

FASSET SECTOR SKILLS PLAN 2022/23 UPDATE

August 2021
Final Annual Update



F A S S E T

FOREWORD

The 2022/23 SSP Update identifies skills priority areas in the immediate and the medium term following the analysis of the FAS sector's economic and labour market performance, with a special emphasis on the outcomes of the last year and the impact of the COVID-19 pandemic on global economies and markets.

The document has provided essential information for the FASSET Accounting Authority to better make decisions concerning the allocation of funding and specific interventions required to meet both the sectoral and national objectives.

The 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 interventions required to address the SPO skills list has been deliberated upon by the FASSET Board in its Quarter 2 2021 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 has identified the following strategic priorities:

- The need for a long-term, 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;
- Supporting the transformation of the sector across various demographic factors

The priority areas are linked to FASSET's Strategic Impact Statement:

- **Facilitating the timeous 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,



Ms. Lynette Ntuli

FASSET 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 South Africa	Certified Financial Officer South Africa
CIMA	Chartered Institute of Management Accountants
CPD	Continuous Professional Development
CSS	Customer Satisfaction Survey
CSSA	Chartered Secretaries Southern Africa
CTA	Certificate in the Theory of Accounting
DHET	Department of Higher Education and Training
DPSA	Department of Public Service and Administration
ETDP SETA	Education, Training and Development Practices Sector Education and Training Authority
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
ETQA	Education and Training Quality Assurance Body
FAS	Finance and Accounting Services
FASSET	Finance and Accounting Services Sector Education and Training Authority
FET	Further Education and Training
FETMIS	Further Education and Training Management Information System
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
HR	Human Resources
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
LEG	Learner Employment Grants
LL	Lifelong Learning
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
RA	Registered Auditor
RBE	Results Based Management
RCA	Registered Candidate Auditor
ROI	Return on Investment
SAAA	The South African Accounting Academy
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
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASBO	The South African Society of Bank Officials
SCM	Supply Chain Management
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
UJ	University of Johannesburg
UNISA	University of South Africa
Out	University of Technology
UP	University of Pretoria
VAT	Value Added Tax
WBE	Work-based Experience
WFH	Work-from-home/working-from-home
WIL	Work Integrated Learning
WSP	Workplace Skills Plan

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EXECUTIVE SUMMARY

The SSP is a coherent framework for sector analysis and interpretation to enable credible skills planning for the financial and accounting services sector. In working towards the 2022/23 update, the SSP report was guided by the Department of Higher Education and Training's SSP guidelines and requirements framework.

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". In the 2020/21 financial year, out of 35 127 identified employers in the sector, an average of 8 919 or 24% (compared to 8 426 organisations in the previous period) paid the Skills Development Levy (SDL) to FASSET. Most organisations in the sector are SMME entities, which are not required to pay the SDL.

In 2020, the broader Finance, Real Estate and Business services sector had a GDP rate of -4.4% (compared to 2.3% in 2019) and contributed -0.1 of a percentage point in Q4:2020 compared to 0.6% in Q4:2019 to the GDP of the country. The annual national GDP growth rate dropped to -7.0% in 2020 from 0.2% in 2019.

During 2020, all economic sectors experienced significant downturns in each quarter because of the COVID-19 lockdown. Despite showing recovery throughout 2020 as COVID-19 lockdown levels eased in the latter half of the year, the Finance sector did not recover to the GDP rates of the previous year. Annual GDP for the sector in 2019 was 2.3% and 2.7% in Q4: 2019. Moreover, the Finance, Real Estate and Business Services and other sectors were outperformed by the agriculture (13.1%) and government (0.7%) sectors in 2020 in terms of annual GDP.

Finance/Business Services, Trade, Construction and Manufacturing also showed the highest decreases in total gross earnings. This is likely because of the reduction in economic activity across industries due to the pandemic and lockdown. The 2020 lockdowns resulted in many businesses closing or temporarily ceasing activity; tax revenue shortfalls; rising unemployment; and changes seen in workforce capacity and productivity across sectors, amongst other effects on business, income and employment. Despite its continued positive economic growth in the years prior to 2020, the broader Finance sector will have to demonstrate resilience following the major disruption caused by the COVID-19 pandemic.

According to World Bank reports, the global economy contracted to -4.3% in 2020 and is forecast to recover to 4.0% in 2021. The next five years are expected to show subdued economic recovery for many countries. To overcome the impact of the pandemic, governments across the world must undertake structural reforms, improve business environments, increase labour and market flexibility, as well as strengthen transparency and governance, amongst other priority areas. The global outbreak of COVID-19 has overshadowed much of the economic activity in South Africa since March 2020, and it continues to be troublesome for the SA economy as the economy was already in a weak state before the outbreak.

Chapter 1 provides a high-level economic and labour profile of the FAS Sector. The sector consists of 172 387 employees, according to data reported in the 2021 Workplace Skills Plan and Annual Training Report (WSP/ATR) submissions. Demographically, the FAS workforce

comprises 50% Black African, 11% Coloured, 9% Indian and 29% White. The sector comprises a female majority of 58%. About 50% of workers are in the youth category (aged 35 and younger).

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 into the sector. The sector is also composed of a relatively youthful and well-qualified working population. This may positively impact the sector's response to the effects of the pandemic and national developmental imperatives.

Chapter 2 explores the factors that drive change in the demand and supply of skills in the FAS sector. The change drivers in the sector are identified through desktop research and consultative sessions with various industry stakeholders. The previous SSP highlighted the disruptors in the business environment led by the COVID-19 pandemic. Current trends show a continuation of this disruption to the world of work, learning and training, and the regulatory environment because of COVID-19 in the FAS sector. The onset of the pandemic created an immediate shift to remote and online work for the labour force in March 2020, and the FAS industry responded by onboarding online and virtual tools and platforms for business continuity. The drastic shift in labour and skills supply that is expected to unfold in the upcoming period for the sector is detailed in Sections 2.3 and 2.4. This includes the changes to the regulatory environment of the sector.

The current SSP Update also reflects on government's Economic Reconstruction and Recovery Plan (ERRP), which is the guiding policy framework in response to the impact of the COVID-19 pandemic in the South African economy. FASSET's skills planning continues to be influenced largely by national policies and strategies. Key among them are the National Development Plan (NDP); the White Paper for Post-School Education and Training (WP-PSET); National Plan for Post-School Education and Training (NP-PSET); the National Skills Development Plan (NSDP); and the Employment Equity Act and Broad-Based Black Economic Empowerment (B-BBEE) legislation. These are also described in Chapter 2.

Following the COVID-19 pandemic in 2020, the labour force is rushed to upskill, re-skill and acquire new skills sets to be employable in a new world of work dominated by remote and digitalised employment. Accordingly, the skills development environment in SA will need to adapt to labour demand influenced by these changes and trends. Chapters 2, 3 and 6 explore the key skills change drivers and occupational and skills demand in-depth.

In the 2022/23 Update, the persistent challenges experienced in the sector are underscored by the impact of the COVID-19 pandemic and the advent of the Fourth Industrial Revolution (4IR). The sector is plagued by persistently low numbers of learners obtaining the NSC with Mathematics and Accounting at the school level, which is a major impediment to supply in the sector. Output from the TVET colleges is still relatively small and pass rates remain low. Following the pandemic, matters such as remote learning and online training highlight the lack of infrastructural resources, such as access to the internet and technological devices, for many in the country. Training providers at present are not adequately skilled and equipped to manage and implement learning. The delayed readiness of SA PSET institutions in this new era will significantly impact the supply of skills and occupations in the sector and economy.

The government will have a role to play to ensure that the adoption of advanced technologies in SA is inclusive by making provision for tools, infrastructure and onboarding of new systems in schools and HEIs. Small, medium and micro enterprises (SMMEs) will also require government assistance to remain relevant and competitive. Moreover, many learners stand to benefit from training at these organisations, which comprise a significant portion of the labour market.

Similarly, companies will be tasked to invest in remote work capability (infrastructure, tools of trade, digital skills, soft skills, workload distribution, etc.) to enable the continuation of remote work and training for personnel, trainees and new entrants in the workplace. These issues are outlined in Section 3.3 in Chapter 3 of this SSP.

Chapter 4 addresses FASSET's long-standing partnerships with professional bodies and higher education institutions. These partnerships have become a crucial component of the FASSET's interventions. Individual projects are monitored throughout, and FASSET adapts its criteria for funding from time to time to give preference to the most successful intervention types. In this update, the chapter highlights the success and non-success measures of partnerships through past experiences. It also demonstrates a successful partnership model for FASSET and reflects on the lessons and areas of improvement for partnerships in the coming years.

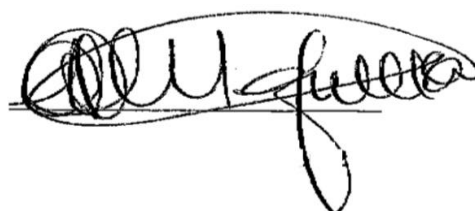
Chapter 5 describes the approach that FASSET uses for Monitoring and Evaluation (M&E). The chapter also determines the priority areas for FASSET's M&E and details the extent to which the strategic priorities outlined in the Annual Performance Plan and Strategic Plan documents inform the activities undertaken through the SETA's M&E function. In this update, the Theory of Change is outlined as prescribed by DHET for the 21 SETAs to consider in their performance framework and standards. The challenges experienced in the M&E within FASSET are highlighted, too, along with the plan of action the SETA will take in the upcoming period.

The SSP closes with Chapter 6 which provides a high-level summary of each chapter. The chapter also provides FASSET's five strategic skills priority actions which are aligned to the 2022/23 SSP update. The five strategic skills priorities are also aligned with developmental and transformation objectives, strategies and policies of the national government, outlined in Chapter 2.

The skills development priorities are also linked to FASSET's intended impact for the 2020–2025 strategic period, which aims to facilitate the timely and relevant upskilling of the FASSET sector. FASSET will review these targets in the 2022/23 period to be more in line with the priorities of the ERR Plan and ERR Strategy in response to COVID-19 impacts and other emerging trends, such as the 4IR. Other aspects guiding the five strategic skills priorities for 2022/23 are the findings and skills implications identified in Chapter 2, with a specific focus on the COVID-19 and 4IR change drivers and the skills development objectives of the ERR Strategy.

Ms. Ayanda Mafuleka
CEO

Signature:



Date: 28 July 2021

RESEARCH PROCESS AND METHODS

The SSP is a coherent framework for sector analysis and interpretation to enable credible skills planning for the financial and accounting services sector. In working towards the 2022/23 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 desktop research, consultation with stakeholders, systematic analysis of sub-sector needs, and strategic engagement at the level of the Board.

The research that informs the FASSET SSP comprises quantitative and qualitative methodologies, consisting of document reviews, data analysis and stakeholder consultations. This section outlines how the research methods were applied to each chapter, including details around 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 situation in the Finance and Accounting Services Sector. The topics included in the research are prescribed in the SSP Guidelines issued by the DHET and include a profile of the sector; key skills issues faced by the sector and the SETA; occupational shortages and skills gaps and partnerships of the SETA; and the monitoring and evaluation adopted by the SETA. The research culminates in the skills development priorities set by FASSET.

Qualitative and quantitative data used in the SSP development were sought systematically—mainly through the interrogation of research reports and internet searches. Statistical information on the profile of the sector and occupational shortages was obtained from the WSP/ATRs submitted to FASSET in May 2021. Some of the key secondary data sources interrogated for the purposes of this SSP Update include:

1. Government's strategic plans and legislation;
2. Statistics South Africa;
3. FASSET sector Workplace Skills Plans and Annual Training Reports (WSP/ATR) data;
4. FASSET Organisation Huge File (OHF) data;
5. FASSET survey, sector trends, transformation and other publications;
6. DHET publications;
7. Industry provided research and literature;
8. Sector-related literature; and
9. COVID-19 literature.

FASSET also hosted industry stakeholder and internal staff workshops through virtual focus group sessions from April to May 2021. These sessions solicited further inputs from industry and professional bodies and verified existing information collected through desktop research.

Timeframe

The SSP research for the 2022/23 Update followed the normal guidelines, compared to the previous period, which was interrupted by lockdown measures as a result of the COVID-19 pandemic. The first draft was submitted to the DHET on 15 June 2021.

Table 1: Research conducted in preparing FASSET’s 2022/23 Update

Chapter	Nature of the study	Objectives of study	Data collection tool	Sample size and scope	List of data sources and datasets	Time frame
Chapter 1: Sector and Economic Profile of the FAS sector	Quantitative Qualitative	- To provide an overview of the financial and accounting services (FAS) sector	- Desktop research and analysis	Total number of employers that submitted WSP/ATRs: 1 330.	- Secondary literature - Statistics SA data - WSP/ATR submission data	1 April-31 May 2021
Chapter 2: Key Skills Issues and Change Drivers impacting the FAS sector	Qualitative	- To determine and validate key skills change drivers in the sector - To determine the implications of identified change drivers for skills planning in the sector	- Desktop research and analysis - Virtual interviews and focus groups	A total of 7 sessions were held. A total of 32 sub-sector representatives participated, including employers and professional bodies, training providers and other sector-related representatives.	- Primary research: sub-sector representatives - Secondary literature	1 April-31 May 2021
Chapter 3: Occupational Shortages and Skills Gaps impacting the FAS sector	Quantitative Qualitative	- To identify and analyse the hard-to-fill vacancies and scarce skills in the sector - To determine the nature of supply and demand in the sector - To determine sectoral priority occupations and interventions (SPOI)	- Desktop research and analysis - Virtual interviews and focus groups	Total number of employers that submitted WSP/ATRs: 1 330. A total of 32 sub-sector representatives participated, including employers and professional bodies, training providers and other sector-related representatives.	- Secondary literature - WSP/ATR submission data - Primary research: sub-sector representatives - Secondary literature	1-30 April 2021
Chapter 4: An analysis of FASSET’s Sector Partnerships for the current and upcoming period	Qualitative	- To identify and analyse FASSET partnerships - To assess the effectiveness of FASSET partnerships, identify challenges and areas of strengths	- Desktop research and analysis - Virtual interviews and focus groups	A total of 4 FASSET representatives participated in an interview/focus group session.	- Secondary literature - Primary research: FASSET staff representatives	1-31 May 2021

Chapter 5: An evaluation of FASSET's Monitoring and Evaluation activities	Qualitative	<ul style="list-style-type: none"> - To determine FASSET's M&E approach - To assess FASSET skills development programmes/priorities for the period under review 	<ul style="list-style-type: none"> - Desktop research and analysis - Virtual interviews and focus groups 	A total of 3 SETA staff employers participated in an interview/focus group session.	<ul style="list-style-type: none"> - Primary research: FASSET staff representatives - Previous M&E reports - FASSET Annual Reports - Other FASSET supporting documents 	1-31 May 2021
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Table 2: WSP/ATR submissions by employer size 2021 submissions

Enterprises	2020 Submissions	2021 Submissions
Large Employers (150+ employees)	105	98
Medium Employers (50 – 149 employees)	157	143
Small Employers (1 – 49 employees)	1 043	1 089
TOTAL	1 305	1 330

Source: FASSET data system

Fewer large and medium-sized organisations participated in the WSP/ATR process for the 2020/21 financial period compared to 2019/20. The results of the WSP/ATR submission are mostly reflected in Chapter 1 through the labour profile of the FAS sector.

CHAPTER 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 SA, World Bank 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 Sector Education and Training Authorities (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 Table 3.

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
		Activities of Cost & Management Accountants
	88122	Bookkeeping Activities, including Relevant Data Processing & Tabulating Activities
	88123	
Activities Auxiliary to Financial Intermediation	83190	Activities Auxiliary to Financial Intermediation

Sub-sector	SIC Code	SIC Description
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 main 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

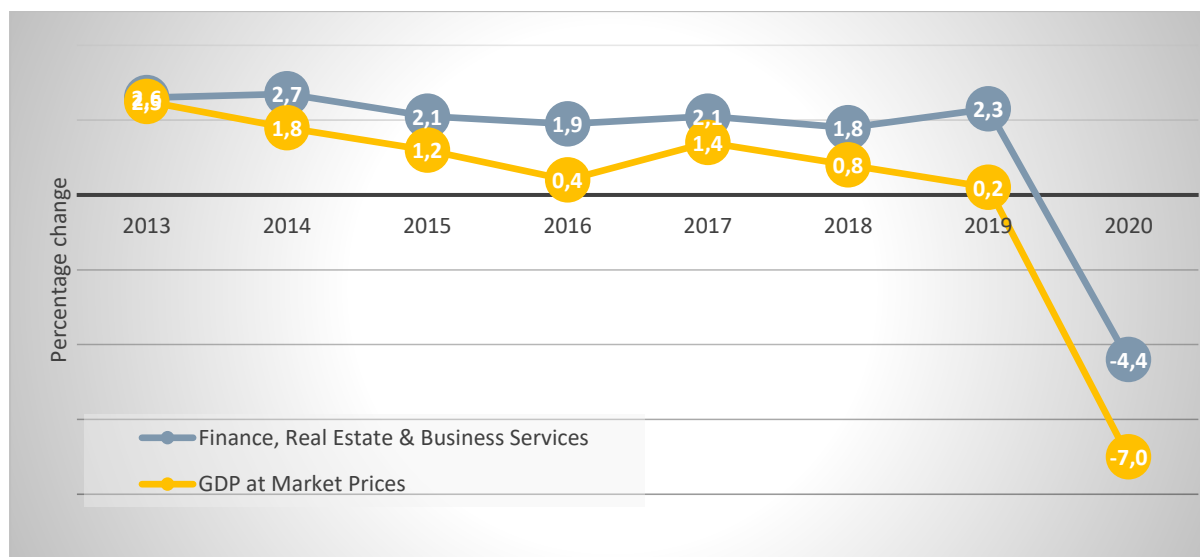
Role-Players	Roles	NSDP Outcome Alignment
Professional Bodies: <ul style="list-style-type: none"> • AAT • ACCA • CIMA • CSSA • ICB • IIASA • SAIPA • SAICA 	Professional bodies set the standards for professions and occupations, maintain ethical codes and standards for professional conduct, investigate 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 identifying occupations in high demand (Outcome 1) while also playing a crucial role in the development of learnerships for the FAS sector and economy. Professional Bodies, in partnership with FASSET, further facilitate workplace-based learning (Outcomes 2 and 4) 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.
PSET institutions: <ul style="list-style-type: none"> • 26 public universities 	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	PSET institutions, through providing a supply pipeline from NQF1 through to NQF 10 in the FAS sector, ensure that the production of occupations in high demand (Outcome 1) is met, while also ensuring that accredited

Role-Players	Roles	NSDP Outcome Alignment
<ul style="list-style-type: none"> • 50 public TVET colleges (264 campuses) • Private higher education institutions • Private colleges • Accredited private training providers and SDPs 	<p>Diploma (NATED) programmes (N1–6), which include bookkeeping and other business administration skills, while universities offer commerce diplomas and degrees.</p>	<p>programmes are occupationally directed (Outcome 4) through WBL programmes, RPL and lifelong learning, which ultimately improves the skills level of the workforce and lining education in the workplace (Outcomes 3 and 2). Partnerships with education institutes such as TVET colleges further support socio-economic development in South Africa through accredited programmes offered (Outcome 5).</p>
<p>Industry Bodies & Associations:</p> <ul style="list-style-type: none"> • IASSA • ABSIP • ABASA • BBCSA • SAAA • AWCA • CFO South Africa 	<p>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.</p>	<p>Most employer bodies aim to ensure the representation of minority groups and previously disadvantaged groups and professionals in the FAS industry.</p> <p>Employer bodies promote the economic and social interest of their members, including the facilitation of skills development support for its members (Objective 6) while providing a platform for employers to discuss occupational needs (Outcome 1) and for knowledge sharing.</p>
<p>Regulators:</p> <ul style="list-style-type: none"> • SARS • IRBA • FSCA 	<p>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.</p>	<p>By ensuring competence and accountability, and partnering with controlling bodies in the industry, regulators are also linking education to specific occupations and capabilities (Outcome 2).</p> <p>Regulators also play an important role in the setting of educational standards, standards of professional conduct and CPD requirements (Outcome 3 and 4).</p>
<p>Trade Unions:</p> <ul style="list-style-type: none"> • NEHAWU • PSA • Other unions such as SASBO 	<p>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.</p>	<p>The overarching objectives of trade unions mean that they have an active role to play in the attainment of all outcomes of the NSDP.</p> <p>They lobby for better work conditions, which include things such as ensuring education is linked to the workplace.</p>

1.4 ECONOMIC PERFORMANCE OF THE SECTOR

The Finance, Real Estate and Business Services sector (as the broader sector in which the FAS sector fits) is one of many sectors that were negatively impacted by the COVID-19 pandemic.

Figure 1: Annual growth rates in industry value added and GDP (constant 2010 prices, seasonally adjusted and annualised): 2013–2020



Source: Statistics South Africa (StatsSA, 2021a), P04414

Figure 1 shows that the Finance, Real Estate and Business Services sector achieved a negative Gross Domestic Product (GDP) annual growth rate of -4.4% in 2020 from 2.3% in 2019 (Stats SA, 2021a). The annual national GDP growth rate dropped to -7.0% in 2020 from 0.2% in 2019.

In terms of contribution to growth measured in percentage points, the Finance, Real Estate and Business Services sector contributed -0.1% in Q4:2020 compared to 0.6% in Q4:2019 to the GDP of the country (Stats SA, 2021a).

In terms of quarter-on-quarter GDP growth for the sector, a 3.1% growth was achieved in quarter 1 (Q1), -37.5% in Q2, 17% in Q3, and -0.2% in Q4 compared to a rate of 2.7% in Q4 of 2019 (Stats SA, 2021a).¹ The national GDP growth rate in Q4 of 2020 was 6.3% compared to -1.4% in the same quarter of 2019 (Stats SA, 2021a). This means that while national GDP recovered in the final quarter of the year, the Finance, Real Estate and Business Services sector was unable to match the national outcome. Moreover, the sector was one of only two sectors, the other being Mining, that did not show recovery of economic activity in Q4 of 2020 (Stats SA, 2021a).

Figure 2 below shows that the Finance, Real Estate and Business Services and other sectors were outperformed by the agriculture (13.1%) and government (0.7%) sectors in 2020 in terms of annual GDP.

¹ Quarter-on-quarter GDP represents the percentage change in GDP for the latest quarter compared with the immediate preceding quarter (for example, Q3: 2020 compared with Q2: 2020) (Stats SA, 2021a).

Figure 2: Economic performance by annual growth rate of the different sectors, 2020

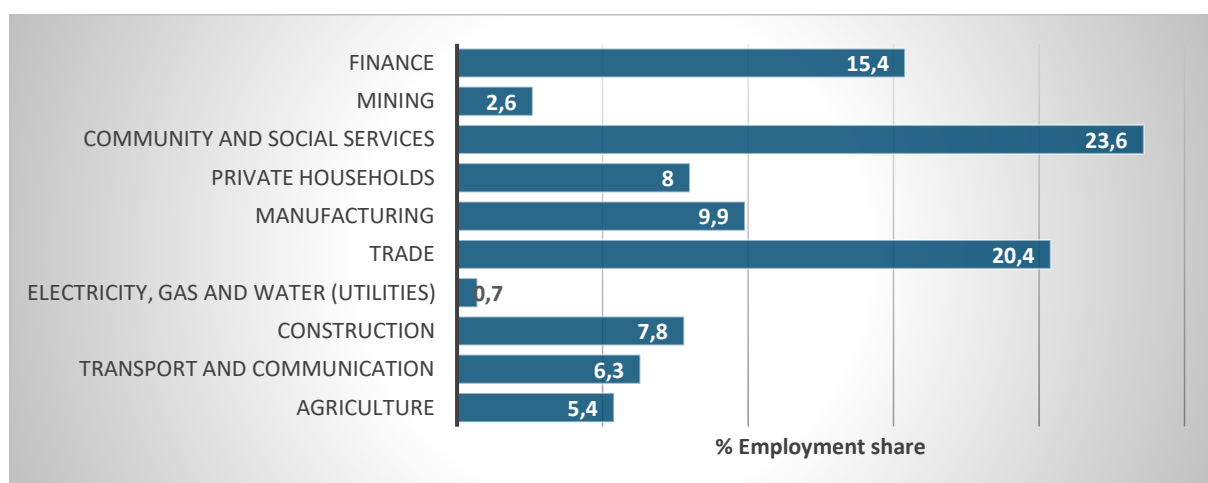


Source: StatsSA, 2021a, P04414 (seasonally adjusted and annualised)

During 2020, all economic sectors experienced significant downturns in each quarter because of the COVID-19 lockdown. In Q2:2020 the Finance, Real Estate and Business Services had a GDP rate of -35.7%, which grew to 17% in Q3 and -0.2% in Q4 (Stats SA, 2021a). The quarter-on-quarter changes are reflective of the easing of lockdown levels, which allowed for more movement and economic activity in Q3 during July and September. Most of the economy had a strong rebound in Q3. Production and consumption decelerated in Q4 again. The Finance sector did not recover the GDP rates of the previous year. The annual GDP for the sector in 2019 was 2.3% (Stats SA, 2021a).

Eight of the ten industries made positive gains in Q4:2020, with manufacturing (21.1%), construction (11.2%) and trade (9.8%) having the strongest quarterly recovery for Q4, while mining (-1.4%) and finance were the two industries with decreases in economic activity for the quarter (Stats SA, 2021a). In addition, according to Stats SA QLFS data (2021b), the following employment share in Q4 of 2020 was recorded for each economic sector.

Figure 3: Employment share by sector in Q4, 2020



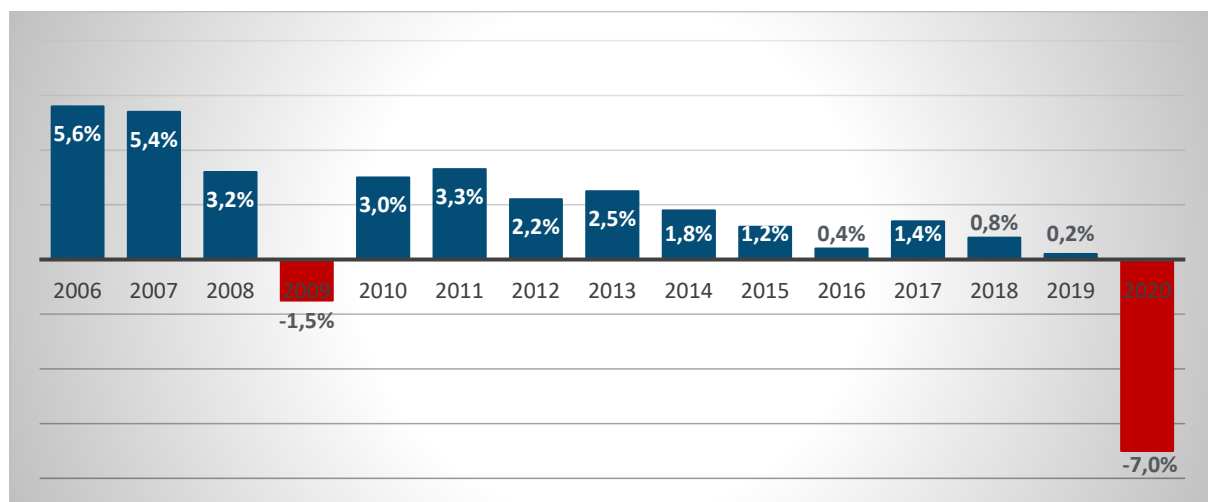
Source: StatsSA, 2021b., P0211

According to Figure 3, the Community and Social Services, Trade and Finance sectors had high employment shares in Q4: 2020. Moreover, there were 9.64 million people employed in Q4:2020 from 9.56 million in quarter three—this was an increase of 76 000 jobs (0.8%) in Q4 from Q3 (Stats SA, 2021c). However, compared to Q4:2019, there was a decrease of 594 000 (-5.8%) jobs (Stats SA, 2021c). The sectors with the highest job losses in Q4:2020 include Finance, Real Estate and Business Services with 178 000 jobs shed, Trade with 153 000 jobs shed and Manufacturing with 106 000 jobs shed (Stats SA, 2021c).

Finance/Business Services, Trade, Construction and Manufacturing also showed the highest decreases in total gross earnings, likely because of the reduction in economic activity across industries due to the pandemic and lockdown(Stats SA, 2021c). The 2020 COVID-19 lockdowns resulted in many businesses closing or temporarily ceasing activity; tax revenue shortfalls; rising unemployment; and changes seen in workforce capacity and productivity across sectors, amongst other effects on business, income and employment (Arndt et al., 2020; Pillay et al., 2020; Rasool; 2020).

Figure 4 shows that the economy recorded a record low GDP rate of -7% in 2020.

Figure 4: SA GDP growth rate (year-on-year)



Source: StatsSA, 2021a., P04414

In the last global financial crisis of 2009, the GDP rate contracted to only -1.5% and showed a strong recovery thereafter. Since 2014, the economy has failed to show significant growth and contracted to under 1% of growth before the onset of the COVID-19 pandemic, as seen in the graph. Before 2020, the economy faced ongoing structural challenges such as poverty and unemployment, increased demand on public expenditure, and failing state-owned enterprises (SOEs). In 2020, the global health pandemic affected the economy even more severely with steep declines in economic activity.

The global economy contracted to -4.3% in 2020 and is forecast to recover to 4.0% in 2021 (World Bank, 2021). The next five years are expected to show subdued economic recovery in many countries (World Bank, 2021). To overcome the impact of the pandemic, governments must undertake structural reforms, improve business environments, increase labour and market flexibility, as well as strengthen transparency and governance, amongst other priority areas (World Bank, 2021).

Moreover, the pandemic's effects will be long-lasting on global activity, with the slowdown in global growth expected to worsen underinvestment and underemployment and show a decline in labour force activity (World Bank, 2021). Policymakers will be entrusted to put in place comprehensive reforms to drive equitable and sustainable economic growth in the coming years (World Bank, 2021).

Furthermore, according to industry, as determined through focus group engagements, the financial services sector is highly regulated and is affected by trends in the economy. The COVID-19 pandemic, the advent of the 4IR, remote work, and changes to learning and training, will require changes to the current FAS environment in terms of labour, skills and policy. Industry stakeholders also cite modern global risks and continued economic disruptions as issues that the sector must take into consideration in the next few years. These factors are discussed in-depth in Chapter 2.

According to the results of the FASSET (2020c) sector company survey, administered in August 2020, 25% of firms in the sector indicated that they were "very severely" impacted by the COVID-19 pandemic; 36% indicated "severe" impact; 31% indicated a slightly severe impact; and only 11% of the 71 responses indicated a not-too-severe impact. In addition, 35% of respondents anticipated retrenchments "over the next 12 months" (FASSET, 2020c). In a similar survey conducted by Stats SA (Pillay et al., 2020) at the onset of the pandemic, in March–April, nearly 37% of businesses across all sectors expected to lay off staff in the short term, while over 45% expected a reduction in the workforce overall. Most businesses in Finance, Real Estate and Business Services indicated that they were able to trade only partially, while many have temporarily closed or paused trading (Pillay et al., 2020).

Furthermore, 59% of respondents in the FASSET (2020c) survey indicated that technology assisted with continued work during the pandemic, with 8% indicating that technology had not helped at all. Most firms, 48%, indicated that they were able to use laptops or desktop computers to continue working remotely or working from home (FASSET, 2020c). A total of 85% of firms indicated that skills development will be a priority in the next year, with ICT skills, accounting and finance skills, and legislative skills being the priorities for most firms, including small and medium-sized businesses (FASSET, 2020c).

While the national government instituted tax relief schemes in 2020 to help businesses survive, stakeholders from focus group engagements indicated that the levy payment holiday did not have adverse effects on skills development in the sector—one of the reasons being that skills development and training initiatives were mostly put on hold in the earlier lockdown periods as it stood. The second reason was that some businesses were able to continue skills development efforts through internal training methods for staff, and most onboarded online and virtual training methods during the pandemic. This method proved cost-effective for most companies, with many continuing the trend even with eased lockdown measures and back-to-office procedures.

1.5 EMPLOYER PROFILE

1.5.1 SUB-SECTOR DISTRIBUTION

The majority (99%) of employers operating in the sector are small businesses (0–49 employees). Out of 35 127 employers in the sector, only 321 are medium-size companies (50–149 employees), while 201 are large (150+ employees). The largest proportion (36.1%) of employers are operating within the Accounting, Bookkeeping, Auditing and Tax Services sub-sector, followed by Investment Entities and Trusts and Company Secretary Services (22.4%) and the Business and Management Consulting sub-sector (19.6%).

The Stockbroking and Financial Markets sub-sector comprises a 12.3% share of employers; Activities Auxiliary to Financial Intermediation comprises 7.8%; and Development Organisations and SARS and Government Departments hold the smallest share with 1.3% (465 employers) and 0.3% (119 employers), respectively.

Table 5: Sub-sector Distribution of Employers, 2020

Sub-sector	Large (150+)	Medium (50-149)	Small (0-49)	Total
Accounting, Bookkeeping, Auditing and Tax Services	42	108	12 541	12 691
Activities Auxiliary to Financial Intermediation	26	28	2 700	2 754
Business and Management Consulting Services	42	67	6 793	6 902
Development Organisations	5	4	456	465
Investment Entities and Trusts and Company Secretary Services	17	34	7 826	7 877
SARS and Government Departments	10	2	107	119
Stockbroking and Financial Markets	59	78	4 182	4 319
Total	201	321	34 605	35 127

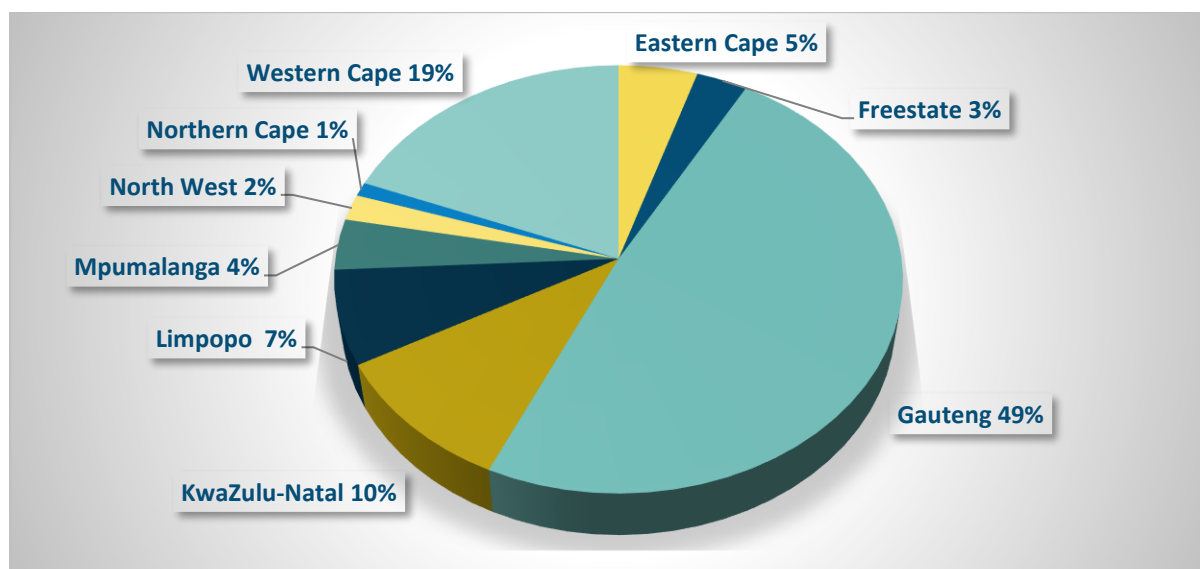
**Figures are estimations based on OHF and WSP/ATR submissions of 2021.*

Source: FASSET data system 2021

1.5.2 PROVINCIAL DISTRIBUTION

The largest concentration of employers is found in Gauteng (49%); 19% are located in the Western Cape and 10% are based in KwaZulu-Natal. The North West (2%) and Northern Cape (1%) provinces host the lowest number of employers in the sector.

Figure 5: Provincial Distribution of FASSET Employers, 2020



**Figures are estimations based on OHF and WSP/ATR submissions of 2021.
Source: FASSET data system 2021*

The graph shows that the Gauteng province is dominated by employers operating within the Accounting, Bookkeeping, Auditing and Tax Services sub-sector (33%); the Business and Management Consulting Services sub-sector (24%); and the Investment Entities and Trusts and Company Secretary Services sub-sector (21%).

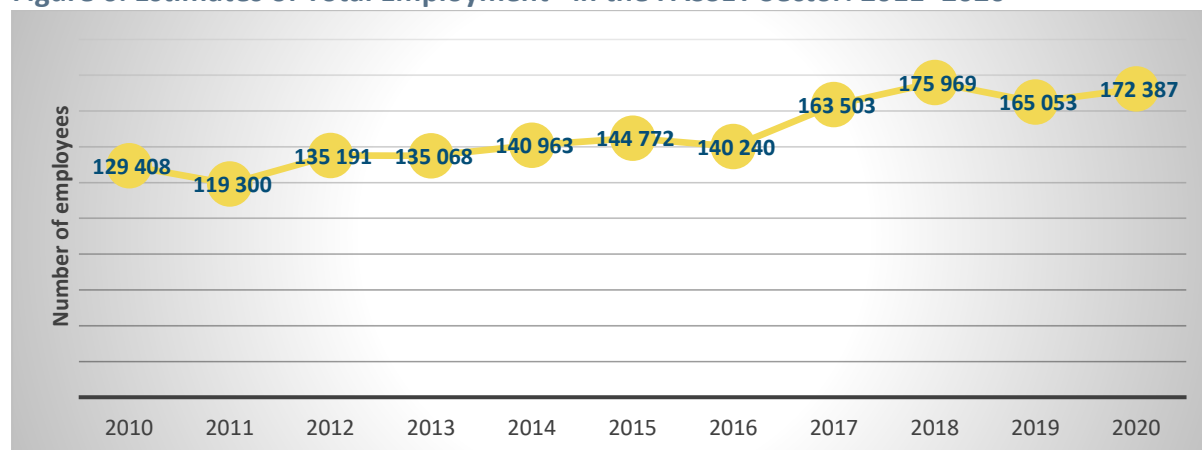
The majority of employers (34%) in the Western Cape also provide Accounting, Bookkeeping, Auditing and Tax Services, which is also the dominant sub-sector in the North West (46%). Most employers in Limpopo are operating within the Investment Entities, Trusts and Company Secretary Services sub-sector (45%). The Business and Management Consulting Services and Investment Entities and Trusts and Company Secretary Services sub-sectors are the most dominant across the provinces after the Accounting, Bookkeeping, Auditing and Tax Services sub-sector.

1.6 LABOUR MARKET PROFILE

1.6.1 EMPLOYMENT TRENDS

The FAS sector reported a total of 172 387 employees for the 2020/21 financial period, following an increase of 10% to 11% from 2019 to 2020 (over 7 000 employees). Employment trends for the sector over the ten-year period have been marginal, with mere percentage differences between the years. The graph below shows the employment trends in the FAS sector over time.

Figure 6: Estimates of Total Employment* in the FASSET Sector: 2011–2020



*Figures are estimations based on OHF and WSP/ATR submissions of 2021.

Source: FASSET data system 2021

1.7 SUB-SECTOR DISTRIBUTION OF EMPLOYEES

In the 2020/21 financial period, the number of employees in the Accounting, Bookkeeping, Auditing and Tax Services sub-sector increased by 2% from 61 000 in 2020 to 64 178 in 2021 and accounted for 37% of the total employment in the FAS sector, making it the sub-sector with the largest employment share. Business and Management Consulting Services is the second-largest sub-sector, accounting for approximately 19% of the sector’s workforce—a decrease of 2% from 2019. The Stockbroking and Financial Markets sub-sector has the third-largest employment share in the sector. The employment share of most sub-sectors did not change significantly between 2019 and 2020, except for the Investment Entities sub-sector, which saw employment growth by 2 281 employees.

The table below shows the sub-sector distribution of employees between 2018 and 2020.

Table 6: Sub-sector Distribution of Employees: 2018–2020

Sub-sector	2018		2019		2020	
	N	%	N	%	N	%
Investment Entities, Trusts and Company Secretarial Services	10 282	6	9 671	6	11 952	7
Stockbroking and Financial Markets	25 422	14	24 380	15	24 453	14
Development Organisations	5 167	3	2 919	2	3 262	2
Accounting, Bookkeeping, Auditing and Tax Services	58 211	33	61 100	37	64 178	37
Activities Auxiliary to Financial Intermediation	22 595	13	17 123	10	18 081	10
Business and Management Consulting	29 748	17	34 437	21	33 598	19
SARS & Government Departments	17 442	10	15 055	9	14 986	9
Unknown	7 102	4	369	-	1 877	1
Total	175 969	100	165 053	100	172 387	100

*Figures are estimations based on OHF and WSP/ATR submissions of 2021.

Source: FASSET data system 2021

1.7.1 PROVINCIAL DISTRIBUTION OF EMPLOYEES

A significant number of employees in the sector are based in Gauteng. Gauteng consistently comprises around 50% of employment in the sector. However, the number of employees based in Gauteng declined from 55% in 2017 to 51% in 2018, suggesting that employees are either finding other employment or relocating to other provinces such as the Western Cape. The Western Cape has seen some increase in the number of employees in the sector over the years. In 2014, only 19% of the employees were based in the Western Cape compared to 29% in 2019, marking a 10% increase over the years. Only 8% of employees are based in the KwaZulu-Natal province. Relatively small percentages of employees were located in the remaining six provinces.

Table 7: Provincial Distribution of Employees: 2018–2020

Province	2018		2019		2020	
	N	%	N	%	N	%
Eastern Cape	6 540	4	6 540	4	6 141	4
Free State	3 270	2	3 270	2	3 506	2
Gauteng	83 386	51	83 386	51	82 642	48
KwaZulu-Natal	11 445	7	11 445	7	13 267	8
Limpopo	4 905	3	4 905	3	3 914	2
Mpumalanga	3 270	2	3 270	2	3 283	2
Northern Cape	1 635	1	1 635	1	2 884	2
North West	1 635	1	1 635	1	1 374	1
Western Cape	47 415	29	47 415	29	29 522	17**
Unallocated	0	0	0	0	25 855	15
Total	163 503	100	163 503	100	172 387	100

*Figures are estimations based on OHF and WSP/ATR submissions of 2021.

**Possible reporting error: some organisations from 50+ and GD did not specify location (could be 33% for WC).

Source: FASSET data system 2021

1.8 EMPLOYEE PROFILE

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.

In the 2020/21 period, the Black demographic (Black African, Coloured, Indian) together occupies 70% of jobs in the sector. Black African people occupy 50% of jobs in the sector and the white demographic occupies 29% of jobs in the sector. In the current period, African Black people occupy 36% of managerial positions, 43% of professional positions and 53% of technical positions, which reflects positively for transformation in the sector.

Table 9 shows the gender split in each demographic for the occupations. The data here show that women are increasingly occupying the dominant share of roles in most occupations. This is a positive indicator for government priorities to increase the economic inclusion of women and black people in the economy.

Table 8: Employees according to Major OFO Group and population, 2020

Occupational group	Black African		Coloured		Indian		White		Non-SA		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Managers	11 845	36%	3 192	10%	3 527	11%	13 919	42%	697	2%	33 180	100%
Professionals	27 195	43%	6 600	10%	8 186	13%	19 844	31%	1 222	2%	63 047	100%
Technicians and Associate Professionals	10 139	53%	2 291	12%	1 295	7%	5 278	27%	205	1%	19 209	100%
Clerical Support Workers	19 699	54%	5 174	14%	2 510	7%	8 890	24%	58	0%	36 331	100%
Service and Sales Workers	5 279	77%	522	8%	165	2%	839	12%	47	1%	6 852	100%
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	696	73%	119	13%	18	2%	99	10%	16	2%	949	100%
Plant and Machinery Operators and Assemblers	2 227	85%	101	4%	7	0%	97	4%	182	7%	2 615	100%
Elementary Occupations	8 962	88%	586	6%	70	1%	269	3%	318	3%	10 205	100%
TOTAL	86 043	50%	18 585	11%	15 779	9%	49 235	29%	2 745	2%	172 387	100%

Figures are estimations based on OHF and WSP/ATR submissions of 2021. Source: FASSET data system 2021.

Table 9: Employees according to Major OFO Group split by gender and population, 2020

Occupational group	Black	Black	Coloured	Coloured	Indian	Indian	White	White	Foreign	Foreign
	F	M	F	M	F	M	F	M	F	M
Managers	50%	50%	58%	42%	46%	54%	44%	56%	38%	62%
Professionals	54%	46%	58%	42%	55%	45%	57%	43%	51%	49%
Technicians and Associate Professionals	47%	53%	57%	43%	53%	47%	51%	49%	34%	66%
Clerical Support Workers	69%	31%	78%	22%	76%	24%	86%	14%	54%	46%
Service and Sales Workers	53%	47%	63%	37%	58%	42%	46%	54%	54%	46%
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	17%	83%	22%	78%	86%	14%	0%	100%	0%	100%
Plant and Machinery Operators and Assemblers	48%	52%	55%	45%	51%	49%	44%	56%	37%	63%
Elementary Occupations	67%	33%	59%	41%	74%	26%	31%	69%	37%	63%

*Figures are estimations based on OHF and WSP/ATR submissions of 2021. Source: FASSET data system 2021.

1.8.1 GENDER OF EMPLOYEES

According to the 2020/21 WSP/ATR submissions and OHF data reported, 57% of employees in the Finance and Accountancy sector are women. The occupational groups in which women are dominant include technicians and associates, clerical support positions, and services and sales work. Men predominantly occupy managerial, professional and skilled and related trades roles.

Table 10: Gender of Employees, 2020

Occupational Group	Gender		
	N	F (%)	M (%)
Managers	33 180	46%	54%
Professionals	63 047	56%	44%
Technicians & Associate Professionals	19 209	50%	50%
Clerical Support Workers	36 331	76%	24%
Service & Sales Workers	6 852	52%	48%
Skilled Agricultural, Forestry, Fishery, Craft & Related Trades Workers	949	19%	81%
Plant & Machine Operators & Assemblers	2 615	49%	51%
Elementary occupations	10 205	64%	36%
Total	172 387	58%	42%

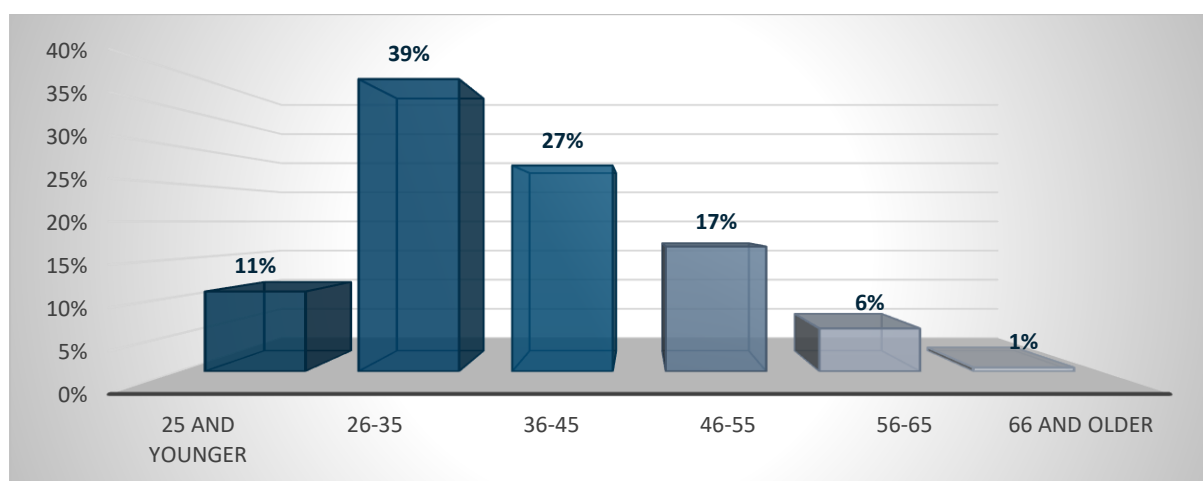
**Figures are estimations based on OHF and WSP/ATR submissions of 2021.*

Source: FASSET data system 2021

1.8.2 AGE OF EMPLOYEES

Most workers fall in the SA youth category (35 and younger); over 36 000 (39%) employees are in the 26–35 age group and over 9 800 are 25 or younger. This means that the FAS sector is predominantly young—a good indicator for national developmental imperatives, as well as FASSET’s targets, which aim to increase youth in employment by 2030. The FAS sector is generally regarded as a training sector with large numbers of learners in workplace-based learning (Chartered Accountant and Professional Accountant learnerships). This is one of the reasons for the relatively young profile of the sector.

Figure 7: Age of employees in the sector, 2020



**Figures are estimations based on OHF and WSP/ATR submissions of 2021.*

Source: FASSET data system 2021

1.8.3 DISABILITY

FAS employers, for the 2020/21 period, reported that 1 632 people living with disabilities are employed in the sector, i.e. 0.9% of total employment. The largest number of people with disabilities in the sector 923 (2.6%) are employed in the Clerical Support Workers occupation group.

Table 11: Workers living with disability according to Occupation Group, 2020

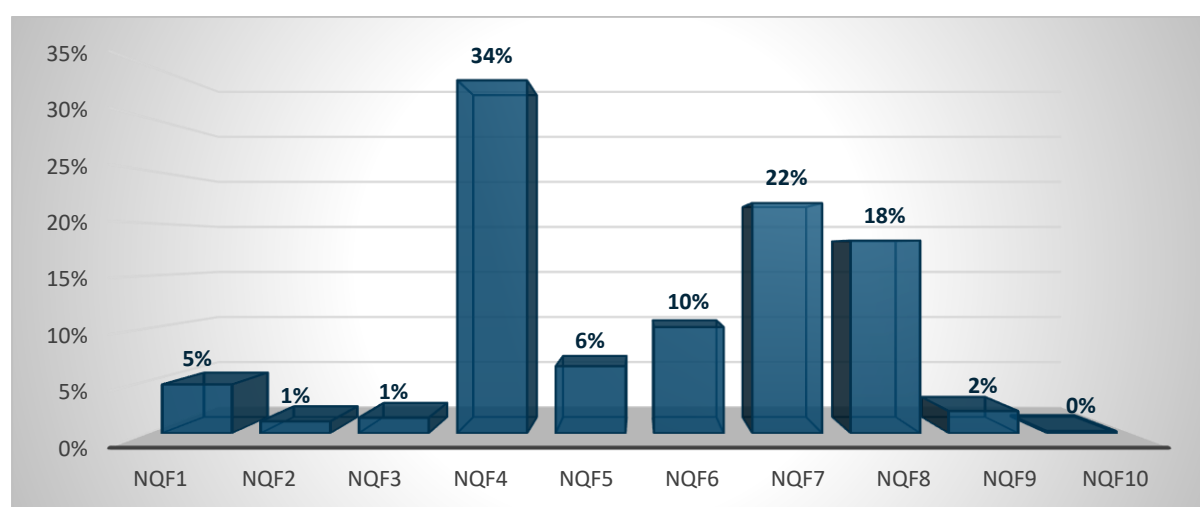
Occupation Group	Workers living with disability	Total Employment	% of Employment*
Managers	216	27 070	0,8%
Professionals	308	60 739	0,5%
Technicians and Associate Professionals	126	14 713	0,9%
Clerical Support Workers	923	35 382	2,6%
Service and Sales Workers	5	6 949	0,1%
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	0	5 677	0,0%
Plant and Machinery Operators and Assemblers	1	10 810	0,0%
Elementary Occupations	53	11 047	0,5%
Total	1632	172 387	0,9%

*Figures are estimations based on OHF and WSP/ATR submissions of 2021. Source: FASSET data system 2021.

1.8.4 QUALIFICATIONS OF EMPLOYEES

The graph below reflects the data reported by medium and large organisations (50+ employees) and government departments only. Based on the submitted data, most of the workforce—over 25 300 (34%) for those reported—have, at minimum, an NQF level 4 qualification (Matric equivalent). The majority have a post-school education qualification between NQF levels 5–10 (59%). Over 16 500 have an NQF 7, over 13 800 have NQF 8, over 1 600 have masters’ degrees, and 167 have PhDs in the sector, as reported. These figures speak to the level of education and qualification that is characteristic of the sector.

Figure 8: Percentage of qualifications by NQF level of FAS workforce (reported by medium and large organisations and government departments), 2020

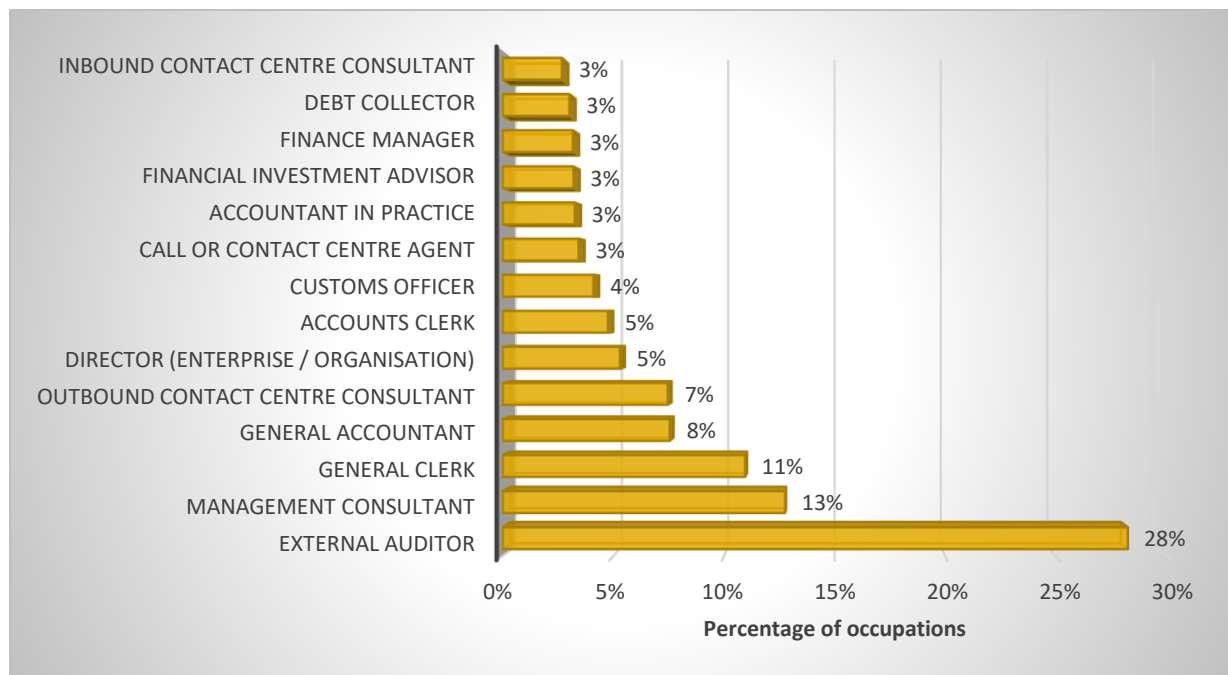


*Figures are estimations based on OHF and WSP/ATR submissions of 2021. Source: FASSET data system 2021.

1.8.5 DOMINANT OCCUPATIONS IN THE SECTOR

Again, this graph reflects the data reported by 50+ employees and government departments only. The total count for the 14 occupations listed is 37 252, 22% of the total workforce. Of that total, External Auditor is the most commonly held occupation, with over 10 500 professionals in the sector, as reported.

Figure 9: Dominant occupations in the sector (reported by medium and large organisations and government departments), 2020



**Figures are estimations based on OHF and WSP/ATR submissions of 2021. Source: FASSET data system 2021.*

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 sector is also composed of a relatively youthful, well-qualified working population, which may positively impact the sector’s response to the effects of the pandemic and national developmental imperatives.

The chapter also reflects on the economic impact of the COVID-19 pandemic on the FAS sector and the overall economy. The national economy experienced a downturn of -0.7% GDP in 2020, and the Finance, Real Estate and Business Services sector had a GDP of -4.4% in 2020. The economic shock of the pandemic did not only slow down economic activity but also impacted employment and business survival in the economic sectors. The Finance sector experienced 178 000 job losses in 2020.

CHAPTER 2: KEY SKILLS CHANGE DRIVERS

2.1 INTRODUCTION

This chapter explores the factors that drive change in the demand and supply of skills in the FAS sector. The change drivers in the sector are identified through desktop research and consultative sessions with various industry stakeholders. Focus groups discussions included representatives across the seven FAS sub-sectors.

2.2 CHANGE DRIVERS IN THE SECTOR

The previous SSP report highlighted the disruptors in the business environment led by the COVID-19 pandemic. Current trends show a continuation of this disruption to the world of work, learning and training, and the regulatory environment of the FAS sector.

The five key change drivers for the upcoming period are all influenced by COVID-19. The change drivers and their impact were workshopped and verified with the FAS industry and can be described as follows:



The onset of the pandemic created an immediate shift to remote and online work for most of the South African labour force in March 2020. This shift meant that companies and workers, including those in the Financial and Accounting sector, would become reliant on technological tools and platforms for business continuity, such as Zoom, Microsoft Teams, Skype and ClickUp, for example.

Cloud-based, task-driven work platforms used across industries during the pandemic to assign tasks to employees and manage projects remotely are expected to remain in the work environment long after the effects of the pandemic have passed and will require newer or updated skill sets in the sector. For the FAS sector, strategic 4IR technologies such as cloud computing, automation, digitalisation, blockchain and cryptocurrency will become relevant in the next three to five years. New entrants will be inducted with the necessary competencies to work alongside these technologies, while existing workers may require upskilling and re-skilling in line with changing trends.

Moreover, the COVID-19 pandemic and the subsequent lockdown of all sectors and institutions have had a significant impact on the continuity of both basic and higher education. The shutdown of all educational institutions immediately following the onset of the pandemic has seen PSET institutions rush to prepare to adopt remote and other online methods of teaching. Online learning became crucial for the continuation of learning and training across the country and this shift in the world of work also impacted the skills needs in the industry.

Moreover, in the FAS sector, not all learning, training and examinations could not take place online. Professional exams such as the Initial Test of Competence (ITC) and Assessment of Professional Competence (APC) were postponed to later dates (from June to November), and some were only taken in early 2021. This means that the pipeline of new graduates and trainees into the sector is also delayed which will likely impact the pool of the FAS labour force in

the upcoming period. More generally, the combined impact of COVID-19, 4IR adaptation, online learning methods and remote work has also had adverse effects on professionals in the sector according to industry. Other than delays in completing professional programmes, workers in the sector also experienced the following challenges: adjusting to a different set of time management skills; lacking the technical and non-technical competencies to work in remote environments and via digital platforms; and, in some instances, an inadequacy in the required tools and information to work effectively due to the swift change in ways of work. This indicates that along with upskilling and reskilling required in line with technical competencies, workers in the sector will require updated competencies in soft skills too, such as time and stress management, for example, as a result of the change drivers identified for the sector.


The economic impact of COVID-19 increased unemployment and underemployment in the country. Jobs across industries were cut, and some occupational roles were expanded to take on more responsibility. According to the Financial and Accounting industry demarcated to FASSET, the economic downturn did not have immediate repercussions for jobs and skills in the sector. However, continued economic shortfalls may see organisations prioritising certain roles and occupations over others. At present, the industry should strive to upskill and reskill existing roles to avoid job losses in the upcoming period.

Considering the impact of emerging trends and COVID-19 on the economy and the FAS sector, in particular, research shows a need for certain regulatory and policy conditions to be in place to ensure the industry’s readiness for the coming years. For example, the POPI Act and IT governance will become prevalent as a result of remote work and digital processes in the work environment. Policy makers, business leaders and workers alike should develop a nuanced understanding of the shifts brought on by the pandemic to the world of work to respond accordingly in both policy and practice.

2.3 IMPLICATIONS OF CHANGE DRIVERS FOR SKILLS PLANNING

A drastic shift in labour and skills supply is expected to unfold in the upcoming period for the sector. The skills implications of these shifts are detailed in the table below.

Table 12: Key skills issues and implications of change drivers for skills planning

KEY SKILLS ISSUES AND IMPLICATIONS FOR SKILLS PLANNING	
<p>Strategic (4IR) technologies</p> 	<ul style="list-style-type: none"> • FAS workforce must be prepared with the skills, tools and competencies to work alongside technological advances • Accounting, finance and auditing occupations should adapt to technologies to enable changing roles in organisations • Professionals with coding and programming skills will have value • Adoption of data mining and business engineering solutions by companies will impact the type of skills and occupations demanded in the next 5–10 years • Workers will have to re-skill and upskill to coexist with these technologies that could either enhance or interfere with their current work processes • New technologies will directly impact decision making and problem-solving in the workplace, at all occupational levels • New entrants to be equipped with the requisite skills and tools at induction • Many young people are “internet-savvy” but poor access to the internet and other technology remains a challenge and impacts work and learning for these individuals

KEY SKILLS ISSUES AND IMPLICATIONS FOR SKILLS PLANNING

Learning and training



- Disruption to the academic year delays throughput of learners and graduates into the industry
- PSET institutions to prepare for the adoption of remote learning and online training methods, e.g. virtual reality, machine learning and simulations, gamification
- Qualification bodies, councils and authorities must ensure required competencies can be fast-tracked and acquired by learners and professionals for them to gain employable skills in line with changing trends
- Upskilling and re-skilling will be required for those with 3- to 4-year qualifications, particularly where curriculum content may quickly become outdated
- Long-term changes will be seen in learning and the workplace which will have positive and negative implications for professions in the FAS sector in the coming years

Remote work



- Workers and new entrants to be empowered with the skills, tools and competencies to work from home and virtually
- More remote learning and less workplace training to be adopted in coming years
- Some jobs (to be determined through research) are difficult to do from home—loss of human aspects, access to stable internet issues, load-shedding
- Continued research to determine which jobs are difficult and easiest to do from home and to address accordingly
- Remote work requires a higher level of ethical behaviour and conduct in the sector
- Employers will adopt a higher conscientious risk mentality which will influence the type of competencies they will look for in candidates
- Mid-level management roles change as output-based performance reduces micro-management

The economy and jobs



- Due to the nature of the current economy, key occupations and skills in the industry will require particular attention to develop professionals who are responsive to emerging demands and changes, including cloud-based accounting, advisory roles, customer services going digital, forensic auditors, highly specialised auditors, risk management
- Research into remote work and jobs that can co-exist with advanced technology will be key for decisions regarding skills development interventions
- Continued mismatch between qualifications and labour demand due to changing trends will result in unemployment for new graduates

Regulation and governance



- There is a need to challenge the legislative and governing environment so that sector policies adequately respond to the changing dynamics within workspaces
- Conditions such as an enabling ICT environment and IT governance structures must be in place to ensure readiness for industry and the economy as a whole
- Government and the private sector to provide digital and internet infrastructure to enable onboarding of newer technologies in learning and work
- Policy around cybersecurity and cybercrime in business and work to be introduced, particularly where jobs will be done remotely; this will require workers to have more broad-based knowledge of issues influencing their profession, e.g. POPI Act
- Workers to gain knowledge around sector and competition regulation, data and privacy protection, and open data
- Remote work and occupational health and safety policies to govern workers and employers going forward
- Transformation in the sector to be guided by national developmental imperatives and priorities, including the ERRP, effective as of 2020

2.4 POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

The FAS sector aligns its strategies and skills development interventions with key national policies and strategies interfacing with the sector. The implications of these strategies and policies on FASSET’s skills planning are discussed below.

Table 13: Key policies and strategies impacting skills planning

KEY POLICIES AND STRATEGIES IMPACTING SKILLS PLANNING	
<p>The Economic Re-construction and Re-recovery Plan (ERRP)</p> <p>&</p> <p>The Economic Re-construction and Re-recovery Strategy</p> 	<p>FASSET’s mandate to facilitate skills development across the Post-School Education and Training (PSET) pipeline is seen in the human resource development initiatives undertaken by the organisation. FASSET also aims to facilitate the timeous and relevant upskilling of the Financial and Accounting Services 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 ERR Plan details priority interventions to ensure the inclusive and sustainable recovery of the economy following the COVID-19 pandemic. The ERR Strategy has 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, detailed in Chapter 6, Section 6.3. 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. 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, 54% women, 4% people with disabilities and 80% youth in developing the supply of professionals into the sector. These targets will be reviewed for the upcoming period to align with the priority interventions set out by the ERRP and in accordance with needs indicated by employers in the sector, as shown in Chapter 3, Section 3.2.</p>
<p>The National Development Plan (NDP)</p> 	<p>While the ERRP was adopted mainly 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 are methods 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>The National Skills Development Plan 2030 (NSDP)</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</p>

KEY POLICIES AND STRATEGIES IMPACTING SKILLS PLANNING



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.

The White Paper for Post-School Education and Training (WP-PSET)



The National Plan for Post-School Education and Training (NP-PSET)



The Human Resource Development Strategy for SA (HRDSSA)



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 coordinated PSET system that provides access to a diversity of education and training opportunities 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.

FASSET since 2020 also implements monitoring and evaluation (M&E) to ensure accountability and transparency. This is communicated to beneficiaries and role-players, such as the Department of Higher Education, 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.

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.

Finally, through creating and promoting skills development initiatives among workers, the unemployed, and those currently in the skills pipeline, FASSET facilitates objectives of the HRDSSA in the FAS sector. The HRDSSA is a coordinated framework outlining eight critical commitments towards improving the PSET system, 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.

2.5 CONCLUSION

This chapter detailed the key skills issues likely to affect the demand for and supply of skills in the FAS sector in the upcoming period. Research shows that the COVID-19 pandemic is a catalyst for shifts in the skills development system going forward. Changing skills requirements will reflect in a regulatory and policy environment that must be adapted to new trends, including remote work and digitalisation in the workplace. Moreover, upskilling and re-skilling will be required for workers to remain employable in line with changing market demands. Fortunately, as shown in Chapter 1, the FAS industry is composed of a relatively youthful workforce, and this may allow for an easier transition into a digital and remote world of work for the sector.

CHAPTER 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 hard-to-fill vacancies, including the total need of employees across sub-sectors for the upcoming period.

Table 14: Occupational shortages in the FAS sector, 2020

Rank	FASSET Occupation Group	OFO Code	Occupation	Needed	Reasons
1	Client Information Workers & Customer Service	524401	Call Centre Salesperson	1 650	Requires candidates with resilience and perseverance; requires understanding and adherence to relevant legislation
		422202	Outbound Contact Centre Consultant	300	Candidates do not have the relevant communication or negotiation skills; shortage of experienced candidates
		421401	Debt Collector	230	High staff turnover; lack of candidates with strong negotiation skills
		422206	Call or Contact Centre Agent	44	Lack of candidates with required negotiation skills
		431204	Insurance Claims Administrator	11	Shortage of candidates with required skills
Total Needed				2 235	
2	Accountants and Auditors	241104	External Auditor	869	Geographic, unwillingness to relocate; shortage of EE candidates (especially Black African females); retention difficulty; lack of adequate experience and management skills; candidates moving to commerce instead of staying in traditional audit firms; unrealistic remuneration expectations; supply pipeline inadequate (too few adequately qualified graduates to start learnerships)
		241101	General Accountant	299	Lack of EE candidates and PWDs; unable to recruit or retain candidates in small towns; language requirements; lack of adequate experience; lack of accounting candidates with ICT skills
		241107	Financial Accountant	162	EE scarcity; lack of suitably qualified accountants registered with SAICA; unwilling to relocate; remuneration expectations
		241106	Accountant in Practice	98	Candidates lack accredited degree; lack of candidates who have completed articles with required experience (5+ years' experience)
		241103	Tax Professional	89	Competitive market; lack of Black African candidates; remuneration expectations; candidates lack experience
		121101	Finance Manager	51	Excessive salary expectations from qualified candidates; shortage of EE candidates; lack of required experience; lack of specialised skills; limited talent pool; requires candidates with technology specialisation
		242204	Corporate Treasurer	38	Lack of EE candidates; specialised training and experience required; salary expectations; high-pressure position (results in high staff turnover)
		242215	Fraud Examiner	32	Combination of skills required—CA(SA)/RGA with the forensic background; competitive
		241108	Forensic Accountant	5	Scarcity of experienced senior forensic specialists and fraud risk management specialists
Total Needed				1 643	

Rank	FASSET Occupation Group	OFO Code	Occupation	Needed	Reasons
3	ICT Professionals	251201	Software Developer	105	Shortage of Black African software developers; candidates require specific financial service industry knowledge; lack of coding and automation experience
		251202	Programmer Analyst	64	Global SAP skills shortage; highly specialised skill that is not widely available in SA
		252101	Database Designer and Administrator	55	Technological advances in the FAS sector require data analytics as a skill among candidates; lack of EE candidates; lack of informatics skills as a foundation; lack of consulting experience
		252901	ICT Security Specialist	47	Shortage of project management skills with investment experience; highly complex and specialised skill; very few EE candidates—scarcity of skill in SA; complex and specialised training and experience required
		251101	ICT Systems Analyst	45	Lack of Black African candidates; very new technology with fewer than 300 certified consultants in SA; high salary expectations; candidates lack financial services experience
		133103	Data Management Manager	36	Digitisation skills required; a limited number of people with this certification and skill, specifically in a management role; lack of data privacy specialists in the market
		251401	Applications Programmer	27	Shortages of developers across various technologies in the market; inability to compete with international companies for talent/candidates
		243403	ICT Sales Representative	24	Requires specialised skillset and extensive working experience; shortage of EE candidates
		133104	Application Development Manager	22	Limited number of qualified and experienced emerging technology specialists (globally, locally); a new field of work (4IR); lack of candidates who hold a degree—most candidates hold certificates; STEM background needed
		262202	Information Services Manager	14	Small and niche professional industry in South Africa
		251203	Developer Programmer	13	Remuneration expectations; lack of advanced skills and competency in advanced mathematics; lack of EE candidates
		251102	Data Scientist	12	Lack of appropriate qualifications and work experience; lack of new entrants; sought-after skill in the market currently
		133101	Chief Information Officer	7	Position requires a unique skill set; candidates require both qualification and certification
252301	Computer Network and Systems Engineer	7	Lack of experience; the Azure, AWS and SAP Certifications are in demand and there are a limited number of certified people in SA; there is a transformation skills gap		
Total Needed				483	
4	Actuaries and Statisticians	431101	Accounts Clerk	67	Lack of relevant experience; competitive market; challenges with conducting interviews during lockdown
		212101	Actuary	48	Lack of EE candidates; candidates lack required experience (5+ years required); most prestigious and sought-after qualification in the world; SA qualified actuaries in high demand

Rank	FASSET Occupation Group	OFO Code	Occupation	Needed	Reasons
		331301	Bookkeeper	31	Shortage of institutes that offer relevant training (lack of supply in the market); courses not offered frequently, and the cost of these are high; limited number of skilled workers to perform effectively in the role
		212103	Statistician	22	Shortage of Black African candidates; qualification and skills scarcity
Total Needed				168	
5	Internal Auditors and Risk Managers	121104	Internal Audit Manager	103	Audit Managers get absorbed into the commerce market; remuneration expectations; lack of experience; lack of EE candidates
		242208	Organisational Risk Manager	28	Candidates lack understanding of compliance requirements and financial processes
		242211	Internal Auditor	25	Lack of IT audit programmes; lack required experience; rare skill difficult to attract and retain
		242203	Company Secretary	10	Lack of candidates with CSSA certification; unique skillset required
Total Needed				166	
6	Management consultants	242101	Management Consultant	157	Multi-dimensional experienced consultants scarce; limited candidates with banking/insurance and solution architecture experience; lack of specialists with experience at a senior consultant level
		121905	Programme or Project Manager	15	10 years' management consulting experience required; lack of candidates with previous entrepreneurship ventures or well-established business development skillsets to fulfill this role
		242210	Business Administrator	6	Candidates lack required specialisation
Total Needed				178	
7	Investment Practitioners	241301	Financial Investment Advisor	59	Difficult to source candidates with more than 3 years corporate finance experience; general shortage of skill in SA at this senior level; requires candidates with merger and acquisition experience; difficult to attract and retain
		241201	Investment Analyst	25	Difficult to find candidates with appropriate experience; scarcity of suitable EE candidates
		241203	Investment Advisor	20	Candidates lack specific skills, knowledge and experience
		241202	Investment Manager	5	Shortage of EE professionals with relevant investment analysis and portfolio management experience
		241204	Financial Markets Practitioner	5	Lack of experience and competence; lack of Black African and PWDs
		242207	Compliance Officer	5	Scarcity of EE candidates with experience; candidates lack legal background and investment industry experience
Total Needed				119	

Rank	FASSET Occupation Group	OFO Code	Occupation	Needed	Reasons
8	Sales and Marketing Professionals	122101	Sales and Marketing Manager	30	Candidates lack required experience; shortage of qualified candidates
		122102	Sales Manager	27	Candidates with sales experience lack consultative background; lack level of motivation and ability
		243103	Marketing Practitioner	19	Candidates lack required industry experience
		122201	Advertising and Public Relations Manager	9	Lack of qualified, experienced candidates
Total Needed				85	
9	Human Resources and Related Professionals	333301	Recruitment Officer	14	Specialised skillset and extensive working experience required
		121202	Business Training Manager	12	Under-qualification and candidates not meeting required minimum industry experience
		242102	Organisation and Methods Analyst	12	Lack of experience; position not a permanent need—candidates required on a short-term or contractual basis; highly complex skills with a high demand
		242302	Skills Development Practitioner	11	Candidates lack the specialised training and experience required
Total Needed				49	
10	Legal Professionals	261101	Attorney	18	Candidates required with legal and financial skills
		341107	Law Clerk	13	Candidates lack the required qualifications or experience
		341110	Associate Legal Professional	5	Candidates lack the required qualifications or experience
				36	

Source: FASSET data system 2021.





The table reflects HTFV data from April 2021 WSP/ATR submissions. In the previous SSP, at the onset of the COVID-19 pandemic, many ICT-facing 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 2021 indicate a higher

need for Client Information Workers and Customer Service occupations, totalling 2 235 positions. Moreover, while the need for ICT-facing occupations has decreased in comparison to the previous period, the range of occupations identified in this category is now more expansive.

3.2.2 MAJOR SKILLS GAPS IN THE SECTOR

The major skills gaps evident in the sector were identified, validated and updated through the research focus groups conducted with the industry. The skills gaps are not informed by WSP/ATR data and therefore are not linked to OFO occupations. The skills gaps identified include soft skills and technical competencies.

Table 15: Critical skills gaps across broad occupational levels

Broad Levels	Occupational Levels	Critical Skills Gaps
Entry 	Graduate workers, trainees, junior professionals	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
Lower 	Clerical support workers, service and sales, trade workers, elementary occupations	Communication skills Computer skills – MS Excel Customer service Complex problem solving Negotiating skills Self-management
Middle 	Professionals, technicians and associate professionals	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
Senior 	Managers	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

Skills, which are defined as proficiency, or “the ability to do”, will be examined at the various occupational levels. However, as the changing way of work becomes normalised, the same skills gaps will become more applicable across the spectrum, particularly where digital competencies are concerned.

3.2.3 FUTURE SKILLS

The diagrams below illustrate the future skills and occupations identified through focus groups with the industry.

Diagram 1: The nature of future and emerging occupations in the FAS sector



Diagram 2: Future and emerging skills in the FAS sector



The diagrams illustrate the occupational and skills changes facing the FAS sector in the upcoming period and for the next five to ten years, according to industry stakeholders.

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 these 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.

Moreover, remote work will require that professionals in the FAS sector adopt strong WFH ethics, privacy and confidentiality across occupation levels. 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.

FASSET should also strive to incorporate future skills needs in current interventions; workers in the coming years will be expected to have an intermediate computer and digital competencies from the beginning. At present, the exact requirements are not clear, but this is where research is important; organisations only know that future personnel must be 4IR-ready.

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. The 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 the 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

The 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 a 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 the school level. Bookkeepers and accounting clerks could, however, be drawn from Grade 12 learners who have Mathematics and Accounting as subjects. It is also possible that Accounting at the school level could spark learners' interest in 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. Table 16 gives a summary of the Grade 12 enrolments and completions for 2016–2020.

Table 16: Grade 12 statistics: 2016–2020

Number of learners who:	2016		2017		2018		2019		2020	
	N	%	N	%	N	%	N	%	N	%
Wrote Grade 12	610 178	100	534 484	100	512 735	100	504 303	100	578 468	100
Achieved Grade 12	442 672	73	401 435	75	400 761	78	409 906	81	440 702	76
Wrote Mathematics	265 912	44	245 103	46	233 858	46	222 034	44	233 315	40
Achieved Mathematics (30% and more)	89 084	15	86 098	16	86 874	17	121 179	24	82 964	14
Wrote Accounting	128 853	21	103 427	19	90 278	18	80 110	16	92 767	16
Achieved Accounting (30% and more)	57 914	9	44 041	8	43 831	9	62 796	12	49 103	8

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

Source: Department of Basic Education (DBE, 2021)

These statistics show that the supply pipeline into the FAS sector professions is significantly impaired. The persistently low numbers of those who onboard Mathematics and Accounting as subjects, and the deteriorating rate of achievements of the required marks in these subjects in the NSC, are major impediments to supply in the sector.

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

There are 50 TVET colleges across 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 cover 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 skills graduates 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 17: Enrolment in TVET colleges: 2012–2019

Qualification Category	2012	2013	2014	2015	2016	2017	2018	2019	Grand Total
NC(V)	140 575	154 960	166 433	165 459	177 261	142 373	131 212	138 912	1 217 185
(N1-N6)	359 624	442 287	486 933	519 464	492 026	510 153	482 175	494 070	3 786 732
Grand Total	500 199	597 247	653 366	684 923	669 287	652 526	613 387	632 982	5 003 917

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

Source: Statistics on Post-schools Education & Training in South Africa: 2021

Total enrolment in TVET colleges reached 673 490 in 2019, reflecting a 2.5% or 16 357 increase compared to 2018 (657 133). The NDP indicates that headcount enrolment in TVET colleges should reach 2.5 million by 2030. Moreover, 162 176 students completed N3, N6 and NC(V) Level 4 in TVET colleges in 2019, translating to completion rates of 68% for N3, 96.4% for N6 and 49.4% for NC(V) Level 4 (DHET, 2021).

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 18: 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

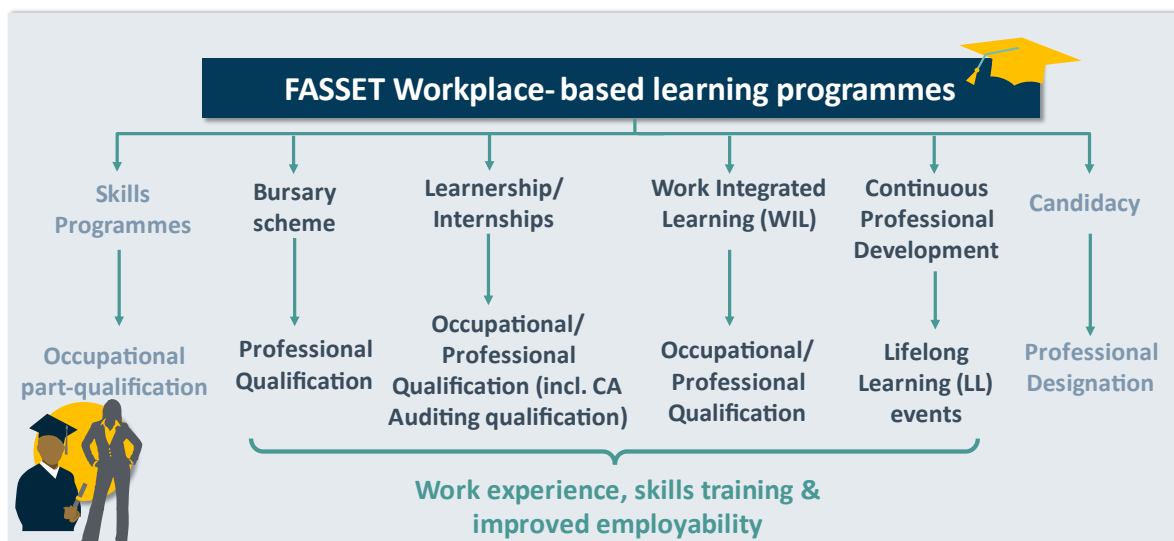
Source: South African Qualifications Authority, Registered Qualifications, 2020.

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 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, the following workplace-based learning is relevant.

Diagram 3: FASSET workplace-based learning programmes



The diagram 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 leads 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 ad-

ministered 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).

- c) **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.

- d) 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 (LL)** 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.

Some of the large accounting and auditing firms in the FAS sector have established training academies through which they provide structured training to their employees and the learners placed on learnerships in their organisations. Some of these large companies make the training available to small firms and their clients. Similarly, SARS, as the largest employer in the sector, also has its training academy.

3.3.4 SUPPLY PROBLEMS EXPERIENCED IN THE SECTOR

The table below presents the supply problems facing the FAS sector. Informants in the various stakeholder focus groups indicated that existing supply problems will be amplified by the impact of the COVID-19. Many of the problems listed are multiform, complex, and rooted in the skills formation pipeline.

Table 19: Key challenges in skills formation in the FASSET sector

Key point in the pipeline		Key Challenges
Basic Educa-	School	<ul style="list-style-type: none"> • Low number of Maths passes • Poor (or in some cases no) career guidance • Accounting is not a prerequisite for entry into qualifications

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

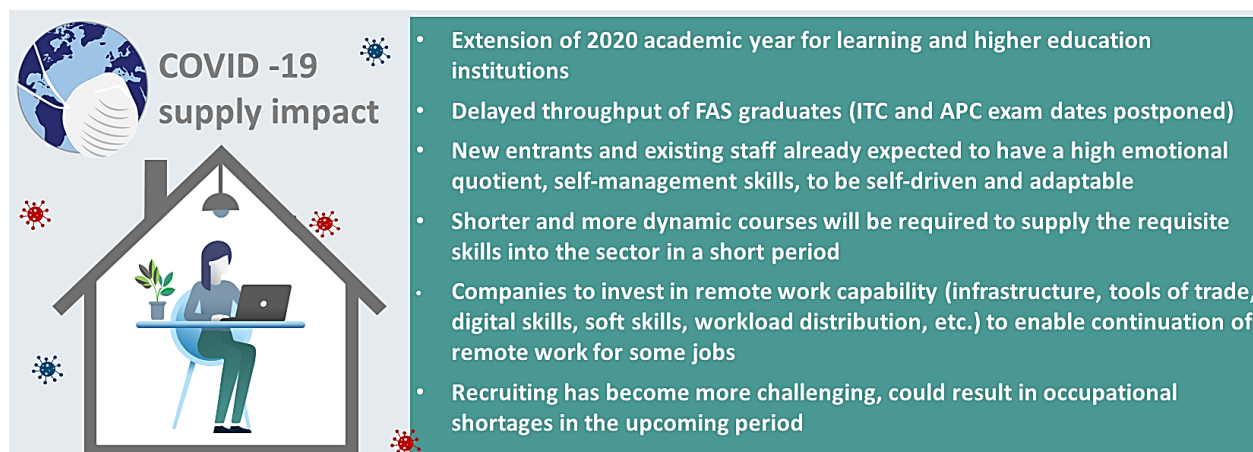
Feedback from the primary research conducted also pointed to the lack of sufficient career guidance interventions targeting students at Grades 8–9 in rural and peri-urban areas. Learners are not exposed to the FAS sector as an employment sector of choice, which impacts negatively on the creation of a more demographically representative pipeline.

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. The siloed approach to schooling and learning can be corrected through more robust partnership programmes.

3.3.5 IMPACT OF COVID-19 AND 4IR ON SKILLS SUPPLY

The diagram below presents the supply-side issues that the FAS sector may face as a result of the COVID-19 pandemic and the acceleration of advanced technologies in the industry. Insights are based on primary and secondary research as well as the findings in Chapter 2 of this SSP.

Diagram 4: COVID-19 impact on supply and FAS workforce



Factors such as a lack of the requisite infrastructure (online learning platforms), the availability of skilled and knowledgeable staff to manage and implement the learning, and the lack of infrastructural resources to holistically adapt to an online world have delayed the readiness of PSET institutions in South Africa to effectively deploy online learning; this will impact the supply of skills and occupations into the sector and economy.

Moreover, the vast differences in the socio-economic inequalities and extreme poverty levels faced by students will pose a challenge for adopting an online and virtual world for South African industries. The lack of infrastructure in rural and poor areas is seen in the limited use of smartphones and digital devices. The lack of financial resources to purchase airtime or data is also an issue that plagues poorer areas of society. Internet access in South Africa ranged from 50.9% in 2017 to 56.3% in 2020 and is projected to be 57.8% in 2021 (FASSET, 2021). The impact of these overall challenges will result in the delayed rollout of online and digital learning in the country and thus the delayed production of the skills and occupations required for the FAS sector.

Moreover, candidates in professional development programmes experienced taking care of their mental health and well-being as a challenge during the pandemic. The Independent Regulatory Board for Auditors (IRBA) based on survey findings communicated through a news piece encouraged firms to offer mental health and well-being support to professionals and candidates experiencing challenges as a result of the pandemic and adjusting to remote work. There is also a need for learners and young adults in the workplace to be supported with interventions and support structures to facilitate their technical and professional competency under the current pandemic-related circumstances.

The COVID-19 pandemic has also significantly accelerated the arrival of advanced and 4IR technologies in the FAS sector. However, the sudden adoption of new technologies in ways of work and learning will also impact the supply of relevant skills and occupations into the sector, as shown in the diagram below.

Diagram 5: 4IR impact on supply and FAS workforce



Because existing qualifications and skills sets are already in the supply pipeline, organisations must address emerging challenges sensitively and constructively, or they will feel the pressure to outsource or rely on fewer human resources in the long run. This will negatively impact both new entrants and the existing workforce. Some organisations in the sector have already in the past year employed strategies to support their workforce in the shift and adaptation of new demands and ways of work; citing that this is the best period for trial and error to circumvent future challenges.

3.4 SECTORAL PRIORITY OCCUPATIONS AND INTERVENTIONS LIST

Sectoral Priority Occupations and Interventions (SPOI) were previously referred to as Pivotal Occupations. These are 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 2020 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, 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 focus group discussions and through provincial workshops following the SSP draft submission. Finally, the SPOI list and the scarce skills (or HTFVs) were discussed and approved at FASSET's Board Strategic Session where planning for the following year's programmes are discussed. The Board signed off on the final draft SSP in June 2021.

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 who need education and training support as reported by employers.

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.

3.4.3 SPOI LIST PRIORITY LISTING

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 also 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 drop-outs 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.

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).

Table 20: Sectoral Priority Occupations and Interventions list, 2020

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	2022/23	241104	External Auditor	<ul style="list-style-type: none"> • Forensic Auditor • Investigator 	Bursaries towards Bachelor of Commerce in Accounting, National Diploma in Auditing and other	7 & 8	Y	897	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 (including skills programmes and internships)	7 & 8	Y		530
FASSET	2022/23	242101	Management Consultant (to include 251101 ICT Systems Analyst)	<ul style="list-style-type: none"> • Business Analyst • Technology Development Coordinator • Operations Analyst • Commercial Analyst • Ecommerce Programme Manager • Efficiency Engineer • ICT Systems Architect • Systems Programmer 	Bridging Programmes towards designation	6, 7 & 8	Y	171	480
					Learnerships	6, 7 & 8	Y		150
FASSET	2022/23	241106	Accountant in practice		Learnerships	6, 7 & 8	Y	88	90
					Professional Body Qualifications and Designations (including skills programmes and internships)	6, 7 & 8	Y		160
FASSET	2022/23	121101	Finance Manager	<ul style="list-style-type: none"> • Chief Accountant 	Bursaries toward Bachelor of Commerce	6, 7 & 8	Y	92	80

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
			(to include 241102 Management Accountant*)	<ul style="list-style-type: none"> Chief Financial Officer Budgeting Manager Account Systems Manager Cost Accountant Project Accountant Budget Accountant 	Professional Body Qualifications and Designations (including skills programmes and internships)	6, 7 & 8	Y		170
FASSET	2022/23	241107	Financial Accountant (to include 241101 General Accountant*)	<ul style="list-style-type: none"> Company Accountant Corporate Accountant Business Group Accountant Performance audit manager Debtors Manager Bank Accountant 	Bursaries toward Bachelor of Commerce in Accounting or Accounting Science	6, 7 & 8	Y	96	50
					Bridging Programmes	6, 7 & 8	Y		100
					HET Graduate Work Experience Programme	6, 7 & 8	N		30
					Professional Body Qualifications and Designations (including skills programmes and internships)	5, 6, 7 & 8	Y		70
					Learnerships	6, 7 & 8	Y		40
FASSET	2022/23	241103	Tax Professional	<ul style="list-style-type: none"> Tax Analyst 	Bursaries towards Bachelor of Commerce Degree, Post-graduate Diploma or Advance Diploma in Taxation and Accounting	6, 7 & 8	Y	49	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	2022/23			<ul style="list-style-type: none"> Financial Agent 	Bursaries toward Bachelor of Commerce	6, 7 & 8	Y	72	40

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
		241301	Financial Investment Advisor (To include 241201 Investment Analyst)	<ul style="list-style-type: none"> Listed Securities Analyst Investment Research Analyst 	Learnerships	6, 7 & 8	Y		50
					Bridging Programmes	6, 7 & 8	Y		125
					HET Graduate Work Experience Programme	6, 7 & 8	N		50
FASSET	2022/23	242211	Internal Auditor	<ul style="list-style-type: none"> Audit Consultant ICT Internal Auditor 	Bursaries toward National Diploma, Bachelor of Commerce Degree and other.	7 & 8	Y	19	50
FASSET	2022/23	251201	Software Developer	<ul style="list-style-type: none"> Software Architect Software Designer Software Engineer ICT Risk Specialist 	Bursaries	3, 4, 5 & 6	Y	10	10
					Learnerships	3, 4, 5 & 6	Y		10
					NSC Work Experience Programme	3, 4, 5 & 6	N		10
					TVET Work-Based Experience	3, 4, 5 & 6	N		160
					Professional Body Qualifications and Designations (including skills programmes and internships)	3, 4, 5 & 6	Y		20
FASSET	2022/23	242207	Compliance Officer	<ul style="list-style-type: none"> Financial Markets Compliance Officer Compliance Officer (Financial Sector) 	Bursaries towards Bachelor degree in Accounting, Business Science, Postgraduate Diploma in Compliance Management and other	6, 7 & 8	Y	16	10
					Learnerships	6, 7 & 8	Y		10
					HET Work-Based Experience	6, 7 & 8	N		10

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
					Professional Body Qualifications and Designations (including skills programmes and internships)	6, 7 & 8	Y		15

**Academic route to both occupations is very similar, with similar and closely related tasks and occupational descriptions. The route to entering and growing in these occupations start with the same academic foundation and qualifications. Source: FASSET data system 2021.*

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 impact of the COVID-19 pandemic and 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.

CHAPTER 4: SECTOR PARTNERSHIPS

4.1 INTRODUCTION

This chapter presents and analyses partnerships that FASSET facilitates with the objective of advancing its skills development mandate. Existing and planned or future partnerships are described, as well as the success factors and challenges experienced within FASSET partnerships.

4.2 APPROACH TO PARTNERSHIPS

According to the SSP Framework, a SETA partnership is defined as a collaboration between two or more parties to achieve the specified outcomes directed towards addressing mutual and inclusive skills priorities or objectives as guided by the NSDP. The outcomes of the NSDP collectively aim to increase the output of occupations in demand, linking education and the workplace, and improving the skills levels in the workforce through occupationally directed programmes.

In line with this, FASSET forms partnerships with learning institutions, professional bodies, employers in the sector and government to meet the above objectives as well as its skills development mandate. In keeping with its performance plan, FASSET (2020b) increases the employability pipeline of individuals entering the sector and the effective use of the skills development levy (SDL) through forming partnerships that enable the provision of skills training.

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 grants funding model, FASSET coordinates partnerships per its mandate, but also to respond to skills development needs in line with 1) PIVOTAL programmes and 2) discretionary programmes. PIVOTAL skills, more recently, are also referred to as Sectoral Priority Interventions and Occupations in the SETA environment.

While FASSET can provide funding, partner organisations provide the resources, sites, and the learning and training to achieve its aims. There are also partnerships without monetary attachments, administered through a memorandum of understanding/agreement (MoU/MoA), and these are facilitated through TVET institutions that act as satellite offices in support of learner and community development. This is achieved through career awareness programmes and recruitment drives for internships. The only financial element involved in this type of partnership is the stipends learners receive through workplace-based experience

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)

(WBE) programmes. FASSET also coordinates special project partnerships that are not part of its annual performance targets or indicators but which respond to training and development needs in the sector. FASSET's board only approved such partnerships or projects in the 2020/21 financial period.

Each partnership project addresses different types of skills needs; for example, bursaries are directed at unemployed learners in undergraduate or postgraduate studies; professional body designations administer board exams for learners in the professional pipeline; and internships enable workplace-based learning where workplaces host learners. The primary criteria FASSET utilises in establishing partnerships include capacity, capability, sufficient supervisors, adequately skilled supervisors, and the adequate type and number of resources and/or tools of the trade available to enable learning and training. Partnership organisations should also assist in meeting transformation objectives, including the representation of black women and youth and people with disabilities.

4.3.1 INDICATORS OF SUCCESS

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 fee; 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. Aspects such as legitimacy and consistency are determined through logbooks. Similarly, at the TVET college level, the output of successful completion is a good indicator. In addition, the numbers of learners who completed their 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.

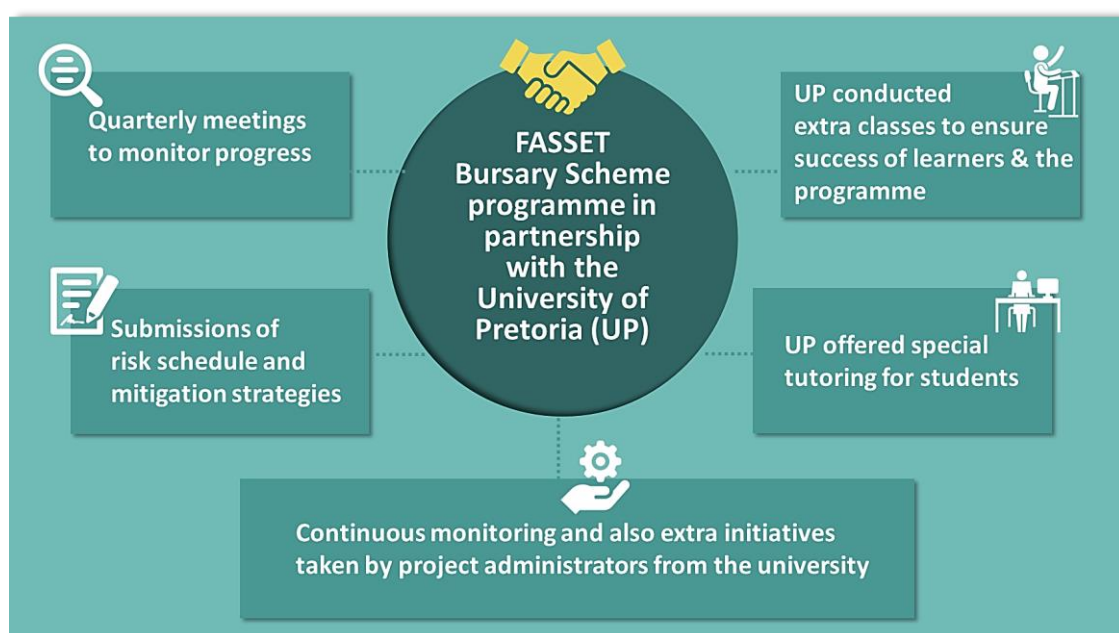
4.3.2 INDICATORS OF NON-SUCCESS

The indicators of a non-successful partnership include a high drop-out rate and a high failure rate in programmes. This often necessitates a review to determine the reasons why; 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.

4.3.3 SUCCESSFUL FASSET PARTNERSHIP EXAMPLE

The diagram below demonstrates an example of FASSET's most successful partnership and the factors that contributed to making it a success.

Diagram 6: Successful FASSET partnership example



4.4 EXISTING PARTNERSHIPS

FASSET establishes partnerships through entering contracts with partner organisations every year, following a process of advertised bids/proposals. The partnerships listed below are those that were active during the 2020/21 financial period.

Table 21: Existing partnerships

Partner organisation	Type of partnership	Outcomes (Value -add)	Duration
UNISA	Academic support programme	Increasing the number of individuals with sector-related academic qualifications (NQF 6–10), while addressing skills shortages and gaps	01 Apr 2021 – 31 Mar 2022 (renewed year-on-year)
NSFAS	Bursary scheme	Funding sector-related qualifications, while addressing skills shortages and gaps	01 Apr 2021 – 31 Mar 2022 (renewed year-on-year)
SAQA recognised professional bodies in the Financial and Accounting Services sector	Professional body designation programme	Skills programmes interventions assist learners to achieve a professional qualification or designation in the FAS sector. Professional body qualifications are PIV-OTAL qualifications registered on the NQF. The programme achieves achieve a throughput rate 10% higher than mainstream results	01 Apr 2021 – 31 Mar 2022 (renewed year-on-year)
Public Universities, Universities of Technology, Private Bursary Management Agencies, Professional Bodies	Bursary scheme	Programme addresses the top 10 scarce skills areas as identified in the FASSET SSP. Supports NQF levels 6–10 undergraduate and postgraduate qualifications. Advances the throughput of Black, Coloured and Indian learners with sector-required qualifications and skills.	Jan to Dec 2022 (Aligned to the academic year)

Partner organisation	Type of partnership	Outcomes (Value -add)	Duration
Nkangala TVET College Vuselela TVET College	Memorandum of Understanding (MOU)	DHET mandated satellite office to address the occupational skills of learners and communities through acting as a site for information dissemination, career guidance, internship recruitment of NCV 6 qualifications, LL events	01 Apr 2019 – 31 Mar 2030

The outcome of past partnerships has been to foster an inclusive approach in the skills development PSET system between various role-players. For FASSET this means creating value-based projects that ensure long-standing impact from partnerships evident over the short, medium and long terms (FASSET, 2020a).

Learners and communities in rural areas and those with previously disadvantaged backgrounds are also supported through partner projects, such as the satellite offices hosted by TVET colleges in areas of need. TVET-hosted partnerships expose unemployed youth to career prospects in the FAS sector, in line with DHET imperatives.

4.4.1 LESSONS LEARNED AND CHALLENGES

Based on past experiences and the nature of FASSET’s existing partnerships, the following lessons have been learned: to ensure good outcomes from projects, partners must be committed to quality over quantity; they must comply with the contract put in place; they should submit monthly reports for FASSET’s M&E purposes; and training providers must be responsive in the beginning so that issues are mitigated before they become greater challenges. The issues that emanate are often from unmet expectations from the partner organisation (this is common with TVET colleges).

Internal capacity constraints are a challenge for FASSET. There is a lack of internal capacity to manage ongoing partnerships, report on return on investment (ROI), and address urgent needs such as 4IR skills needs. There is a need for FASSET to be agile and flexible as contracts and partnership criteria are slow to be drawn up and approved. Further, the role of the Marketing and Communications department can be increased to make FASSET’s partnership approach one that is more involved, relevant and proactive. There is also a need for partnership contracts to be long-term, for better continuity of programmes. The contract period can be determined by the effectiveness of the partnership instead of the duration of the learning programme, which is typically 12–18 months long.

Overall, the lessons learned from FASSET’s partnerships indicate that partnerships should be assessed more frequently for relevance and efficacy. Internal capacity constraints should be addressed to ensure persons are dedicated to such efforts. There is, perhaps, also a need for partnership programmes to be more responsive to the effects of COVID-19 and technological needs. These can be achieved with strategic intent from FASSET, which means that partnerships must be formed that can have a real impact in the next 3–5 years.

Finally, there is a desire for FAS role-players and employers to become part of an *integrated* PSET system. Role-players should make skills development a priority by doing more than creating career awareness, responding to proposals and being hosts to skills programmes, for example.

4.5 PLANNED PARTNERSHIPS

FASSET's planned partnerships are aligned with the budget for the upcoming period (2022/23), which addresses the scarce skills identified in the SSP for the period. Table 22 illustrates the partnerships in the pipeline for the upcoming period.

Table 22: Planned partnerships

Partner organisation	Nature of partnership	Objective	Duration
University of Johannesburg (UJ)	Bursary Scheme	To fund students in the Accounting field and other related fields of studies	Upcoming 2022/23
Public Service Education and Training Authority (PSETA)	MOU	To develop technological skills with Microsoft	Upcoming 2022/23
Education, Training and Development Practices (ETDP) SETA	MOU	Learning programmes through and with UJ	Upcoming 2022/23
TVET Governors' Council	MOU	In support of public and TVET colleges in the sector as well as capacitating the Audit Risk Committee and finance	Upcoming 2022/23
South African Institute of Chartered Accountants (SAICA)	MOU	To facilitate skills programmes	Upcoming 2022/23

		to ensure achievement of professional designation for accountants	
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Moreover, the response to COVID-19 will be articulated by the need for ICT-related resources, such as laptops and access to data. Lifelong learning events may find increased relevance in the upcoming period to address emergent skills needs in the sector; such events are brief and useful for upskilling and re-skilling. These types of partnerships will be beneficial to FASSET and the industry during these uncertain times. Further, FASSET has updated its skills development priorities for the current period to enable the Government-Wide Economic Stimulus Projects to mitigate the impact of COVID-19. FASSET’s objectives in this SSP are re-aligned to the objectives and priorities of the ERR Plan and Strategy, as reflected in its planned partnerships. This is also outlined in Chapter 6 under Section 6.3.

4.6 CONCLUSION

The chapter shows the strengths in FASSET’s partnerships, as well as the gaps and areas where they can be (or are anticipated to be) strengthened in the future. The future outlook for partnerships considers the industry’s insights that a more solution-driven response can be adopted to increase partnerships and efficacy for the sector. The impact of the pandemic and the changing world of work will be regarded as an opportunity for FASSET and the FAS sector to partner with technology driven corporations (Microsoft, for example) to ensure that emerging skills and upskilling needs are addressed. Partnering options and strategic partner organisations (SARS, the public sector) and other SETAs (PSETA, MICT SETA, ETDP SETA) can help to broaden FASSET’s reach and capacity of training interventions and influence and will be considered.

Future partnerships will also be key in bridging the internet and connectivity divides into South African communities and industry, as introduced in Chapter 3. There is a need for FASSET to respond creatively to partnering opportunities and the industry is in agreement to foster such prospects for the sustainability of the FAS sector going forward.

CHAPTER 5: MONITORING AND EVALUATION

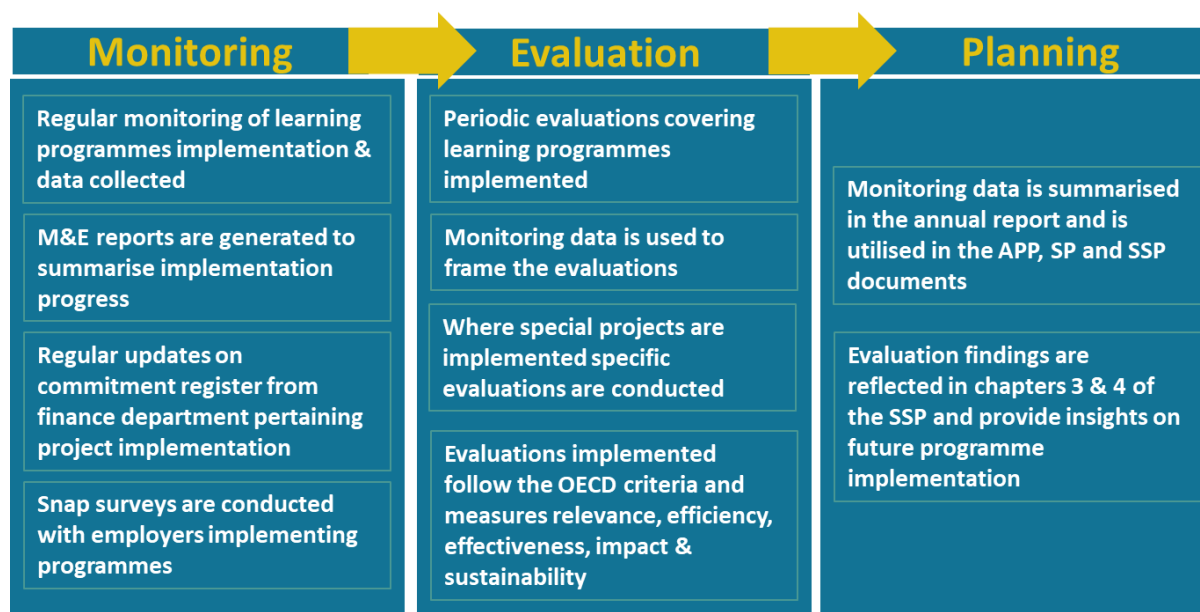
5.1 INTRODUCTION

This chapter outlines the approach that FASSET uses for Monitoring and Evaluation (M&E) and determines the extent to which the SETA achieved the strategic objectives outlined in the relevant financial period. M&E challenges and FASSET’s plan of action are also outlined.

5.2 APPROACH TO MONITORING AND EVALUATION

FASSET’s approach to M&E is project and outcome-based. There is presently no designated M&E department in the organisation, and activities are monitored with the use of internal information, research, site and project evaluations. The designated project team carries out M&E activities and reports on them quarterly and annually as required. The diagram below illustrates the core elements involved in the monitoring, evaluation and planning activities of FASSET.

Diagram 7: FASSET Accountability cycle, documents and performance information

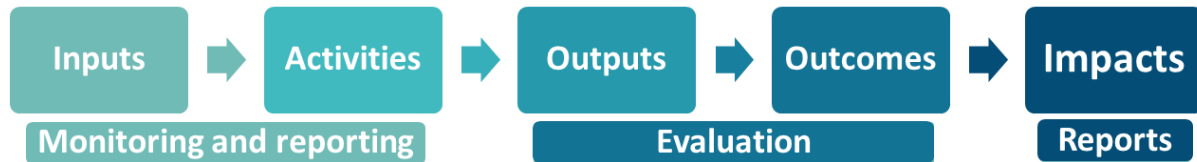


Moreover, FASSET’s reporting aligns with the government-wide monitoring and evaluation (GWM&E) system. FASSET developed and adopted an M&E framework that follows an outcome-based approach. FASSET’s approach to M&E is also informed by the organisation’s five-year Strategic Plan (SP), the Sector Skills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

At present, the oversight for project monitoring and evaluation at FASSET falls under the responsibility of the Research Directorate, which is concerned with the overall improvement of projects. Project evaluation activities are carried out by the project team where assessments are conducted before service providers are contracted. As a consequence of the poor capacity in some instances, FASSET relies on some external contractors (otherwise known as “independent bodies”) 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 8.

Diagram 8: 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 9. 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 9: DHET prescribed M&E goals for SETAs



Diagram 9 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 outcomes-based approach toward achieving its targets.

Source: DHET, 2020.

5.3 PRIORITY AREAS OF M&E ACTIVITIES

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 beneficiaries’ tracer studies.

Impact and performance information, as reported by FASSET, 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 in 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 demonstrates FASSET's programmes and strategic objectives linked to its strategic goals as outlined in the Annual Performance Plan and Strategic Plan. An indication of strategic objectives achieved in 2020/21 are given.

Table 23: Link between programmes, strategic objectives and strategic goals

PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE 2020/21
Programme 1: Administration	1. To ensure efficient and effective organisational support (Finance, SCM, HR, IT, Communications) capabilities and operations	Achieved
	2. To establish and maintain enabling, integrated core and supporting systems	Achieved
	3. To ensure a capacitated, capable workforce, empowered by an enabling culture	Partially achieved
Programme 2: Skills planning	4. To determine appropriate skills interventions; informed by relevant research	Achieved
Programme 3: Learning programmes	5. To enable and enhance skills development in and for the FAS sector, in partnership with relevant stakeholders	Partially achieved
	6. To promote the FAS sector as a preferred career choice for new entrants into the labour market	Achieved through Marketing & office of the CEO)
	7. To enable the transformation of the finance and accounting profession and sector through targeted funding of skills interventions	Partially achieved (Not achieved at managerial level)
	8. 8. To ensure value and impact of the SETA's funded interventions while ensuring compliance	Achieved
Programme 4: Quality assurance	9. To support the professional organisations to align their qualifications with the new dispensation while ensuring quality	Achieved

Source: FASSET, 2019; FASSET, 2020b.

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 7. For each project implemented by external partners, a clear definition of processes is provided in the form of Terms of Reference and Service Level Agreements. 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 includes 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 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 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.

5.4 CHALLENGES

FASSET’s current M&E activities enable the organisation to identify pockets of excellence and high-performing projects as well as highlight areas of improvement for the upcoming financial period, including challenges experienced:

Diagram 10: M&E Challenges



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.

5.5 PLAN OF ACTION

For the upcoming period, the M&E function at FASSET will remain under the responsibility of the Research Directorate for oversight and reporting. Since the previous financial period, the

M&E function has gained direction and has developed a team that ensures that the core elements involved in the monitoring, evaluation and planning activities of FASSET can be carried out despite lack of capacity within the organisation.

The existing M&E framework is continuously being reviewed on a trial-and-error basis so that it aligns with the mandated M&E focus for SETAs. This includes the institutionalising process, creating internal capacity and establishing designated roles for the M&E function. Moreover, FASSET continues to prioritise reporting needs of associated key stakeholders to ensure accountability and best practice. FASSET will continue to ensure that its strategic priorities and goals are achieved in the upcoming period.

Strategic skills priorities will be achieved through the focused implementation of the APP, constant monitoring and reporting, and taking corrective action where required. Implementation includes delivering interventions and monitoring activities, outputs and outcomes to measure progress and performance. Qualitative and quantitative analysis methods are used depending on the nature of the project and the evaluation questions being asked by key stakeholders. These assessments also produce results on the outcomes and impact of FASSET interventions. The table below lists the action plans for the upcoming period in line with the above narrative.

Table 24: M&E Plan of Action for the upcoming period

Action	Timeframe	Budget
1. Build internal capacity (manager and administrator)	2022/23	TBC from management approval
2. External service provider to undertake M&E functions/projects	2022/23	TBC from discretionary grants
3. Research projects to determine best practices and also measure the impact	2022/23	TBD from discretionary grants

The COVID-19 pandemic brought a shift to the world of work and learning and training and FASSET plans to use its M&E function to determine the real impact in this area. Skills development interventions will undergo rigorous tracking, monitoring, evaluations and planning to ensure skills programmes can contribute to and make a real difference in the sector. The focus will be applied to transformation targets, ensuring the economic inclusion of individuals as per priorities of the ERRP, developing entrepreneurial skill sets, and promoting job creation in the FAS sector.

The effects of the pandemic and the shift to online work may alleviate some of the internal challenges experienced by the organisation. Online systems may make M&E activities easier by being more cost-effective and quicker to implement and having a wider geographic reach. It will also make beneficiary tracking more time-friendly for FASSET by breaking away from traditional methods and adopting new systems, such as cloud-based collaboration and project management tools.

5.6 CONCLUSION

FASSET through its M&E approach aims to provide a coherent framework for strategic planning and management by improving reporting and accountability. This is demonstrated by consistent improvements in performance and achieving results as a central orientation of the NSDP. As well as the organisation aligning processes, products and services to contribute to the achievement of its strategic objectives.

CHAPTER 6: SETA STRATEGIC SKILLS PRIORITY ACTIONS

6.1 INTRODUCTION

This chapter consolidates and presents the key findings from previous chapters and reflects on the priority actions for the sector.

6.2 FINDINGS FROM PREVIOUS CHAPTERS

This section outlines the key findings from the preceding chapters. The research instruments, data sources and research literature used to compile this SSP Update are driven by the COVID-19 pandemic and related measures, such as social distancing, which necessitated the use of virtual focus groups to conduct primary research. While still heavily influenced by the impact of the pandemic, compared to the SSP update of 2021/22, the SSP for 2022/23 reflects a more rounded interpretation of what the short- to medium-term will look like for the sector.

6.2.1 Findings from Chapter 1

Chapter 1 explored the micro and macro-economic factors that influence the economic performance of the sector and the overall economy. The chapter revealed that the Finance, Real Estate and Business Services sector was highly impacted by the onset of the COVID-19 pandemic. The Finance sector experienced a negative Gross Domestic Product (GDP) annual growth rate of -4.4% in 2020 from 2.3% in 2019. The annual national GDP rate dropped to -0.7% in 2020 from 0.2% in 2019.

During 2020, all economic sectors experienced significant downturns in each quarter because of the COVID-19 lockdown. Despite showing recovery throughout 2020 as COVID-19 lockdown levels eased in the latter half of the year, the Finance sector did not recover to the GDP rates of the previous year. Annual GDP for the sector in 2019 was 2.3% and 2.7% in Q4:2019. Moreover, the Finance, Real Estate and Business Services and other sectors were outperformed by the agriculture (13.1%) and government (0.7%) sectors in 2020 in terms of annual GDP.

In addition, Finance/Business Services, Trade, Construction and Manufacturing also showed the highest decreases in total gross earnings, likely because of the reduction in economic activity across industries due to the pandemic and lockdown. The 2020 COVID-19 lockdowns resulted in many businesses closing or temporarily ceasing activity; tax revenue shortfalls; rising unemployment; and changes seen in workforce capacity and productivity across sectors, amongst other effects on business, income and employment. Despite its continued positive economic growth in the years before 2020, the Finance sector will have to demonstrate resilience following the major disruptions caused by the COVID-19 pandemic.

Further, according to industry, as determined through focus group engagements, the financial services sector is highly regulated and is affected by trends in the economy. The COVID-19 pandemic, the advent of the 4IR, remote work, and changes to learning and training will require changes to the current FAS environment in terms of labour, skills and policy. Industry stakeholders also cite modern global risks and continued economic disruptions as issues that the sector must take into consideration in the next few years. These aspects and related labour market dynamics are discussed in-depth throughout the SSP Update for 2022/23.

6.2.2 Findings from Chapter 2

Chapter 2 identified the key skills change drivers that will impact the FAS sector in the upcoming period of 2022/23. These include strategic 4IR technologies, the economy and jobs, remote work, learning and training, and changes in the regulatory and governance environment of the sector, such as the POPI Act.

The chapter reveals that skills change drivers are interlinked and reinforce one another to shape the skills development landscape of FASSET. The changes drivers identified present opportunities and challenges that may influence skills supply and demand in the sector. Moreover, the change drivers identified in this SSP update are impacted by the COVID-19 pandemic as a major infiltrating influence and disruptor in many respects. Current trends show a continuation of the disruption caused by the COVID-19 pandemic to the world of work, learning and training, and the policy environment of the FAS sector, which will likely have long-term implications for the sector and its skills requirements in the future.

In addition, the current SSP update reflects on government's Economic Reconstruction and Recovery Plan (ERRP) and ERR Strategy, which are guiding policy frameworks in response to the impact of the COVID-19 pandemic on the SA economy. Moreover, the change drivers identified are pushing the sector to rapidly evolve and drive change throughout the industry to accommodate work and learning practices in productive and innovative ways. Many of the business and work practices adopted during the pandemic in 2020 will become the norm going forward. Therefore, new types of skills, shifts in traditional occupations as well as novel types of jobs will be required for the sector and the economy as a whole to remain sustainable.

The industry maintains that many of the occupations in the sector may still be relevant in the next few years, but they must adopt tech-savvy capabilities, data analytics, automation and digitisation to support work, learning, decision-making and problem-solving. Fortunately, as shown in Chapter 1, the FAS sector is composed of a youthful and well-qualified working population and who are likely to absorb the technological changes and world-of-work shifts more readily. Risk management, ethics and compliance-related roles will also emerge as dominant in the sector due to the change drivers.

As far as learning and training, work-integrated learning will need to be adopted in the future to increase the pace of the skills pipeline for the sector. It is recommended that continued research into the changing world of work along with FAS skills needs is required to keep the industry abreast of changes. A shift away from more traditional, theory-based learning methods will also be required. This includes fast-tracking emergent skills and competencies through national qualification authorities and councils that cannot be achieved within the typical 3- to 4-year qualifications in the current higher education framework. This will be critical for the sector in response to the changing world of work and the 4IR.

6.2.3 Findings from Chapter 3

Chapter 3 identified and described the prevalent occupational shortages, skills gaps and sectoral priority occupations. In the 2022/23 Update, these skills and occupations are closely tied to the events of the COVID-19 pandemic and related change drivers. The chapter contains comprehensive information.

The persistent mismatch of skills supplied and demanded in the sector will be exacerbated by the changes brought into the world of work by COVID-19. Remote work, the adoption of advanced technology and digitisation, virtual and online work and learning, as well as associated risks, will introduce a shift in the nature of occupations and skills in the sector. Where workers are not upskilled and re-skilled in line with these changes, they will face being side-lined in the labour market. Similarly, employers who fail to adapt to new demands will lag. Employers must constructively embrace advanced technology and the 4IR to boost productivity and efficiency.

Industry calls for a long-term vision with targeted training that will deliver the right skills into the labour market. Most of the evidence presented in the chapter resonates with the skills change drivers introduced in Chapter 2. The industry will require more specialist skills in various occupations that are related to ICT competencies, advanced technology and the digital domain such as cryptocurrency, blockchain and accounting automation.

Organisations, together with the government, have to build the capability and infrastructure required to ensure present employees can upskill and re-skill in line with changing demands. However, new entrants into the labour market must also be supported in their efforts to learn and work in the FAS sector. Moreover, government and business as key role-players in the economy must ensure that changes to the world of work and technology are not to the exclusion of disadvantaged individuals and communities. The industry also suggests that the adoption of advanced and strategic 4IR technologies in the industry will influence the instructional design of learning and training which may better equip learners with the level of work readiness required in the future. Learners and workers must also be capacitated with the required skills and technical ability to ensure work readiness in the future. A more rigorous approach in curriculum and FAS-related syllabus is required at the school and tertiary level.

Innovation, solution-driven thinking, entrepreneurial thinking, critical thinking, adaptive thinking, negotiation skills and virtual communication skills are becoming more essential in this new era of remote work and technological advancement as a result of the pandemic.

6.2.4 Findings from Chapter 4

Chapter 4 notes that the formation of a sustainable skills pipeline is a responsibility FASSET shares with many other role-players, including the government, the post-school education and training system, professional bodies and employers. Sector partnerships play a crucial role in the advancement of the FASSET skills development imperatives in line with its mandate and the objectives of the NSDP. The outcomes of the NSDP collectively aim to increase the output of occupations in demand, linking education and the workplace, and improving the skills levels in the workforce through occupationally directed programmes.

The chapter reflects on the partnerships FASSET has formed with learning institutions, professional bodies, employers in the sector, and government to meet its objectives and skills development mandate. The chapter also reflects on FASSET's partnership successes and non-successes. In this SSP update, a model is presented to show an example of FASSET's most successful partnership. FASSET has also updated its skills development priorities for the current period to enable the Government-Wide Economic Stimulus Projects to mitigate the impact of COVID-19. FASSET's objectives in this SSP are re-aligned to the objectives and priorities of the ERR Plan and Strategy.

6.2.5 Findings from Chapter 5

Chapter 5 reflects on FASSET’s M&E approach, framework, challenges and plan of action. FASSET meets its annual targets as per service level agreements (SLAs) with DHET and in accordance with its annual reporting documents such as the APP, AIR and SP. Moreover, the existing M&E framework is aligned with the mandated M&E focus for SETAs, guided by the government-wide monitoring and evaluation (GWM&E) system and theory of change practices. FASSET, in pursuing an output-based M&E approach, will continue to ensure that its strategic priorities and goals are achieved.

FASSET through its M&E approach aims to provide a coherent framework for strategic planning and management by improving reporting and accountability. This is demonstrated by consistent improvements in performance and achieving results as a central orientation of the NSDP. As well as the organisation aligning processes, products and services to contribute to the achievement of its strategic objectives. A designated and capacitated M&E unit will be important to enable FASSET to be more responsive to the impacts of the COVID-19 pandemic, the government’s ERRP and the skills requisites of the FAS labour market

6.3 SKILLS PRIORITY ACTIONS

FASSET’s skills development priorities are aligned to developmental and transformation objectives, strategies and policies of the national government. As such, FASSET continuously aligns its skills priorities with transformation charters such as the Financial Sector Charter and increasing the participation of Black African people and people with disabilities (PWD) in the sector. FASSET presently targets 85% Black Africans, 54% women, 4% people with disabilities and 80% youth in skills interventions and in fulfillment of growing the FAS sector with the requisite skills and labour force. FASSET will review these targets in the 2022/23 period to be more in line with the priorities of the ERR Plan and ERR Strategy, borne out of the urgency for a well-coordinated strategy of skills development in response to COVID-19 impacts and other emerging trends, such as the 4IR.

6.3.1 Key strategic skills priorities for the sector

FASSET’s strategic skills priorities were updated to be in alignment with the findings in the 2022/23 update as summarised in this chapter. The skills priorities are linked to FASSET’s intended impact for the 2020–2025 strategic period, the change drivers identified in this SSP, national developmental imperatives, as well as being responsive to the COVID-19 ERR Strategy, and can be illustrated as follows:

Diagram 11: FASSET’s Five strategic skills development priorities for 2022/23



Facilitating the timeous and relevant upskilling of the FASSET sector

The key aspects guiding the five strategic skills priorities for 2022/23 are the findings and skills implications identified in Chapter 2, with a specific focus on the COVID-19 and 4IR change drivers, which calls 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 a changing world of work.

FASSET's skills interventions for the 2022/23 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 as shown in Chapter 4, Section 4.5, aim to address the five strategic skills priorities for FASSET's upcoming period.

Moreover, the 2022/23 strategic skills priorities and interventions planned for the upcoming period are also aligned with the objectives of the ERR Plan and 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, for example; 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 FASSET 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 CONCLUSION

This chapter outlined the key findings from each chapter and outlined FASSET's five skills priorities for the upcoming period. This final chapter describes how COVID-19, advanced technologies, changes in the regulatory environment, and COVID-19 response policies will have a significant impact on the skills planning interventions of FASSET in the 2022/23 period.

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