming skills priorities and interventions are also ERR responsive through updating its TVET programmes; increasing access to programmes such as CET colleges; creating access to targeted skills programmes such as FASSET's skills programmes with professional bodies; and creating access to workplace experience through ongoing internship and learnership programmes. Moreover, entrepreneurship and innovation are supported through entrepreneurship and enterprise development programmes.

Critical and scarce skills are addressed through responding to hard-to-fill vacancies, skills gaps, and occupational shortages in the sector through interventions such as short-term programmes to meet upskilling and re-skilling needs and implementing interventions in the SPOI list, as presented in Chapter 3.

FASSET's skills development priorities continue to be linked to the impact of facilitating the timely and relevant upskilling of the FAS sector, which addresses the following outcomes: 1) an efficient and effective organisational support system with an enabling culture; 2) appropriate skills interventions determined as informed by research; 3) reduced critical skills and skills shortages in the sector; and 4) an improved quality assurance system for sector learning programmes.

## 6.4 MEASURES TO SUPPORT NATIONAL STRATEGIES AND PLANS

Over the recent years, South Africa has faced serious challenges, most of which still prevail. On the top of the list of these challenges are high unemployment, inequality and poverty. Often when the economy is not responsiveness enough, education is used as mechanism through which these above referred issues can be mitigated.

As outlined in the NDP and other government documents, government seeks to eliminate poverty and sharply reduce inequality by 2030 through these five key elements of the NDP

are: 1) Inclusive social and economic development; 2) Sustainable investment and growth; 3) Decent jobs and sustainable livelihoods; 4) A capable development state; and 5) Expanding opportunities. In addition to these, in 2019 government instituted the District Development Model (DDM). This was followed Economic Reconstruction and Recovery Plan (ERRP) that was put as a measure to respond to economic crisis that came due to COVID 19. Furthermore, government institute Presidential Youth Employment Initiative. Some of the FASSET measures to support national strategies and plans are briefly outlined below:

#### **6.4.1 FASSET SUPPORT OF PRESEDENTIAL YOUTH EMPLOYMENT INITIATIVE**

FASSET funds various entry level employment programmes, including amongst others the Internship, Youth Employment Initiative, TVET Placement (Internship) Programme, TVET WBE programme and Unemployed Matriculants programme. All these programmes are programmes in support of Presidential Youth Employment Initiative and they also tie into the ERRP support.

#### **6.4.2 FASSET SUPPORT OF ERRP**

In 2022/2023 financial year, FASSET supported Small Micro and Medium Enterprises (SMMEs) in response to government call for SETAs to support the ERRP. In this present financial year, this programme will continue with more rigor, taking into consideration the inclusion of mentorship focused programme for SMMEs. In addition, a number of cooperatives were supported with skills and are still going to be supported.

#### **6.4.3 FASSET SUPPORT OF DISTRICT DEVELOPMENT MODEL (DDM)**

Since the presidential launch of the District Development Model (DDM) in 2019, FASSET started initiating strategies to respond to this programme. We have since started talks with the Department of Corporative Governance and Traditional Affairs and the Development Bank of South Africa (DBSA) which are the main coordinators of the DDM. It is noteworthy that COVID 19 played significant role in destructing the plans which were underway. FASSET has thus far signed the contract for R10 Million with DBSA through which DDM programmes will be implemented.

### **6.5 CONCLUSION**

The 2024/2025 Sector Skills Plan is clear on the prevailing national and sectoral challenges. Topping the list of challenges is the increased unemployment, inequality, and poverty. These challenges bundled together reflect the precarious economic situation. As role players in the facilitation of skills development and employment in the finance and accounting services sector, in the past few years we have moved to close these gaps not ignorant of the reality that these issues are national and we alone cannot be able to deal with them. But our role has been increasingly focused on our mandate that feeds into addressing these challenges.

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