



F A S S E T

Make the future count



INTEGRATED ANNUAL REPORT
2024/2025



INCLUSION. PARTICIPATION. LEARNING

Deconstructing sector blind spots through diversity and inclusion

At **FASSET**, we believe that real inclusion goes beyond simply opening doors – it's about ensuring that everyone, regardless of their background, has a fair opportunity to walk through them and succeed.

We're committed to breaking down barriers and creating opportunities to ensure that skills development is accessible to all. Through partnerships, funding, and hands-on support, we're equipping more people with the skills they need to build meaningful careers in the financial and accounting services sector.

By embedding inclusion into everything we do, we're not just shaping individual careers – we're building a sector that truly reflects the diversity of the country it serves.

General Information

REGISTERED NAME	Financial and Accounting Services Sector Education and Training Authority (FASSET)
REGISTRATION NUMBER	01/FASSET/1/04/11
PHYSICAL ADDRESS	1st Floor, 296 Kent Avenue Ferndale, Randburg, 2194
POSTAL ADDRESS	PO Box 6801, Cresta, 2118
TELEPHONE NUMBER/S	Switchboard: 011 476 8570 Tip-off Hotline: 0800 20 46 45
EMAIL ADDRESS	FASSETcallcentre@FASSET.org.za
WEBSITE ADDRESS	www.FASSET.org.za
EXTERNAL AUDITORS	Auditor-General of South Africa 4 Davenry Street, Aurecon Centre, Lynnwood Bridge Office Park, Lynnwood Manor, Pretoria, 0001
BANKERS	First National Bank 4 First Place, Third Floor, Bankcity, Johannesburg PO Box 1153, Johannesburg, 2000 Tel: 011 352 5601
CORPORATION FOR PUBLIC DEPOSITS	PO Box 427, Pretoria, 0001 Tel: 012 313 4137
COMPANY/BOARD SECRETARY	Ms Carol-Rosalie Kamanga Attorney Kamanga Associates Tel: 065 511 7349 kamanga@fasset.org.za
PUBLISHER	FASSET Chief Executive Officer PO Box 6801, Cresta 2118
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About this Report

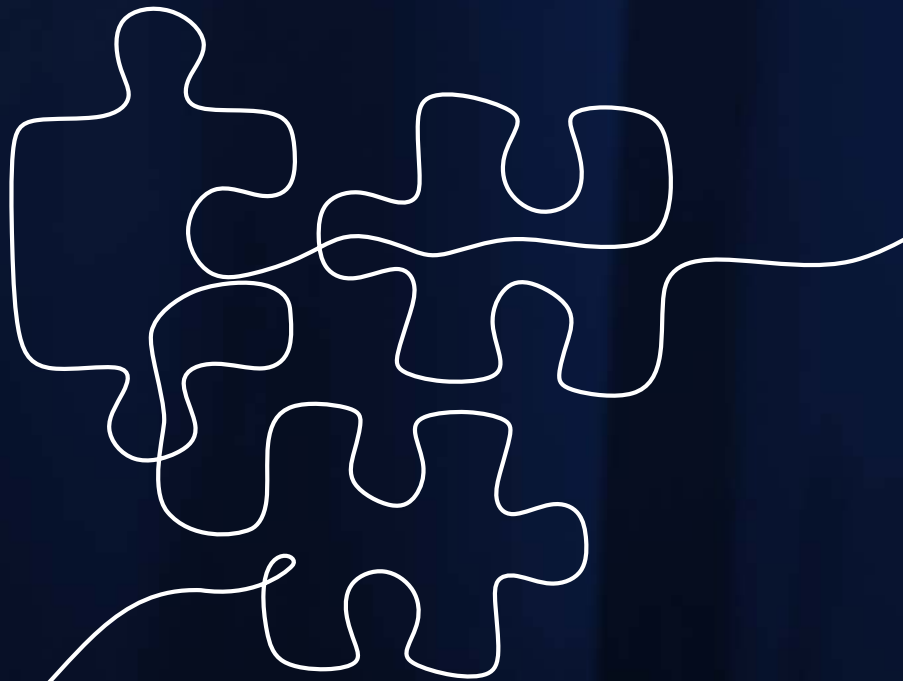
List of Abbreviations/Acronyms

4

98% Performance Achievement

4th Consecutive Clean Audit

(Unqualified opinion with no findings)



List of Abbreviations/Acronyms

4IR	Fourth Industrial Revolution	ITSM	Information Technology Service Management
AA	Accounting Authority	IWFSA	International Women's Forum South Africa
AB4IR	Africa Beyond 4IR	LAC	Labour Appeal Court
AET	Adult Education and Training	LEG	Learner Employment Grant
AFS	Annual Financial Statements	LL	Lifelong Learning
AGSA	Auditor-General of South Africa	LMIS	Learner Management Information System
AIR	Annual Integrated Report	LMS	Learner Management System
APC	Assessment of Professional Competence	LPD	Learner Professional Development
APP	Annual Performance Plans	MICT SETA	Media, Information and Communication Technologies Sector Education and Training Authority
AQP	Assessment Quality Partners	MoA	Memorandum of Agreement
ARC	Audit and Risk Committee	MoU	Memorandum of Understanding
ATR	Annual Training Reports	MTSF	Medium-Term Strategic Framework
ASCEO	SETA CEO	NARSSA	National Archives and Records Service of South Africa
BCM	Business Continuity Management	NDP	National Development Plan
CEO	Chief Executive Officer	NGO	Non-Governmental Organisation
CET	Community Education and Training	NPO	Non-Profit Organisation
CFE	Certified Fraud Examiner	NQF	National Qualifications Framework
CoGTA	Department of Cooperative Governance and Traditional Affairs	NSA	National Skills Authority
CPD	Corporation for Public Deposits	NSDP	National Skills Development Plan
CRMPs	Compliance Risk Management Plans	NSF	National Skills Fund
CSIR	Council for Scientific and Industrial Research	NSFAS	National Student Financial Aid Scheme
CSR	Corporate Social Responsibility	NYDA	National Youth Development Agency
DBSA	Development Bank of Southern Africa	OQSF	Occupational Qualifications Sub-Framework
DDM	District Development Model	PFMA	Public Finance Management Act, Act 1 of 1999
DHET	Department of Higher Education and Training	PIVOTAL	Professional, Vocational, Technical and Academic Learning
DPSA	Department of Public Service and Administration	POPIA	Protection of Personal Information Act, Act 4 of 2013
DRMS	Digital Records Management System	QCTO	Quality Council for Trades and Occupations
the dtic	Department of Trade, Industry and Competition	RMC	Risk Management Committee
EDP	Executive Development Programme	SAICA	South African Institute of Chartered Accountants
ERP	Enterprise Resource Planning	SALGA	South African Local Government Association
ERRP	Economic Reconstruction and Recovery Plan	SANACO	South African National Association Tertiary Cooperative
ETQE	Education and Training Quality Entity	SANAS	South African National Accreditation System
EXCO	Executive Committee	SARS	South African Revenue Service
FAS	Finance and Accounting Services	SCM	Supply Chain Management
FASSET	Financial and Accounting Services Sector Education and Training Authority	SDA	Skills Development Act, Act 97 of 1998
FINCO	Finance Committee	SDL	Skills Development Levies
FOODBEV	Food and Beverage Manufacturing Industry Sector	SDLA	Skills Development Levies Act, Act 9 of 1999
SETA	Education and Training Authority	SETA	Sector Education and Training Authority
GRAP	Generally Recognised Accounting Practices	SITA	State Information Technology Agency
GSC	Governance and Strategy Committee	SLA	Service Level Agreement
HEI	Higher Education Institution	SMME	Small-, Medium- and Micro-Enterprise
HRM	Human Capital Management; Human Resources Management	SP	Strategic Plan
HRRESCO	Human Resources and Remuneration Committee	SPOI	Sectoral Priority Occupations and Interventions
IAF	Internal Audit Function	SSP	Sector Skills Plan
ICT	Information and Communications Technology	TIG	Training Incentive Grant
IMS	Invoice Management System	TVET	Technical Vocational Education and Training
IoT	Internet of Things	WBE	Work-Based Experience
ISA	International Standards on Auditing	WCSA	Workers College South Africa
		WSP	Workplace Skills Plans

Scope

This Annual Integrated Report (AIR) provides a clear and comprehensive view of FASSET's strategic, operational, and financial performance for the period 1 April 2024 to 31 March 2025. It reflects our commitment to transparency, accountability, and continuous progress in delivering on our mandate to support skills development within the financial and accounting services sector.

Reporting Framework

To ensure compliance and best practice, this report has been compiled in line with key legislative and governance frameworks, including:

- The Public Finance Management Act (PFMA), Act 1 of 1999
- The Companies Act, Act 71 of 2008
- The Standards of Generally Recognised Accounting Practice (GRAP)
- The Skills Development Act (SDA), Act 97 of 1998 (as amended)

In addition, the report has been guided by:

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

Assurance

FASSET remains committed to ensuring the integrity of this report and the accuracy of the information presented. The Accounting Authority (AA) is satisfied with the level of assurance applied throughout the reporting process.

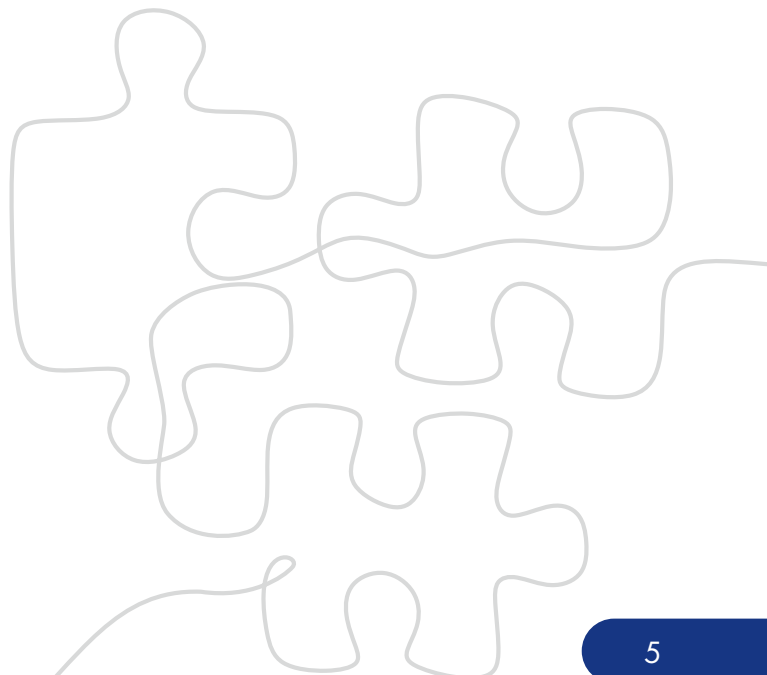
The Annual Financial Statements (AFS) have been independently audited by the Auditor-General of South Africa (AGSA), whose unqualified audit report can be found on pages 91 - 135. The audited AFS were prepared in accordance with GRAP standards, as issued by the Accounting Standards Board, and comply with the Skills Development Act (SDA), Act 97 of 1998, as well as the Skills Development Levies Act (SDLA), Act 9 of 1999 (as amended).

The Accounting Authority takes full responsibility for the accuracy and completeness of this report. It is confident that the AIR addresses all key matters and provides a balanced view of FASSET's performance, impact, and financial health.

Approval

The Accounting Authority has thoroughly reviewed the AIR, including the full AFS, and has recommended it for approval. The Accounting Authority also exercised its oversight role and believes that this report fairly reflects FASSET's integrated performance for the year under review.

Following this review process, the Accounting Authority has formally approved the 2024/2025 Annual Integrated Report.



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Our Leadership

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Foreword by the Interim Chairperson



MS AYANDA MAFULEKA

Interim Chairperson

Reflecting on the year under review, I am proud of the strategic direction FASSET has taken in advancing transformation, skills development, and inclusion within the financial and accounting services sector. Our efforts have remained firmly rooted in our public mandate to develop a future-fit workforce that can meaningfully contribute to South Africa's growth and prosperity.

In terms of strategic direction and sectoral relevance, we have continued to expand our reach and impact. We have increased the number of black females trained annually, reinforcing our commitment to empowerment and sectoral inclusivity. Strategic partnerships have played a critical role in this regard – programmes such as the Graça Machel Trust's Women Creating Wealth initiative and the Blind SA collaboration exemplify our determination to close historical gaps.

In partnership with SALGA, we launched a nationwide initiative to support 5 000 municipal workers across all districts and local municipalities. The programme is designed to build governance and financial accountability at municipal level by strengthening skills in asset management, audit committees, AFS reporting, and finance support. We also partnered with MICT SETA to deliver advanced digital training to 360 TVET learners, equipping them with skills in virtual reality, blockchain, IoT, and cloud computing. Additionally, our civic education initiative with Higher Health tackled the urgent issue of gender-based violence, empowering students across key TVET colleges.

Tackling sector blind spots and advancing inclusion has remained a key priority for the Board. We have focused on increasing female representation at leadership levels through our Executive and Middle Management Development Programmes, implemented by the IWFSA/Duke CE and Wits Business School. While these efforts have yielded encouraging results, we are acutely aware that people living with disabilities remain significantly underrepresented across the sector. To begin addressing this gap, we launched new inclusive learnership and mathematics support programmes in 2024/2025, in partnership with Blind SA and Mason Lincoln School – an important step towards ensuring greater access and opportunity for all. We have also made real progress in extending educational and career opportunities for youth through graduate development, internships, and learnerships – all of which are designed to support long-term employment and reduce poverty across communities. Through these efforts, FASSET is increasingly recognised as a catalyst for inclusive skills development in the sector.

In strengthening strategic relationships, we have focused on forging outcome-based partnerships with a broad range of stakeholders – from universities and TVET colleges to professional bodies, community leaders, and NPOs. These partnerships are no longer confined to transactional engagements but are deliberately aligned with our transformational objectives. Our engagement strategy has ensured that FASSET’s footprint extends across the country, reaching urban and rural communities alike and supporting learners from a diverse range of backgrounds.

Regarding digital transformation and future-fit learning, we have embedded 4IR capabilities across our programmes to ensure their ongoing relevance and sustainability. Collaborations with institutions such as Tshwane South TVET College, AB4IR, and FOODBEV SETA have enabled us to train hundreds of learners in key digital skills – including cybersecurity, Python programming, and digital literacy – to prepare them for the economy of tomorrow.

Looking ahead, our medium- to long-term priorities remain focused on deepening inclusion and driving systemic transformation. We must intensify our outreach to rural communities, develop communication strategies tailored to underserved learners, and align more closely with the District Development Model. We also remain committed to using research as a tool to inform responsive and impactful interventions. Studies undertaken in recent years – from leadership and gender equity to 4IR readiness and skills planning at municipal level – have equipped us with the evidence base required to refine our programmes for greater impact.

Critically, we must continue aligning our efforts with the National Development Plan (Vision 2030), which envisions a South Africa where skills development enables inclusive participation in the economy. As a SETA, our role is central to achieving this vision, particularly within the fields of accounting, finance, tax, and auditing. Our strategic priorities must speak directly to this national imperative.

In closing, I wish to offer a note of acknowledgement and appreciation. The consistent high performance and clean audits achieved over the past three years reflect the dedication of the FASSET team, under the capable leadership of the CEO and her Executive team. I thank the

members and Chairpersons of our sub-committees – ARC, GSC, FINCO, and HRREMCO – for their rigorous oversight and steadfast commitment to good governance. These structures have ensured that our risk management systems are robust, our operations are resilient, and our governance model continues to serve both the institution and its stakeholders well.

As a final word, I offer these closing reflections: FASSET’s achievements are made possible through the collective efforts of our stakeholders. Employers, educators, learners, and community leaders are not only beneficiaries of our programmes – they are co-architects of our success. As we continue to shape the future of work, we must remain committed to inclusion, active participation, and lifelong learning. These principles are not just strategic pillars – they are the very foundation of a more equitable, capable, and empowered society.

Lastly I would like to congratulate FASSET for its groundbreaking innovation of the internally developed mobile app called Fasset Atang Legacy App.

Due to the ending of the Audit and Risk Committee term on 31 March 2025, the Interim Accounting Authority reviewed and approved the Annual Financial Statements for submission on 31 May 2025. The Interim Accounting Authority welcomes the achievement of the unqualified audit opinion with no findings (clean audit) outcome and the Auditor-General’s unqualified audit opinion on both the financial statements and performance information.



Ayanda Mafuleka CA(SA)

Interim Chairperson

Overview by the Chief Executive Officer



"Diversity expands our reach; inclusion deepens our impact. Together, they are the heartbeat of a just and thriving society."

MS AYANDA MAFULEKA

Chief Executive Officer and
Interim Accounting Authority

This past year, under the theme Diversity and Inclusion, FASSET deepened its commitment to transforming South Africa's financial sector by enabling meaningful participation and economic opportunity for all. For us, inclusion is not a compliance obligation – it is a strategic imperative, a moral responsibility, and a catalyst for innovation and national development.

We expanded our reach through targeted, data-informed programmes prioritising rural, township, and historically excluded communities. In the 2024/2025 financial year, over 65% of beneficiaries supported by FASSET-funded programmes came from rural and township areas. Women accounted for 58% of all participants, and learners with disabilities made up 4.3% – more than double the national average across SETAs. These are more than statistics – they represent changed lives, shattered ceilings, and reimagined futures.

Our work is grounded in the understanding that inclusion is not an outcome – it is a journey. Whether it's a young woman from a rural village, a graduate living with a disability, or a learner overcoming the challenge of a speech impediment – each deserves not only a seat at the table but the tools to thrive. That is when transformation becomes tangible impact.

To support this, we strengthened disability-inclusive programming, expanded youth-skilling initiatives in under-resourced areas, and ensured that learners from disadvantaged backgrounds had access to funding, mentorship, and real workplace opportunities. Internally, this was mirrored by inclusive recruitment, procurement and supplier development practices – all underpinned by a deliberate effort to build an organisation reflective of the diverse, resilient spirit of our nation.

This commitment aligns with the National Skills Development Plan, the Economic Reconstruction and Recovery Plan, and FASSET's legislative mandate – all of which place inclusive economic participation at the centre of the national agenda. As I've often said, "Diversity expands our reach; inclusion deepens our impact. Together, they are the heartbeat of a just and thriving society."

Proximity remains a powerful lever of inclusion. To reduce reliance on our head office and improve accessibility, we established new satellite offices in Durban, Cape Town, and Thohoyandou, and expanded further during the year with additional sites in Welkom, East London and, Pretoria. Our digital presence continued to grow, with over 60 000 followers across social media platforms, serving as key channels for outreach, awareness and mobilisation.

Our partnerships have been central to advancing systemic impact. A bold initiative with SALGA aims to upskill 5 000 municipal workers in financial reporting, asset management, audit oversight and governance – helping to rebuild capability and strengthen local government accountability. Similarly, our collaboration with MICT SETA brought future-fit digital training to 360 TVET learners in areas such as blockchain, virtual reality, IoT and cloud computing. Initiatives with Tshwane South TVET College, AB4IR and FOODBEV SETA have embedded 4IR skills into our learning frameworks, ensuring our graduates are equipped not only for employment – but for a competitive and fast-evolving economy.

We remain clear that education must develop both capability and character. Our civic education initiative with Higher Health – focused on addressing gender-based violence in TVET colleges – is one such example of holistic, responsive programming that supports the developmental mandate of a SETA.

Post-school education remains a priority. In 2024/2025, we onboarded 487 new bursary recipients and continued supporting a further 436 learners. University bursaries were capped at R100 000 and TVET bursaries at R40 000 – enabling access for thousands of young people from disadvantaged communities. We also invested in the post-school system itself by funding 40 TVET college lecturers and improving access to ICT hubs and digital infrastructure across TVET and CET colleges.

Our internship programme placed 3 014 unemployed learners – with a deliberate focus on rural youth – into opportunities nationwide, facilitated through partnerships with local government, small firms, and NGOs. Within FASSET, 20 interns were placed during the year, with seven subsequently absorbed into formal employment.

We are especially proud of our partnership with Blind SA, launched in March 2024, which has provided 50 blind and partially sighted youth with access to a National Certificate in Small Business Financial Management. This initiative illustrates what is possible through inclusive and intentional programme design. The inclusion of Dr Praveena Sukhraj-Ely – the first blind participant in the IWFSa–FASSET Women’s Executive Leadership Development Programme – is a further milestone, and a powerful reminder of the potential unlocked when leadership development is truly inclusive.

FASSET also supports entrepreneurship and job creation. During the year, 3 083 learners from cooperatives and small enterprises were trained in sector-priority occupations or entrepreneurship, equipping them to start and sustain their own businesses. We approved 753 Workplace Skills Plans and Annual Training Reports from small firms – exceeding our target by 153 – enabling their participation in national

skills dialogues and access to FASSET funding. This also strengthens the evidence base that informs our programme design.

Programmes such as the Graca Machel Trust’s Women Creating Wealth, our partnership with Mason Lincoln School, and our inclusive mathematics support initiatives, reflect our commitment to transforming access and outcomes – particularly for those historically excluded.

Through a growing portfolio of internships, learnerships, and graduate programmes, FASSET continues to invest in youth development as a lever for social mobility and economic inclusion. These efforts are not isolated – they are co-created with our partners across the system. Employers, educators, learners, and community organisations are not only beneficiaries – they are co-architects of a more capable, inclusive sector.

FASSET’s progress would not be possible without the guidance of our Executive Authority – the Minister of Higher Education and Training, Mr Buti Manamela – and the leadership of Deputy Ministers Dr Nomusa Dube-Ncube and Dr Mimmy Martha Gondwe. I also extend my sincere thanks to the Director-General, Dr Nkosinathi Sishi; Deputy Director-General, Mr Zukile Mvalo; Deputy Director-General for TVET, Mr Sam Zungu; Deputy Director-General for CET, Ms Thembisa Futshane; and Chief Director for SETA Performance, Mr Mabuza Ngubane.

I wish to acknowledge the FASSET Board, whose term concluded on 31 March 2025, under the leadership of Interim Chairperson, Mr Bongani Mathibela, for their strategic guidance. I am also grateful to the Audit and Risk Committee led by Ms Malande Tonjeni, the ICT Steering Committee chaired by Dr Charles Motau, and the Risk Management Committee chaired by Mr Venon Makaleni, all of whom completed their terms during the reporting period.

To our partners – employers, professional bodies, government departments, labour, academic institutions, and civil society – thank you for your collaboration and commitment. Your contributions are central to everything we do.

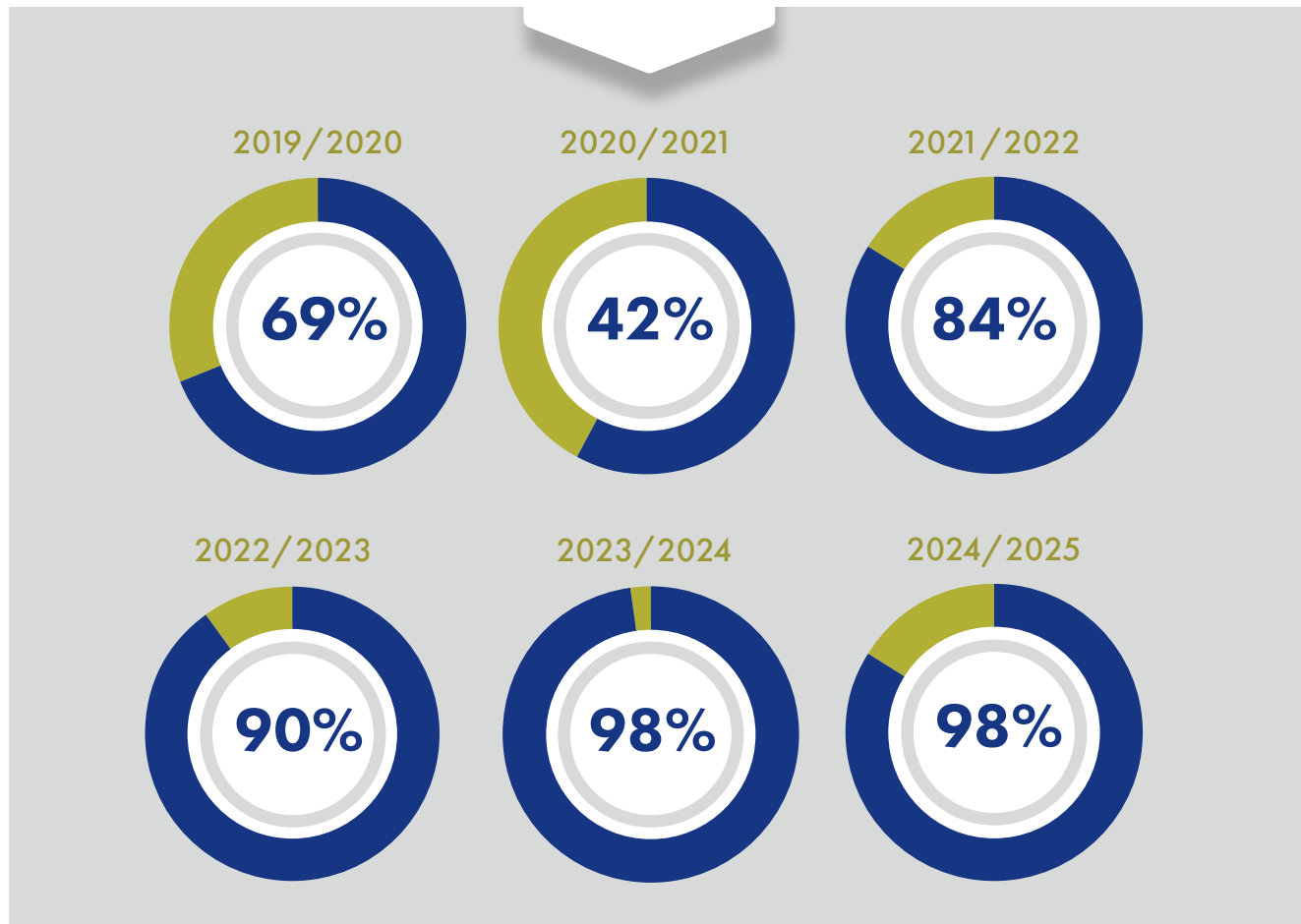
Finally, to the FASSET Executive team, Management and staff – thank you. Your resilience, professionalism, and shared commitment to excellence have made this year’s achievements of 98% and a clean audit for the 4th consecutive year possible. Together, we are building a financial services sector that is more inclusive, more capable, and more reflective of the society it serves.



Ayanda Mafuleka

Chief Executive Officer and Interim Accounting Authority

Organisational performance



On 28 November 2024, FASSET unveiled a ground-breaking innovation in a form of a mobile application which operates in alignment with the learner portal. The app is built to bridge the gap between FASSET and its beneficiaries, allowing ease of access to opportunities within FASSET programmes. In the words of the FASSET CEO, Ayanda Mafuleka, "the app is legendary and innovative, as in my mind I saw a young learner from Muyexe village in Limpopo, Engcobo in the Eastern Cape, graduate from Soweto, KwaMhlab'yalingana; a parent from Khayelitsha; Fasset employers, ALL accessing FASSET from their mobile phones.

FASSET ATANG LEGACY APP

"A gateway to a multiplying legacy"

Available on the Apple App Store and Google Play Store.



The app's ultimate goal is to connect talented learners with employers and training providers, streamlining the path to meaningful career opportunities.



FASSET
Make the future count

Statement of Responsibility and Confirmation of Accuracy

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

- All information and amounts disclosed in this Annual Integrated Report (AIR) are consistent with the Audited Annual Financial Statements (AFS) as reviewed by the Auditor-General of South Africa (AGSA).
- The AIR is complete, accurate, and aligned with the reporting requirements.
- The AIR has been prepared in accordance with the guidelines on annual reports as issued by National Treasury.
- The AFS, as presented in Part E, have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to the SETA.
- The SETA is responsible for the preparation of the AFS and the judgements made therein.

The Accounting Authority is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance regarding the integrity and reliability of performance information, human resources data, and financial reporting.

The AGSA has been engaged to provide an independent audit opinion on the AFS.

In our opinion, this AIR fairly presents FASSET's operations, performance, human resources information, and financial position for the financial year ended 31 March 2025.



Ayanda Mafuleka

Chief Executive Officer and Interim Accounting Authority





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Strategic Overview

FASSET is the Sector Education and Training Authority (SETA) for the finance, accounting, management consulting, and other financial services sector. As a Schedule 3A public entity, it reports to the Honourable Minister of Higher Education and Training, Mr Buti Manamela, who serves as the Executive Authority. FASSET is accountable to Parliament and operates under the oversight of National Treasury, ensuring compliance with performance management and financial administration requirements.

To fulfil its mandate, FASSET engages with a broad range of stakeholders while upholding principles of good governance to drive meaningful contributions in skills development for the benefit of both the sector and the country.

The organisation is currently licensed until 31 March 2030 in alignment with the National Skills Development Plan (NSDP). The NSDP aims to ensure that South Africa has sufficient, high-quality skills that support economic growth, job creation, and social development. This plan is guided by the broader National Development Plan (NDP), which focuses on developing the capabilities of citizens to prepare for the evolving world of work.

The NSDP defines FASSET's scope and institutional framework, ensuring alignment with the government's Medium-Term Strategic Framework (MTSF) and broader national priorities.

FASSET at a Glance

Employment figures in the sector have continued to decline over the past three financial years – a concerning trend that highlights the need for targeted interventions to stabilise and grow the workforce. Despite this, it is encouraging that the sector remains largely youth-driven, with a significant proportion of workers aged 34 and under. This is particularly noteworthy in the context of South Africa's persistently high youth unemployment rate, recorded at 46.1% in Quarter 1 of 2025.

Total Number of Employees

2024/2025	2023/2024
113 601	80 464

Gender Split*

	2024/2025	2023/2024
Male	43%	45%
Female	57%	55%

* At C-suite level, men continue to hold a greater proportion of positions than women

Employee Profile

	2024/2025	2023/2024
Black African	56%	50%
White	23%	30%
Coloured, Indian/Asian	20%	20%

Occupational levels: Black Africans

	2024/2025	2023/2024
Managerial Positions	38%	30%
Professional Positions	48%	43%
Technical Positions	55%	50%
Indian/Asian	12%	20%

Occupational Groups

Statistics from the 2024/2025 period show that black African employees continue to hold the largest share of employment across occupational groups. White employees, however, still account for the largest proportion of managerial positions in the sector although this is by a smaller margin than in previous years. The biggest proportion of workers are professionals, who make up 38% of all employees, 18% of whom are black African.

Within managerial roles, female representation has attained parity, with women occupying 50% of these positions in the FY2024/2025.

Sub-sectors



Investment
Entities, Trusts,
and Company
Secretarial
Services



Accounting,
Bookkeeping,
Auditing, and
Tax Services



Stockbroking
and Financial
Markets



Development
Organisations



Business and
Management
Consulting
Services



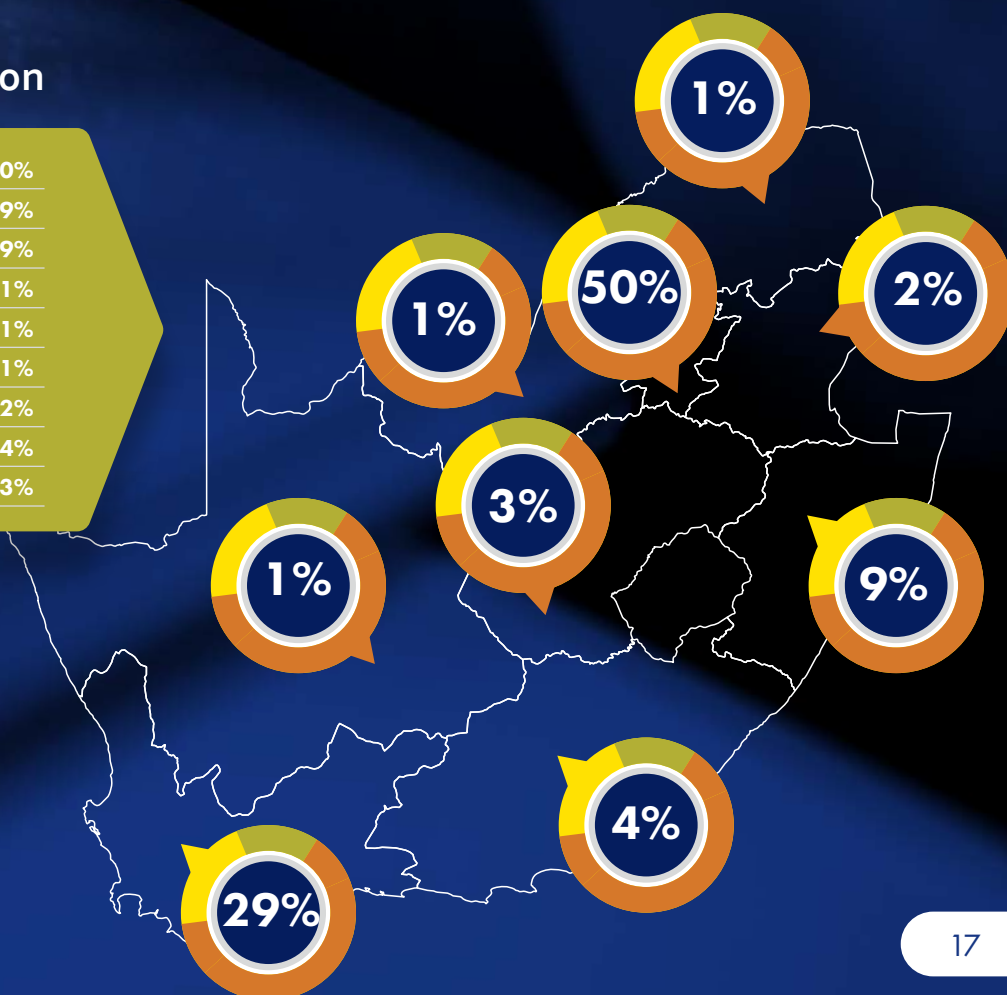
Activities
Auxiliary to
Financial
Intermediation



The South African
Revenue Service
(SARS) and
Government
Departments

Provincial Distribution

Gauteng	50%
Western Cape	29%
KwaZulu-Natal	9%
North West	1%
Northern Cape	1%
Limpopo	1%
Mpumalanga	2%
Eastern Cape	4%
Free State	3%



Our Vision

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

Our Mission

- To inject relevant finance and accounting services' skills into the South African economy.
- To position FASSET as a thought leader in skills development and training.
- To demonstrate continued excellence in finance and accounting services.
- To drive transformation and promote inclusivity in the finance and accounting services workforce.

Our Values



PROFESSIONALISM AND ACCOUNTABILITY

We are a high-performance, professional team; we strive for excellence through hard work and by taking responsibility and being accountable within an accepted and agreed Code of Conduct.



ETHICS

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



MAKING A DIFFERENCE

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



VALUING PEOPLE

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



INNOVATION

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

Our Strategy

FASSET's strategy is focused on delivering long-term impact for individuals, the financial and accounting services sector, and the broader economy. By prioritising skills development, transformation, and inclusion, we aim to cultivate a capable, resilient, and future-ready workforce that drives meaningful change across the sector.

Our strategy is structured around seven key pillars:



Building a Sustainable Skills Pipeline

FASSET is committed to developing a robust and sustainable skills pipeline that nurtures finance and accounting professionals equipped to lead and contribute to South Africa's economic growth.

Our value drivers – including grants, research, learner development programmes, and lifelong learning interventions – are designed to deliver tangible benefits to both employers and learners. These are enabled by strong foundations such as skilled people, intellectual capital, fit-for-purpose systems and processes, technology, and strategic partnerships, which together, ensure we remain effective in delivering on our mandate.

Alignment with the National Skills Development Plan

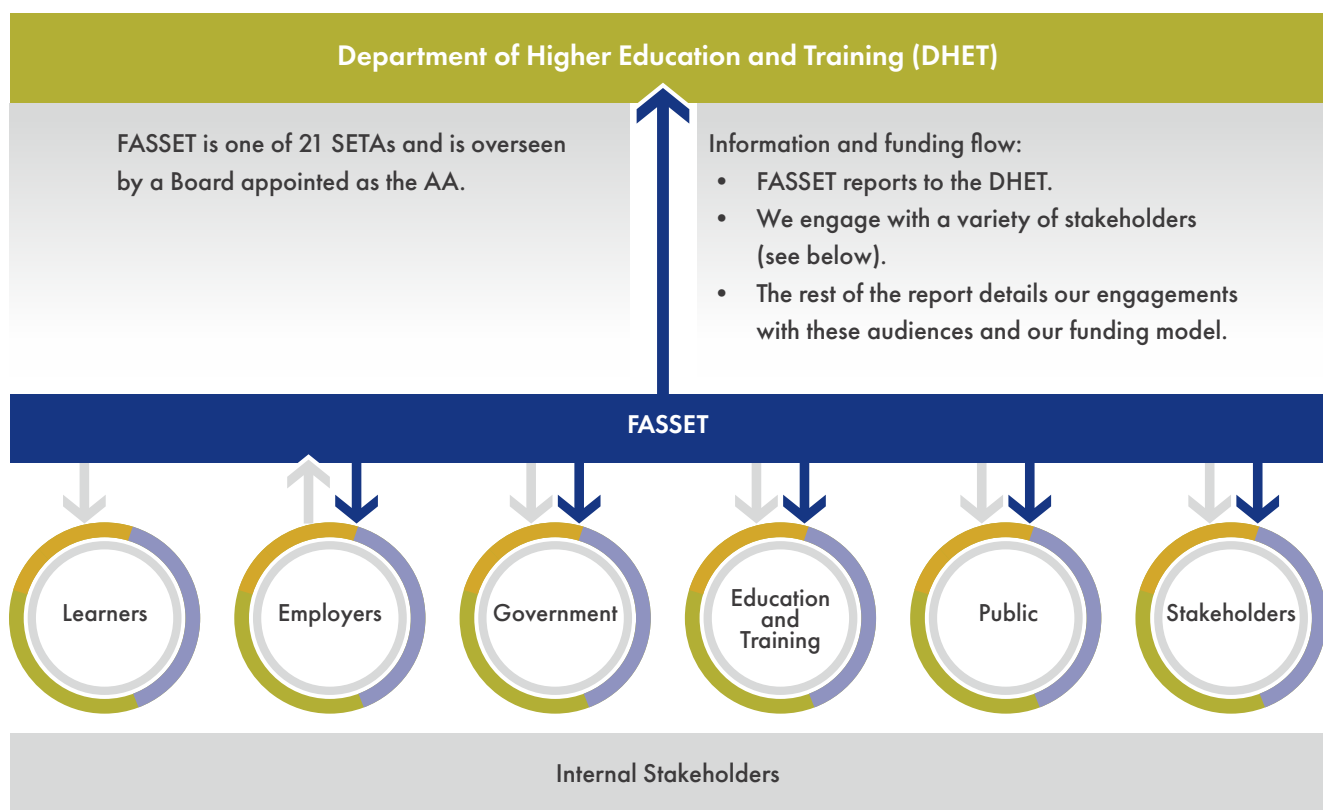
FASSET's Strategic Plan (2020–2025) is purposefully aligned with our mandate, national priorities, and sector-specific needs. It responds to the evolving skills landscape by focusing on externally oriented goals that strengthen sector capacity and relevance. At the heart of the strategy is an impact statement that commits to the

timely and relevant upskilling of the sector to meet industry needs and national development objectives.

This impact statement is supported by four key strategic outcomes:

- An efficient and effective organisational support system, underpinned by a high-performance culture.
- Skills interventions informed by research and aligned with sector needs.
- A reduction in critical skills shortages within the financial and accounting services sector.
- Enhanced quality assurance systems that improve the credibility and impact of sector learning programmes.

FASSET's Sector Skills Plan (2021) further anchors our approach by providing a comprehensive view of the operating environment. It ensures that our programmes remain responsive to the priorities of our line department, stakeholder expectations, and the broader economy. Through ongoing research, collaboration, and targeted interventions, FASSET remains committed to driving meaningful change and supporting the long-term sustainability of the sector.



The Evolving SETA Landscape and FASSET's Role

The revised SETA landscape, which came into effect on 31 March 2020, is shaped by the aspirations of the National Development Plan (NDP) 2030. The National Skills Development Plan (NSDP) 2030, derived from the NDP, provides a framework for ensuring a well-coordinated and efficient skills development system.

Chapter 9 of the NDP outlines government's vision for improving education, training, and innovation, highlighting the need for stronger collaboration between education institutions and employers. Recognising inefficiencies in the previous SETA structure, the NDP emphasises the importance of SETAs in bridging the gap between education providers and the workplace.

A key objective of the NSDP 2030 is "Linking education and the workplace" (Outcome 2), which aligns directly with FASSET's

mandate. The organisation plays a pivotal role in facilitating connections between the labour market, education institutions, and the financial and accounting services sector. FASSET achieves this by funding a range of education and training programmes, including:

- Internships and on-the-job training to enhance work readiness.
- Technical Vocational Education and Training (TVET) work-based experience (WBE) to provide practical exposure.
- Learnership programmes that combine theoretical learning with real-world application.

Each outcome of the NSDP 2030 directly informs FASSET's Sector Skills Plan (SSP) and Strategic Plan (SP), ensuring that its programmes remain aligned with national priorities and industry needs. The following table provides a detailed breakdown of how FASSET's initiatives align with the broader Skills Development Framework.

Outcomes

NSDP Outcomes	Linked FASSET Impacts	Linked FASSET Outcomes	Programmes
Outcome 1: Identify and increase production of occupations in high demand.	Facilitating the timeous and relevant upskilling of the FAS sector.	Outcome 2: Appropriate skills interventions determined by research. Outcome 3: Reduced critical skills and skills shortages in the sector.	Programme 2 Programme 3
Outcome 2: Linking education and the workplace.	Facilitating the timeous and relevant upskilling of the FAS sector.	Outcome 2: Appropriate skills interventions determined by research. Outcome 3: Reduced critical skills and skills shortages in the sector.	Programme 2 Programme 3
Outcome 3: Improve the level of skills in the South African workforce.	Facilitating the timeous and relevant upskilling of the FAS sector.	Outcome 1: Efficient and effective organisational support system with an enabling culture. Outcome 2: Appropriate skills interventions determined by research. Outcome 3: Reduced critical skills and skills shortages in the sector. Outcome 4: Improved quality assurance system for the sector learning programmes.	Programme 1 Programme 2 Programme 3 Programme 4

Outcomes (cont'd.)

NSDP Outcomes	Linked FASSET Impacts	Linked FASSET Outcomes	Programmes
Outcome 4: Increase access to occupationally directed programmes.	Facilitating the timeous and relevant upskilling of the FAS sector.	Outcome 3: Reduced critical skills and skills shortages in the sector.	Programme 3
Outcome 5: Support the growth of the public college system.	Facilitating the timeous and relevant upskilling of the FAS sector.	Outcome 3: Reduced critical skills and skills shortages in the sector.	Programme 3
Outcome 6: Skills development support for entrepreneurship and cooperative development.	Facilitating the timeous and relevant upskilling of the FAS sector	Outcome 3: Reduced critical skills and skills shortages in the sector.	Programme 3
Outcome 7: Encourage and support worker-initiated training.	Facilitating the timeous and relevant upskilling of the FAS sector.	Outcome 2: Appropriate skills interventions determined by research. Outcome 3: Reduced critical skills and skills shortages in the sector.	Programme 2 Programme 3
Outcome 8: Support career development services.	Facilitating the timeous and relevant upskilling of the FAS sector.	Outcome 3: Reduced critical skills shortages in the sector.	Programme 3



Material Matters

How we Determine our Material Matters

FASSET provides material disclosure on governance, strategic risks, and opportunities as they relate to both financial and social performance. For the purposes of reporting, we define material issues as those that may influence stakeholder decisions regarding our role as a Sector Education and Training Authority (SETA), or that may affect our ability to deliver on the targets set out in the National Skills Development Plan (NSDP).

Material Issues for the Year Under Review

FASSET's material issues are those that significantly affect our ability to deliver on our mandate, meet stakeholder expectations and contribute to the NSDP 2030 targets. These issues reflect the broader challenges and opportunities within South Africa's skills development landscape and are informed by our strategic focus areas.

Transformation and Inclusion in Skills Development

- Persistent gender disparities and limited representation of people with disabilities in the financial and accounting services sector.
- Barriers to access for historically disadvantaged individuals, particularly in rural areas.
- The need to expand outreach and participation in marginalised communities.

Alignment of Skills Development with Labour Market Needs

- Ensuring that skills development initiatives are responsive to industry demands and technological advancements (such as the Fourth Industrial Revolution (4IR)).
- Addressing skills shortages in critical areas of finance, accounting, and related professions.
- Strengthening workplace-based learning to improve graduate employability and reduce unemployment.

Governance, Compliance, and Financial Sustainability

- Maintaining good governance and compliance with the Public Finance Management Act (PFMA) and GRAP standards.
- Efficient allocation and utilisation of mandatory and discretionary grant funding to achieve optimal impact.
- Monitoring and evaluation of funded programmes to ensure return on investment and alignment with NSDP 2030.

Stakeholder Engagement and Partnerships

- Strengthening collaboration between education providers, employers and government agencies to create a more coordinated skills development ecosystem.
- Enhancing communication strategies to ensure stakeholder awareness of FASSET's initiatives and funding opportunities.
- Increasing private sector involvement to scale up work-based learning initiatives and skills development programmes.

Digital Transformation and Infrastructure Development

- Ensuring that TVET and CET colleges have access to the latest ICT resources and digital learning tools.
- Bridging the digital divide to enable greater access to online learning platforms and remote education.
- Addressing system inefficiencies within FASSET's internal processes and grant management systems to improve service delivery.

These material issues directly influence FASSET's capacity to deliver on its strategic goals, advance national transformation priorities, and support the development of an inclusive, future-ready workforce. Proactively identifying and addressing these challenges remains central to ensuring the organisation's continued relevance, impact, and sustainability.

FASSET is a public entity listed in Part A of Schedule 3 of the Public Finance Management Act (PFMA) and is established in accordance with Section 9 of the Skills Development Act (SDA). It operates with all the powers granted under this Act. The scope of FASSET's coverage is defined as the finance and accounting services sector, as determined by Section 9(2) of the SDA, in conjunction with Government Gazette No. 33756, RG 9417, No. R1055 of 11 November 2010.

Legislative and Other Mandates

The Skills Development Act (SDA) and the Skills Development Levies Act (SDLA) provide the framework for FASSET to develop and implement national, sectoral, and workplace strategies. These initiatives aim to enhance workforce skills, improve employability and productivity, and strengthen South Africa's economic competitiveness.

The Public Finance Management Act (PFMA) promotes sound financial management, ensuring that financial resources are used efficiently and effectively. In addition, the National Qualifications Framework (NQF) Act 67 of 2008 regulates qualifications and professional bodies, establishing quality councils that FASSET engages with to maintain industry standards.

FASSET also aligns its operations with the SETA-standard Constitution and transformative frameworks such as the Financial Sector Charter. The organisation actively supports the Human Resources Development Strategy for South Africa, as well as the Medium-Term Strategic Framework (MTSF), which outlines key economic growth drivers, and the National Skills Development Plan (NSDP 2030).

FASSET's activities are shaped by several key legislative and policy frameworks.

Legislation Governing FASSET's Operations

- Basic Conditions of Employment Act, Act 75 of 1997
- Broad-Based Black Economic Empowerment Act, Act 53 of 2003
- Division of Revenue Act, Act 5 of 2022, as amended
- Employment Equity Act, Act 55 of 1998
- Income Tax Act, Act 58 of 1962
- Labour Relations Act, Act 66 of 1995
- National Qualifications Framework Act, Act 67 of 2008
- Preferential Procurement Policy Framework Act, Act 5 of 2000
- Public Audit Act, Act 25 of 2004
- Public Finance Management Act, Act 1 of 1999
- Protection of Personal Information Act, Act 4 of 2013
- Policy Mandates
 - » White Paper for Post-School Education and Training (2014)
 - » National Development Plan Vision 2030
 - » National Skills Development Plan (NSDP 2030)
- Guiding Frameworks and Regulations
 - » Framework for Managing Performance Information
 - » Framework for Strategic Plans (SPs) and Annual Performance Plans (APPs)
 - » Guidelines on the Implementation of SETA Grant Regulations

By operating within this regulatory and policy framework, FASSET ensures compliance, accountability, and alignment with national priorities. These frameworks enable the organisation to drive transformation, enhance skills development, and strengthen the finance and accounting services sector.

Organisational Structure



Our Stakeholders

FASSET actively engages with a broad network of stakeholders to support the delivery of its mandate and strategic objectives. Regular interaction and collaboration ensure that its programmes remain relevant, responsive, and aligned with broader national goals. This approach enables FASSET to foster meaningful partnerships and contribute to building a more skilled and inclusive workforce.



Employers

Employers are critical partners in workplace-based learning, providing opportunities for internships, learnerships, and skills development initiatives. FASSET works closely with employers to understand sector needs, identify skills gaps, and implement training solutions that support both business growth and workforce readiness.



Employer and Employee Associations

These associations serve as important intermediaries between FASSET and the broader workforce. They help ensure that the interests of their members are represented in skills planning and development processes and contribute to the alignment of sector priorities with workforce realities.



Training Providers

Accredited training providers are central to the delivery of high-quality learning programmes. FASSET partners with these institutions to ensure that learning content is relevant, accessible, and aligned with sector needs and national qualifications standards.



NPOs & NGOs

FASSET collaborates with NPOs and NGOs to extend the reach of its programmes, particularly in underserved and marginalised communities. These organisations often play a key role in identifying beneficiaries, delivering targeted training, and supporting community-based learning initiatives.



Beneficiaries

Beneficiaries are at the heart of FASSET's work. These include learners, unemployed youth, graduates, and employees seeking upskilling opportunities. Through bursaries, learnerships, academic support, and professional development programmes, FASSET enables beneficiaries to access meaningful learning and employment opportunities.



Government

FASSET aligns its work with the priorities and policy direction set by various government departments, particularly the Department of Higher Education and Training (DHET). The organisation also engages with national, provincial, and local government structures to support integrated development planning and ensure alignment with broader national development goals.

In addition to its external partners above, FASSET engages with several other key stakeholders and governance structures that support strategic direction, compliance, and sector alignment. These stakeholders are listed below.



Department of Higher Education and Training (DHET)

As FASSET's line department, the DHET provides overall policy direction, oversight, and guidance. FASSET works closely with the DHET to ensure alignment with national strategies such as the National Skills Development Plan (NSDP) 2030 and the Human Resource Development Strategy for South Africa. The department also oversees FASSET's performance through mechanisms such as the Service Level Agreement (SLA).



Chamber Committees with Industry Participants

These committees serve as advisory structures that provide insight into sector-specific trends, challenges, and priorities. Comprising representatives from industry, they offer guidance on occupational demands, programme relevance, and sector transformation, ensuring that FASSET's interventions remain aligned with industry needs.



Independent Committees

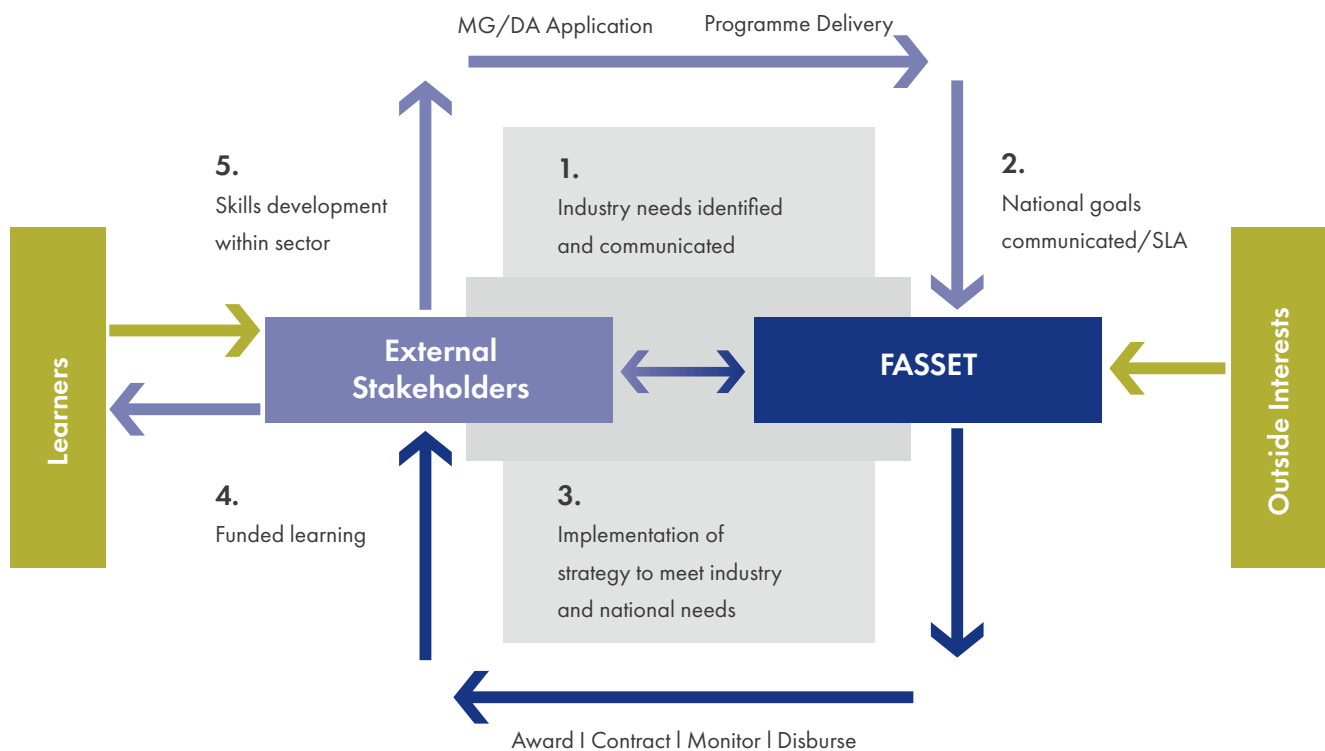
FASSET also draws on the expertise of independent committees, such as the Audit and Risk Committee, ICT Steering Committee, and the Risk Management Committee. These bodies support good governance and oversight, helping to ensure the integrity, transparency, and effectiveness of the organisation's operations.



Other Stakeholders

FASSET collaborates with a variety of other stakeholders, including professional bodies, academic institutions, research entities, and public and private partners. These relationships enhance the organisation's ability to implement innovative solutions, broaden its reach, and respond to emerging trends in skills development.

Overview of the SETA's Operating Environment



External Stakeholders

External stakeholders refer to those who receive support from the SETA:

- Employers
- Employer/employee associations
- Training providers
- NPOs/NGOs
- Beneficiaries
- Government
- Other

FASSET

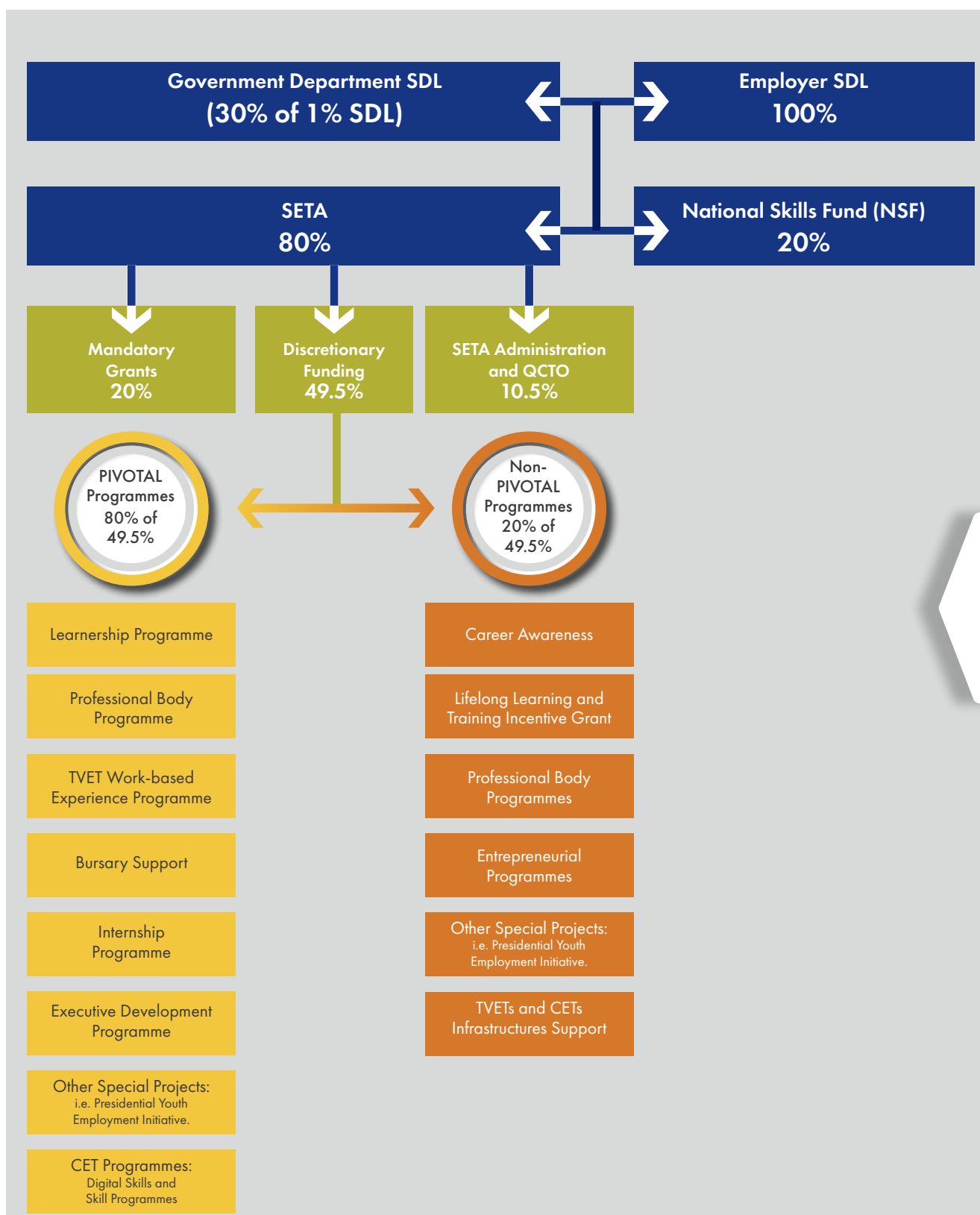
FASSET refers to the FASSET operating environment and internal departments

Outside Interests

Outside interests, or other stakeholders, refer to those stakeholders that influence the decision-making of the organisation:

- DHET
- Chamber committees with industry participants
- Independent committees
- Other

FASSET's Funding Model





Our Performance

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Our Impact in Numbers

753 Workplace Skills Plans and Annual Training Reports approved for small firms (Target: 600)

3 014 Unemployed learners entered internship programmes (Target: 3 000)

2 553 Unemployed learners provided with tools of trade (Target: 2 000)

3 083 Learners from cooperatives and enterprises trained or supported to start a business (Target: 2 500)

746 TVET students completed National Diploma internships (Target: 300)

316 Career guidance events supported (Target: 260)

40 TVET college lecturers awarded bursaries

791 Black female participants enrolled in management development programmes (Target: 500)

408 Bursaries awarded to TVET college learners (Target: 400)

1 846 Unemployed learners trained in digital skills annually (Target: 815)



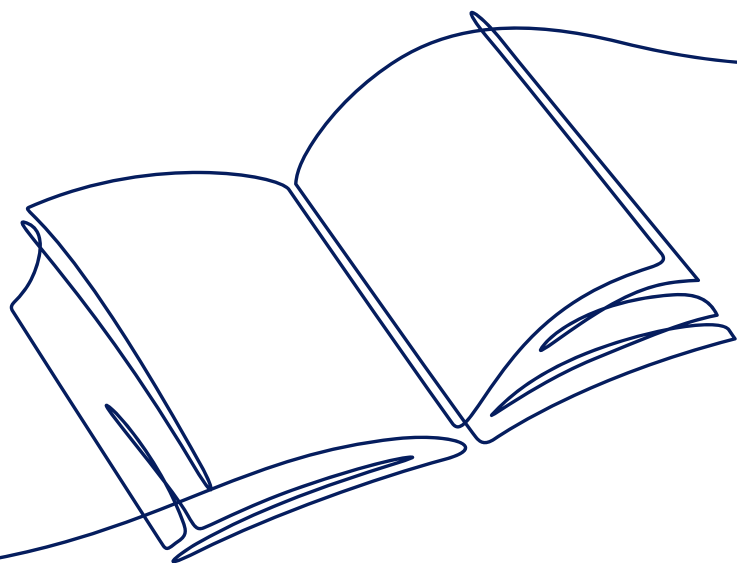
Our Performance

Auditor's Report: Predetermined Objectives

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to Management. Refer to page 77 of the AIR for the Auditor's Report, published in Part G: Governance.

Key Policy Developments and Legislative Changes

The Quality Council for Trades and Occupations (QCTO) is a Quality Council established in 2010 in terms of the Skills Development Act, No. 97 of 1998. Its mandate is to oversee the development, implementation, assessment, and certification of occupational qualifications, including trades, within the Occupational Qualifications Sub-Framework (OQSF). In alignment with this mandate, FASSET has commenced the development of occupational qualifications in accordance with the OQSF policies and guidelines.



Progress towards Achievement of Institutional Impacts and Outcomes

FASSET is structured into four programmes:

1. Administration	2. Skills Planning	3. Learning Programmes and Projects	4. Quality Assurance
Outcome: Efficient and effective organisational support system with an enabling culture. Focus area: Digitisation of processes to enhance implementation of interventions. Performance Summary for FYE25: Targets achieved (4 of 5) • Number of programmes facilitated annually. • Achieved an unqualified audit outcome. • Submitted the SETA good governance report. • Implemented the Stakeholder Engagement Strategy (annual target met). Targets overachieved (1 out of 5): • Percentage of Internal Skills Strategy implemented annually.	Outcome: Appropriate skills interventions determined by research. Focus area: Tracking the journey of learners. Performance Summary for FYE25: Targets achieved (2 of 6): • Sector Skills Plans developed and submitted. • Research studies conducted annually. Targets overachieved (4 of 6): • Number of small firms' WSPs/ATRs approved and mandatory grants paid annually. • Government departments' WSPs/ATRs approved annually. • Number of large firms' WSPs/ATRs approved and mandatory grants paid annually. • Number of medium firms' WSPs/ATRs approved and mandatory grants paid annually.	Outcome: Reduced critical skills and skills shortages in the sector, including a relevant communication strategy to reach rural areas and increase access to FASSET products and services in these communities. Performance Summary for FYE25: Targets achieved (8 out of 41): • Number of unemployed learners processed for registration on learnerships annually. • Number of unemployed learners entering an internship programme annually. • Number of unemployed learners entering AET programme offered at a Community Education and Training College annually. • Number of NGOs and NPO's supported through discretionary funding annually. • Number of TVET colleges' lecturers awarded a bursary annually. • Number of rural development projects initiated annually. • Number of SETA offices established and maintained in TVET colleges annually. • Number of TVET and CET colleges' provided infrastructure development support annually. Targets achieved (32): • Due to strategic partnerships with key stakeholders within the skills development and education economy. • Planned approaches in implementation with awareness campaigns to drive engagement. • Favourable budget allocations resulting from declared surpluses. Highlights include: • More learners enrolled due to meeting the criteria while also reporting an equally impressive number of learners under progressions and completions. Targets not achieved (1): Applications received without complete supporting evidence. Corrective action: FASSET will collaborate with the relevant working committee to improve uptake and support for underperforming indicators in the coming year.	Outcome: Improved quality assurance system for sector learning programmes. Performance Summary for FYE25: Target achieved: • Number of qualifications and learnership certification reports produced.

Overview of Performance

Service Delivery Environment

Situational Analysis

FASSET operates within a regulated skills development environment. As a Sector Education and Training Authority (SETA), our mandate is to implement skills development programmes that address occupational shortages and skills gaps in the finance and accounting services (FAS) sector. This mandate is governed by key legislation, including the Skills Development Act (1998), the Skills Development Levies Act (1999), and national policy frameworks such as the National Skills Development Plan (NSDP). These frameworks, along with other government strategies, have shaped FASSET's programme implementation since its establishment in 2000.

The delivery of our programmes is influenced by various external factors, including shifts in the labour market and broader economic conditions.

Service Delivery Environment

FASSET plays a critical role in advancing the financial and accounting services sector. As an intermediary between the education system and the workplace, we support the transition from learning to earning. We do this by increasing investment in training programmes that strengthen the sector and create pathways into employment for future professionals.

Our approach is informed by labour market research, the development of the Sector Skills Plan (SSP), Strategic Plan (SP), and Annual Performance Plan (APP), as well as a Service Level Agreement (SLA) with the Department of Higher Education and Training (DHET). These tools enable us to identify skills gaps and design targeted interventions.

The role entrusted to FASSET is both strategic and transformative. It requires a forward-thinking approach that addresses historical inequalities and actively promotes equity. Transformation in the sector goes beyond equal access – it demands intentional and sustained efforts to create opportunities for those who have been excluded.

Recent research has highlighted a concerning trend: over the past three to five financial years, total employment in the sector has increased by 10 939. According to the 2026/2027 Sector Skills Plan update, the total reported employment figure for the sector stands at 113 601. This increase underscores the urgency of FASSET's work in building a resilient, inclusive, and future-ready workforce.

Skills Planning and Research

Delivering impactful programmes requires thoughtful planning and evidence-based decision-making. FASSET's approach to skills development is guided by ongoing research that shapes its priorities and informs programme design. Key studies, including the SSP, Track and Trace reports, and Impact Assessments, feed directly into the organisation's interventions.

In addition, FASSET does not operate in isolation. Its work is guided by national frameworks, policies, and legislative mandates such as the White Paper for Post-School Education and Training and the National Skills Development Plan (NSDP) 2030. These policies highlight the important role of SETAs in conducting research to support sector skills planning and address critical shortages within their areas of focus.

To support this mandate, FASSET's Skills Planning and Research Unit conducted a study on the District Development Model (DDM). The initiative, led by the Department of Cooperative Governance and Traditional Affairs (CoGTA), aims to strengthen coordination across national, provincial, and local government. The study examined how SETAs can contribute to skills development at a district level and identified opportunities for more integrated planning. In response, FASSET has begun forming partnerships to align its work with this national strategy.

Another study focused on the Fourth Industrial Revolution (4IR) and its impact on skills in the finance and accounting services sector. With rapid technological change affecting all parts of the economy, it is vital that both new entrants and current professionals in the sector are equipped with relevant digital capabilities. FASSET has responded by implementing a digital skills capacitation programme to support this need.

The 2024/2025 Sector Skills Plan (SSP) update plays a critical role in informing the FASSET Board and Management. It supports strategic decision-making, including the allocation of funding and the design of interventions that respond to both sector-specific and national priorities.

In line with this, FASSET has developed a Sectoral Priority Occupations and Interventions (SPOI) list, based on input from Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs). This list helps to cluster and

prioritise the occupations most in demand across the sector and has been endorsed by the FASSET Board. The reviewed priority occupations are:

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

Challenges to Skills Planning

The skills development system operates on the assumption that the schooling system produces learners with strong foundational skills – making them more employable and more trainable. However, a clear disconnect remains between the education system and the demands of the workplace.

Low performance in key subjects such as mathematics, especially at matric level, continues to reduce the pool of learners eligible to pursue finance and accounting-related qualifications. Mathematics is essential for entry into these pathways, and poor results in this subject limit progress towards a skilled and competitive workforce.

Employers have also expressed concern that many graduates are not adequately prepared for the realities of the workplace. Tertiary curricula are often viewed as too theoretical and disconnected from industry needs.

FASSET acknowledges these challenges and has continued to invest in its Mathematics, Accounting, and English Programme for high school learners in Grades 8 to 12. This intervention is designed to address foundational learning gaps, strengthen the education pipeline, and increase the number of learners who can successfully pursue careers in the FAS sector.

Organisational Environment

FASSET's organisational strategy and skills development initiatives are closely aligned with national frameworks such as the Human Resources Development Strategy for South Africa, the Medium-Term Strategic Framework, the National Skills Development Plan (NSDP), and the

White Paper for Post-School Education and Training. In addition, the organisation's priorities are guided by transformation charters, including the Financial Sector Charter, which promotes increased participation by African people and persons with disabilities.

These alignments reinforce FASSET's commitment to its mandate: to increase the flow of new entrants into the finance and accounting services sector, to develop and grow the skills required in the sector, and to facilitate sector transformation. During the reporting period, FASSET recorded more appointments than resignations. A significant number of new employees were youth, reflecting the organisation's continued contribution to youth development and its commitment to addressing unemployment.

Where vacancies arose, Executive Management prioritised recruitment to ensure minimal disruption to operations. The 2024/2025 financial year also saw significant progress in staff development. This included support for further studies through academic funding, short-term training aligned with individual development needs, and initiatives such as Wellness Day to promote staff wellbeing.

In recognition of staff contributions, FASSET hosted its inaugural Service Excellence Awards, a successful event that acknowledged and celebrated employees across various categories.



Programmes



**MAMAROTHI
MATHIBE
CA(SA)**
Programmes
Manager



**KHULEKANI
KHOZA**
Programmes
Manager



**GODFREY
MASWANGANYE**
Programmes
Manager

FASSET's programmes for the 2024/2025 financial year reflect a bold and inclusive approach to skills development, transformation, and stakeholder empowerment. As part of the Sector Education and Training Authority (SETA) environment, FASSET is expected to lead with impact – and it has done so through a range of multi-faceted initiatives. The organisation has strengthened its footprint through innovative delivery models, expanded infrastructure, and a commitment to partnerships that enable broader access to skills development. By aligning its work with national priorities and addressing both sectoral needs and systemic challenges, FASSET continues to reshape the skills landscape and drive meaningful, long-term changes.

Strategic Initiatives (FY2024/2025)

Strategic Priorities

- Increase the flow of new entrants into the labour market;
- Develop and maintain current workforce skills;
- Transform and diversify the FAS sector;
- Strengthen responsiveness to evolving skills needs; and
- Deepen rural access and inclusive participation.

Core Strategic Themes

- **Transformation:** Female executive development and black business empowerment.
- **Rural Development:** Expanded footprint in underserved communities.
- **SMME Support:** Enterprise development with a focus on financial sustainability.
- **Partnerships:** Strengthening collaboration with TVETs, CETs, employers, and HEIs.
- **Digital Skills:** Addressing 4IR demands and ICT competency gaps.
- **Inclusive Participation:** Mainstreaming disability access across all programmes with a 4% participation target for people with disabilities.



Overview

Inclusion

FASSET's programmes made measurable contributions toward advancing inclusion within the finance and accounting sector, with a particular focus on youth, women, persons with disabilities, and rural communities. Through partnerships with public TVET colleges, employers, NGOs and provincial treasuries, numerous internships and skills development initiatives were facilitated for unemployed youth, including NSC learners, TVET learners and higher education graduates. These interventions addressed both technical and soft skills gaps, significantly enhancing youth employability.

Entrepreneurship skills programmes were implemented in collaboration with the NYDA, SANACO and the National Cooperative Association of South Africa. These initiatives equipped young people — particularly those from cooperatives and small enterprises — with essential entrepreneurial and financial literacy skills. FASSET also partnered with the International Women's Forum South Africa (IWFSA), the African Women Chartered Accountants' Forum, and WITS Business School to deliver Executive and Middle Management development programmes. These were designed to redress historical gender imbalances in leadership and contribute to national transformation objectives, as outlined in the National Development Plan (NDP) 2030.

In partnership with Blind SA, FASSET supported a programme for individuals who are blind or visually impaired. Focused on foundational finance, administration, and digital literacy skills, the initiative aimed to improve employability and independence and reflects FASSET's commitment to removing barriers and fostering inclusive transformation. Support for rural communities was strengthened through partnerships with CET colleges, which focused on infrastructure development, foundational learning and lecturer upskilling. Further, through MoAs with historically disadvantaged institutions — such as the University of Venda and University of Limpopo — bursaries and academic support were provided to at-risk learners. These initiatives improved progression, graduation rates and entry into PIVOTAL programmes.

Through these targeted interventions, FASSET continues to foster a more inclusive, equitable, and representative sector, aligned with South Africa's transformation agenda.

Participation

To improve participation across initiatives, FASSET adopted a proactive, collaborative approach with stakeholders. Direct engagement with host employers, training providers, and TVET institutions was intensified. Briefing sessions, onboarding meetings and Q&A forums helped build buy-in and ensure alignment on expectations. This resulted in improved responsiveness from employers and expanded placement opportunities for learners.

In addition, regular site visits and follow-up engagements — facilitated by the implementing agent — allowed FASSET to monitor learner progress, identify non-compliance and address challenges in real time. This approach helped reduce dropout rates and improved learner retention across longer-term placements.

Learning Impact

FASSET's programmes continued to support meaningful learning outcomes and skills development through a range of strategic partnerships. Internships facilitated through collaborations with SITA, employers, provincial treasuries, and NPOs gave beneficiaries essential industry exposure and bridged the gap between academic theory and workplace practice. Entrepreneurial, financial literacy and digital skills training — delivered in partnership with NYDA and cooperative organisations — provided pathways to self-employment, particularly in rural and underserved areas. Lifelong learning programmes with professional bodies and employers focused on critical and emerging skills such as digital transformation, automation and artificial intelligence. These interventions ensured that the existing workforce remains relevant in an evolving sector.

FASSET's academic support partnerships with historically disadvantaged universities helped improve student retention and success in PIVOTAL programmes, directly addressing skills shortages in key occupational areas. In addition, FASSET partnered with Higher Health to deliver a civic education programme covering issues such as mental health, gender-based violence, and substance abuse. This holistic approach to education supported personal resilience and social responsibility among beneficiaries. Executive and Middle Management development programmes also supported transformation by enhancing the representation of women in leadership roles.

Together, these initiatives contributed meaningfully to reducing youth unemployment, improving workforce readiness, promoting gender equity and addressing systemic skills mismatches across the sector.

Innovation and Accessibility

In line with South Africa's digital transformation strategy and 4IR priorities, FASSET implemented a digital skills programme targeting unemployed learners. The programme covered Microsoft Office, digital literacy and data analytics using Power BI, and included hands-on training, digital badges, and career-aligned certifications. The programme significantly improved digital inclusion and employability among participating youth. Learners were also exposed to hackathons and programming – initiatives that support priorities within the Just Energy Transition (JET) as outlined by the Government of National Unity.

Collaboration

Collaboration with employers, training providers, TVET colleges, CETs, higher education institutions, and professional bodies significantly enhanced the reach and quality of FASSET's programmes. These partnerships enabled real-world work experience through internships, aligned training with current workplace needs via Workplace Skills Plan (WSP) inputs, and expanded access to foundational and vocational education, especially in underserved areas.

Professional bodies played an important role in inclusive skills development, supporting work-based learning, acting as Assessment Quality Partners (AQPs), and delivering leadership and lifelong learning programmes. Collectively, these collaborations helped strengthen pathways from education to employment and supported the development of a skilled, inclusive, and future-ready workforce.

Measuring Success

FASSET's key success indicators for the reporting year were aligned with its Annual Performance Plan (APP) and broader strategic objectives.

These included:

Learner placement targets: Internship programmes provided opportunities for unemployed youth across South Africa, supporting the objectives of the Presidential Youth Initiative and the Economic Reconstruction and Recovery Plan (ERRP). A notable proportion of beneficiaries secured permanent employment.

Park home allocation: FASSET allocated park homes to three CET colleges (Mpumalanga, North West, and Northern Cape), enhancing learning infrastructure in rural areas. Additional park homes were donated in partnership with other SETAs for Mandela Day in Durban.

Historic debt repayment: This programme enabled numerous students to graduate and continue their academic journeys, removing a significant barrier to progression.

These outcomes reflect FASSET's commitment to practical, high-impact interventions that support national priorities.



Lessons and Future Focus

Several lessons emerged during the implementation of the year's programmes, which will shape planning in the upcoming cycle. The need for streamlined reporting processes and standardised templates was identified as key to reducing administrative delays and improving data accuracy. Strengthened communication channels and structured feedback loops are also essential to improving stakeholder responsiveness and adaptability.

The lack of a dedicated Learner Management Information System (LMIS) was a notable gap. Addressing this, future plans will prioritise its development to support tracking, verification, and data integrity. In the coming year, FASSET will focus on enhancing its monitoring and evaluation tools, while also expanding training for staff involved in programme oversight. These efforts aim to strengthen delivery, deepen collaboration, and maximise the impact of FASSET's programmes.

Programme 1

Administration

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

Sub-Programmes

1. Operations
2. Finance and SCM
3. Governance (Audit and Risk)
4. HR
5. ICT

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Efficient and effective organisational support system with an enabling culture that will ensure optimal performance with a key focus on service (The digitisation of processes to ensure effective implementation of interventions to be prioritised)	Implementation of Stakeholder Strategy	1.1 Percentage of stakeholder strategy implemented annually	100%	100%	100%	100%	-	
	Joint processes with other SETAs facilitated	1.2 Number of programmes facilitated annually	4	4	4	4	-	
	Internal skills development strategy implemented	1.3 Percentage of Internal Skills Strategy implemented on an annual basis	92%	87%	85%	95%	+10%	TARGET OVER-ACHIEVED, more trainings were conducted in the current financial year.
	Good governance report submitted	1.4 Number of SETA good governance report submitted	4	4	4	4	-	
	Unqualified audit outcome obtained	1.5 An unqualified audit outcome obtained annually	An unqualified audit outcome	An unqualified audit outcome	An unqualified audit outcome	An unqualified audit outcome	-	

Programme 2

Skills Planning

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

Sub-Programmes

1. Research (Chairs)
2. Sector Skills Plan
3. WSPs and ATRs

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Appropriate skills intervention determined as informed by research (prioritising tracking the journey of the students)	Detailed SSP which identifies skills requirements and adapts accordingly produced	2.1. Number of SSPs developed and submitted	1	1	1	1	-	
	Research reports conducted in the FAS sector	2.2 Number of research studies conducted annually	4	5	4	4	-	
	Approved WSP and ATR for large firms	2.3 Number of large firms WSP/ ATR approved, and mandatory grant paid annually	73	94	65	103	+38	TARGET OVER-ACHIEVED, due to workshops with stakeholders during the submission process, resulted in a better understanding of the WSP submission requirements, leading to more successful WSP approvals and payments.
	Approved WSP and ATR for medium firms	2.4 Number of medium firms WSP/ ATR approved, and mandatory grant paid annually	119	125	100	144	+44	TARGET OVER-ACHIEVED, due to workshops with stakeholders during the submission process, resulted in a better understanding of the WSP submission requirements, leading to more successful WSP approvals and payments.
	Approved WSP and ATR for small firms	2.5 Number of small firms WSP/ ATR approved, and mandatory grant paid annually	596	615	600	753	+153	TARGET OVER-ACHIEVED, due to workshops with stakeholders during the submission process, resulted in a better understanding of the WSP submission requirements, leading to more successful WSP approvals and payments.
	Approved WSP and ATR for government departments	2.6 Number of government departments WSP/ ATR approved annually	5	5	5	7	+2	TARGET OVERACHIEVED, more applications were received from employers in government

Programme 3

Learning Programmes and Projects

Purpose:

This programme is one in which the SETA invests the bulk of its resources and energy, and is most aligned to the goals, objectives and performance indicators of the NSDP as well as the SETA's vision and mission, as articulated in the SETA's SP.

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

In addition to the development of skills and creating vibrant finance and accounting services labour market, this programme also contributes to the achievement of transformation ensuring opportunities are afforded to the previously disadvantaged group. Consequently, the funding is aligned according to a model which emphasises 85% blacks, 54% women, and 4% disabled people.

Sub-Programmes

1. Implementation of Programmes as per NSDP Outcomes below:
 - Identify and increase production of occupations in high demand
 - Linking education and the workplace
 - Improving the level of skills in the South African workforce
 - Increase access to occupationally directed programmes
 - Support the growth of the public college system
 - Skills development support for entrepreneurship and cooperative development
2. Special Projects
3. Monitoring, Evaluation and Reporting
4. Career and Vocational Guidance

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increased access to FASSET products and services for the rural areas	High number of learners attending relevant Lifelong Learning (LL) /Learner Professional Development (LPD) programmes provided	3.1. Number of employed learners who enter LL/ LPD programme annually	27 143	10 425	5 575	7 507	+1 932	TARGET OVERACHIEVED, more TIG applications were submitted; compliant, and approved applications surpassed the planned targets'.
		3.2 Number of trade union members attending skills programme initiatives annually	4	82	80	96	+16	TARGET OVERACHIEVED, due to additional learners coming from WCSA.
	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc.)	3.3 Number of unemployed learners processed for registration on learnerships annually	5 921	5 599	5 500	5 525	+25	TARGET OVERACHIEVED, due to CEO roadshows where programmes were discussed with employers.
		3.4 Number of learners approved for LEG funding annually	1 535	2 011	1 216	1 252	+36	TARGET OVERACHIEVED, the overachievement was driven by the successful submission of company applications, including four of the big five levy-paying employers with whom we have MOUs in place. Resulted in more applications being approved.

Programme 3 (Contd.)

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increased access to FASSET products and services for the rural areas	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc.)	3.5 Number of unemployed learners entering a bursary programme annually	1 254	1 321	1 200	487	-713	TARGET NOT ACHIEVED, due to applications received without complete supporting evidence
		3.6 Number of unemployed learners entering an internship programme annually	2 455	2 898	3 000	3 014	+14	TARGET OVERACHIEVED, due to savings that were used to fund additional learners.
		3.7 Number of unemployed learners entering an academic skills programme for progression at university annually	2 733	2 667	2 500	2 593	+93	TARGET OVERACHIEVED, due to additional allocations for the 2024 academic year.
		3.8 Number of unemployed learners who enter a professional body programme annually	1 373	1 210	500	1 155	+655	TARGET OVERACHIEVED, due to the strategic partnership with SAICA.
		3.9 Number of unemployed learners provided with tools of trade annually	2 001	2 008	2 000	2 553	+553	TARGET OVERACHIEVED, due to allocation to NGOs and SITA for the implementation of the internship programmes.
		3.10 Number of unemployed learners entering AET programme offered at a Community Education and Training College annually	105	100	100	100	-	
		3.11 Number of learners from cooperatives and enterprises trained on sector and national priority occupations or trained on entrepreneurship supported to start their business or skills annually	3 271	2 858	2 500	3 083	+583	The target was overachieved due to additional learners from the NYDA, Vexosat and UKZN who were trained during the 2024/2025 financial year.
		3.12 Number of unemployed learners processed for completion on learnerships annually	3 983	3 108	3 000	3 729	+729	TARGET OVERACHIEVED, due to an increase in the number of completions received from employers.

Programme 3 (Contd.)

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increased access to FASSET products and services for the rural areas	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc.)	3.13 Number of unemployed learners who complete qualification via bursary programme annually	228	360	250	374	+124	TARGET OVERACHIEVED, more learners completed their qualifications than expected.
		3.14 Number of unemployed learners who complete a skills programme annually	1 831	1 882	3 000	3 818	+818	TARGET OVERACHIEVED, due to more learners completing the programmes enrolled in the previous financial year.
		3.15 Number of employed learners processed for registration on learnerships annually	353	1 033	500	1 181	+681	TARGET OVERACHIEVED, more employers are taking on employees for cross-sectoral learnerships.
		3.16 Number of learners approved for payment on historical debt annually	402	829	400	726	+326	ANNUAL TARGET OVERACHIEVED, the budget per learner was R80 000.00 and some learner fees were less than budget which resulted in FASSET funding the extra learners with the savings.
		3.17 Number of employed learners processed for completion of learnerships annually	245	253	250	268	+18	TARGET OVERACHIEVED, due to an increase in the number of completions received from employers. A significant portion of these completions relates to cross-sectoral learnerships that were delayed in the 2023/2024 financial year due to postponed external moderation by the Services SETA only finalised in the 2024/2025 financial year. Furthermore, the CEO roadshow played a key role in driving awareness and engagement, which also contributed to the achievement of the target.
		3.18 Number of TVET students who enter a National Diploma internship annually	669	1 007	800	1 042	+242	TARGET OVERACHIEVED, due to additional allocation through strategic partnerships with providers also assisted to overachieving the target.

Programme 3 (Contd.)

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increased access to FASSET products and services for the rural areas	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc.)	3.19 Number of TVET students who complete a National Diploma internship annually	290	323	300	746	+446	TARGET OVERACHIEVED due to a surplus from the previous financial year, which allowed for the enrolment of additional learners, resulting in a higher number of programme completions.
		3.20 Number of NGO's and NPO's supported through discretionary funding annually	21	21	20	20	-	
		3.21 Number of small businesses supported through discretionary funding annually	78	314	350	413	+63	TARGET OVERACHIEVED, letters of commitment were issued to support funding for Workplace Skills Plans approved for the 2024/2025 financial year. Of these, 413 small companies responded positively, accepting FASSET's offer of discretionary funding support.
		3.22 Number of partnership agreements signed between FASSET and a public Higher Education Institution annually	8	17	5	8	+3	TARGET OVERACHIEVED, FASSET partnered with additional universities. The annual target was exceeded, primarily due to the allocations made for academic support.
		3.23 Number of partnership agreements signed between FASSET and a public TVET College annually	9	10	5	10	+5	TARGET OVERACHIEVED, due to 10 MOUs successfully signed with the public TVET Colleges.
		3.24 Number of partnership agreements signed between FASSET and an employer for placement of TVET learners annually	54	23	10	14	+4	TARGET OVERACHIEVED, budget availability allowed for the approval of more employers, leading to a higher number of partnership agreements.
		3.25 Number of career guidance events supported annually	278	262	260	316	+56	TARGET OVERACHIEVED, more interventions were completed due to more invitations received in the year.
		3.26 Number of CET partnerships established annually	4	5	2	5	+3	TARGET OVERACHIEVED, due to more MOUs being signed with the CETs.
		3.27 Number of TVET colleges' lecturers awarded a bursary	31	40	40	40	-	

Programme 3 (Contd.)

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increased access to FASSET products and services for the rural areas	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc.)	3.28 Number of unemployed learners upskilled (Grade 8- 12) in Maths, Accounting and English annually	930	1 691	1000	1757	+757	TARGET OVERACHIEVED, due to some providers actual costs being lower than budgeted, allowing more learners to be recruited and benefit from the programme.
		3.29 Number of black females entering management development programmes annually	256	550	500	791	+291	TARGET OVERACHIEVED, due to more allocations provided to service providers.
		3.30 Number of unemployed learners entering a bursary programme (continuing) annually	290	459	433	436	+3	TARGET OVERACHIEVED, more learners have progressed than anticipated.
		3.31 Number of TVET colleges' learners awarded bursaries annually	325	466	400	408	+8	TARGET OVERACHIEVED, due to receiving more applications than anticipated and most of them meeting the criteria.
		3.32 Number of unemployed learners upskilled (Grade 8-12) in Maths, Accounting and English (continuing) annually	420	442	420	455	+35	TARGET OVERACHIEVED, more learners were enrolled in the programme by the schools and the expenditure remained within the contracted limits.
		3.33 Number of unemployed learners entering an internship programme via the public sector annually	110	328	100	247	+147	TARGET OVERACHIEVED, due to a multi-year agreement established with SITA, in which FASSET committed to placing learners into the Public Sector Internship Programme each April of the financial year.
		3.34 Number of rural development projects initiated annually	3	2	2	2	-	
		3.35 Number of SETA offices established and maintained in TVET colleges annually	4	3	3	3	-	
		3.36 Number of TVET and CET colleges provided infrastructure development support annually	4	14	4	4	-	

Programme 3 (Contd.)

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Reduced critical skills and skills shortages in the sector including a relevant communication strategy to reach rural areas and increased access to FASSET products and services for the rural areas	High number of learners attended FASSET programmes (FASSET bursary scheme, TVET WBE, Professional Body Designation etc.)	3.37 Number of unemployed learners trained on digital skills annually	934	1 055	815	1 846	+1 031	TARGET OVERACHIEVED, due to additional allocation through strategic partnerships with providers also assisted to overachieving the target.
		3.38 Number of employed learners entering a bursary programme annually	N/A	157	100	143	+43	TARGET OVERACHIEVED, more applications that were compliant were received and the savings from other students led to more students being funded.
		3.39 Number of employed learners attending skills programme annually	N/A	387	325	333	+8	TARGET OVERACHIEVED, due to 8 more learners funded in the current financial year.
		3.40 Number of employed learners entering a professional body programme annually	N/A	142	100	311	+211	TARGET OVERACHIEVED, was due to numbers received from the AGSA APC support programme.
		3.41 Number of unemployed learners completing internships annually	N/A	1 486	1 875	1 998	+123	TARGET OVERACHIEVED, more learners that entered in the previous year completed their programme.

Programme 4

Quality Assurance

Purpose:

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

Sub-Programmes

1. Learning Programmes
2. Certification

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Improved quality assurance system for the sector learning programmes	1. Quality assured sector aligned learning programmes	4.1 Number of qualifications and learnership certification reports produced annually	4	4	4	4	-	

Driving Inclusive Growth through the ERRP, DDM, and Youth-Focused Interventions

- Continue support to DBSA under DDM (R10 million initiative)
- Implement rural internship placements (e.g., Walter Sisulu Municipality)
- Deliver inclusive Maths and English bridging programmes in rural schools

Impact Targets for FY2024/2025

Target	Achieved	Percentage
3 000 unemployed learners entering an internship programme annually	3 014	100.47%
1875 unemployed learners completing internships annually	1 998	106.56%
3 000 learners completing skills programmes	3 818	127.27%
500 black females in management development	791	158.2%
815 unemployed learners trained in digital skills	1 846	226.26%

Revenue Collection

Sources of Revenue	2024/2025			2023/2024		
	Estimate	Actual Amount Collected	Over/ (Under) Collection	Estimate	Actual Amount Collected	Over/ (Under) Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions						
Other income	-	77	77	-	16	16
Investment income	50 000	52 321	2 321	40 000	73 795	33 795
Total revenue from exchange transactions	50 000	52 398	2 398	40 000	73 811	33 811
Revenue from non-exchange transactions						
Levies	821 814	851 797	29 983	728 556	775 411	46 855
Other income	-	-	-	-	-	-
Total revenue from non-exchange transactions	821 814	851 797	29 983	728 556	775 411	46 855
Total	871 814	904 195	32 381	768 556	849 222	80 666

Capital Investment

FASSET maintains its assets in a prudent and transparent manner. The majority of its financial assets, primarily in the form of excess cash, are held in an account with the Corporation for Public Deposits (CPD) at the South African Reserve Bank. In addition, the organisation has established measures to ensure the proper maintenance of its asset register, which mainly includes vehicles, office equipment, furniture, and selected installations.



Success Stories

One of the most inspiring graduates from the 2025 FASSET Women's Executive Leadership Development Programme is Dr Praveena Sukhraj-Ely, who completed the programme with distinction. Dr Sukhraj-Ely, a totally blind woman, attended a segregated special needs school during the 1980s and 1990s under apartheid. Despite the systemic barriers associated with her disability, she has obtained four academic qualifications, including a PhD in Public Policy. Her professional journey is equally remarkable. Dr Sukhraj-Ely has served as an Advocate at the Durban Bar, an adviser to the South African Law Reform Commission, Director for Domestic Violence and Femicide at the National Department of Justice, and currently holds the role of Chief Director: Governance and Compliance at the Department of Women, Youth and Persons with Disabilities.

FASSET is proud to recognise and celebrate the achievements of women professionals and managers like Dr Sukhraj-Ely, whose leadership exemplifies the transformative potential of women with disabilities in senior public service and private sector roles. Dr Sukhraj-Ely has described the Executive Leadership Programme as deeply valuable and a significant contributor to her ongoing leadership journey.



**Dr Praveena
Sukhraj-Ely**

Equipped to Shatter the Glass Ceiling

"The exposure and cumulative experiential elements in the programme have been profound and have given me an opportunity to become more self-aware, and to internalise and assess areas in my own leadership technique and style in a manner which I had not considered before. The diversity in the modules, the coursework, the practical simulations, and the global immersion were relevant and offered invaluable learnings which I will use in my self-development. This blend of modules and methods in the programme has broadened my understanding and appreciation of the meaning of leadership, its implications, and most importantly, its impact. A concept that stands out for me is that as individual leaders, we must be willing to adapt, adjust, appreciate, and acknowledge – to enable us to lead collectively. I feel more confident to tackle new challenges and opportunities, and thank and appreciate FASSET, the IWFSa, and Duke CE for funding my attendance on the programme, for providing me with reasonable accommodations, and for empowering me within the spirit of equity and inclusion so that I could also have access to the opportunity this remarkable programme offered to women without disabilities, and become equipped to shatter the glass ceiling and break the barriers I face – enabling me to work towards achieving my fullest potential as a leader in the leadership ecosystem."

From Learning to Leadership

Learnership Programme in Partnership with Blind SA

Blind SA is honoured to provide this testimonial in appreciation of the Financial and Accounting Services Sector Education and Training Authority (FASSET), following a successful partnership that began on 18 March 2024. Through this partnership, Blind SA implemented the National Certificate: Small Business Financial Management NQF Level 4 Learnership Programme (Qualification ID: 48736), providing high-impact training to 50 blind and partially sighted beneficiaries. FASSET invested a generous amount of R5 763 125.00, equating to R115 262.50 per beneficiary, demonstrating a significant commitment to inclusive skills development.

The 12-month programme, initially set to conclude on 31 March 2025, encountered delays due to unforeseen administrative challenges. Accordingly, the programme has been extended to 31 May 2025, allowing beneficiaries sufficient time to complete their assessments and finalise their learning journey.

Blind SA extends its deepest gratitude to FASSET for this opportunity. This programme is not only transformative for the individual participants, who have gained critical financial management skills, but also for Blind SA's affiliated community-based organisations. These newly skilled individuals will contribute to efficient financial reporting and recordkeeping within their organisations, promoting greater compliance with the Department of Social Development's reporting requirements and ensuring sustainability in service delivery to the blind and partially sighted community.

We thank FASSET for recognising the potential of people with disabilities and for supporting their economic empowerment through quality education and training.

Yours sincerely,

Jace Nair

CEO, Blind SA



A Journey to Inclusion

K2025158047 (SOUTH AFRICA) (PTY) LTD

05 June 2025

A Letter to the FASSET Programme

Dear FASSET

I would like to sincerely thank you for the opportunity to be part of the FASSET programme. It has two goals that I deeply value:

To equip and support high school learners as they prepare for life after Grade 12.

To introduce these young people to the FASSET website for easier access to information and applications.

The high schools we visited are a mix of rural and township schools – places where many of our young people study. These learners have big dreams. They want to improve their communities and contribute to local economic development. My hope is to see them go on to university, pursue different career paths, and return to their communities to uplift others by sharing what they've learnt and working hard to change the legacy of unemployment, inequality, and poverty.

What we've seen in these rural areas is clear: if we don't empower our young women and men, poverty will continue for generations. Many of these learners come from homes where their parents are civil servants – police officers, teachers, and nurses. Despite their service, these families are still struggling financially. Because of this, many learners finish Grade 12 but don't move on to the next stage of their lives.

I ask that FASSET continues to take these young people seriously. If we want to improve our future as black South Africans, we must invest in them now. I would gladly do this programme again and again. Seeing what young people go through in their early lives has only strengthened my desire to be part of the change. As an experienced professional, I hope to partner with FASSET in building the skills of people in rural and township communities.

I look forward to the next step in this journey – and to helping develop future experts in every field.

Regards,

Mduduzi Madonsela

Financial Management and Business Development Consultant





Ascent
Nhlanguwani

An Investment in Potential, a Commitment to Integrity

I am writing to express my heartfelt gratitude to FASSET, whose funding and support made it possible for me to pursue and successfully complete my Certified Fraud Examiner (CFE) certification. Being awarded this certification is not just a personal milestone, it's a reflection of the life-changing role FASSET plays in the professional growth of individuals like myself.

Without FASSET's financial support, I would not have been able to access the resources and training required for this specialised qualification. Their investment in my development has opened doors I once only dreamed of, significantly enhancing my knowledge, skills, and career prospects in the field of fraud examination.

FASSET's commitment to skills development in the financial services sector is not just something I've read about, it's something I've experienced personally. Their belief in my potential gave me the push I needed to take on this challenging journey with confidence.

Through this journey, I've also had the privilege of engaging with the ACFE South Africa (ACFE SA) chapter, whose dedication to promoting fraud awareness and professional development is deeply inspiring. I've gained valuable insights through networking with fellow professionals and learning from their experiences.

Additionally, the training provided by the Africa Training Academy was world class, engaging, practical, and relevant to the realities of fraud risk in Africa. The trainers brought their wealth of experience to every session, ensuring we walked away better equipped for the fight against financial crime.

But at the heart of it all, it was FASSET's support that made this entire experience possible. I am beyond proud to now call myself a Certified Fraud Examiner, and I am committed to using this qualification to contribute meaningfully to the fight against fraud both in South Africa and globally.



Dominique
Platjies

From Hope to Opportunity

When I reflect on my journey so far, one thing is clear, FASSET has played a major role in helping me become the woman I am today. Coming from a small town like Haarlem and eventually settling in Cape Town, I always had big dreams but limited resources. That's why FASSET's support has meant everything. From the beginning, they believed in me. Whether it was through access to mentorship, development programmes, or simply the encouragement to keep going, FASSET has been a constant presence on my academic and professional path.

One of the biggest blessings was being matched with my mentor, Fabian Pieterse. His guidance came during a time I truly needed it. His advice helped me stay grounded and focused, especially during the moments when balancing studies and personal life felt overwhelming. Through FASSET, I gained opportunities that opened doors into the financial services sector, opportunities I may not have had otherwise. Today, I'm part of PSG's Graduate Programme and pursuing my BCom Honours in Finance. Every day I apply the skills and knowledge I've gained through this journey and FASSET's influence is always present in how I show up, ask questions, and push myself forward.

FASSET didn't just support my career, they invested in my potential. They made me feel seen. And because of that, I walk into every room with more confidence, knowing I'm not alone on this journey. The road ahead is still unfolding. I'm currently preparing for my CFA Level 1 and committed to growing in this industry, with FASSET in my corner, I know I'm on the right track. Thank you, FASSET, for making a real difference in my life. Your support has empowered me to believe in myself and chase after the future I've always dreamed of.



Indiphile
Mdudo

Breaking Barriers to Higher Education

My name is Indiphile Mdudo, and I am a proud FASSET bursary beneficiary currently studying towards a BCom degree in Accounting Sciences at the University of the Witwatersrand. Coming from the Eastern Cape, I arrived at Wits without any funding in place. I come from a large family, and my mother, who supports her seven siblings, was the only person willing to assist me. Despite her willingness, the financial burden was too great. I had not been approved for NSFAS and was uncertain how I would continue my studies.

Fortunately, I came across a post on Facebook about FASSET bursaries and decided to apply. I was incredibly grateful to be accepted. In my first year, FASSET covered my tuition, accommodation, books, and meal allowances. Their support has continued into my second year, and it has truly changed my life. Being the first in my family to attend university is a significant milestone, and FASSET has made it possible. Without their support, I would not be where I am today. I would likely still be at home, unable to afford further education. Thank you, FASSET, for the opportunity to pursue my dreams and for the meaningful difference you continue to make in the lives of students like me.

Communications and Stakeholder Engagement

Stakeholder Engagement

Stakeholder engagement remains a key priority for FASSET, fostering close collaboration between the organisation, its implementing partners and its beneficiaries. By maintaining open and consistent channels of communication, FASSET ensures that stakeholders remain informed, connected and engaged. The organisation's expanding online presence – through social media and other digital platforms – has further enhanced accessibility and visibility, supporting its mission to position the finance and accounting services sector as a sector of choice.

During the reporting period, FASSET broadened its digital footprint by incorporating YouTube and WhatsApp as additional engagement platforms. These channels will be further developed in the 2025/26 financial year to strengthen digital engagement and stakeholder reach. In alignment with its mandate, FASSET continued to prioritise career awareness – a key Annual Performance Plan (APP) target – with a strong emphasis on rural outreach, brand visibility and promoting awareness of learning opportunities for Grade 9 to 12 learners. Through school visits and career exhibitions, the organisation reached a total of 66 664 young people across the country.

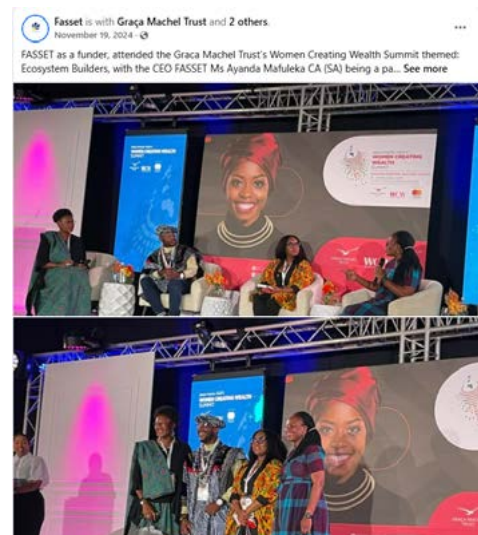
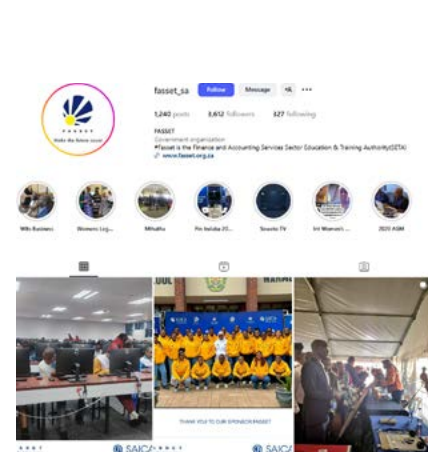
A significant milestone within the Career Awareness Programme was the translation of the FASSET career guide booklet into all 11 official languages – an unprecedented initiative within the SETA landscape. Distributed nationally, the guide offers an overview of the finance and accounting sector and outlines available FASSET programmes. This multilingual approach enhances the guide's accessibility and impact, particularly within South Africa's linguistically diverse communities.

FASSET also continued its collaboration with sister SETAs on national initiatives. In the 2024/2025 financial year, the organisation led a Mandela Day project that benefited more than 400 children living with disabilities. Over R6 million was contributed towards upgrading infrastructure and enhancing operations at the Mason Lincoln Special School in Umlazi, KwaZulu-Natal. Partnering SETAs included the Services SETA, Insurance SETA, Food and Beverage Manufacturing SETA (FOODBEV SETA), Health and Welfare SETA, and Mining Qualifications Authority. The initiative received the support of the Minister of Women, Children and People with Disabilities, Ms Sindisiwe Chikunga – highlighting the value of collective action in addressing the needs of marginalised communities.

Communications

Social Media Presence

	X (Twitter)	401K Impressions	5 108 Followers		Instagram:	190 000 Profile Visits	3 315 Followers
	Facebook:	3M Profile Visits	31 187 Followers		TikTok:	4 714 Views	1 409 Followers
	LinkedIn:	13 000 Profile Visits	21 157 Followers				



Media Coverage

Online

- Business Media Mags: Advancing Women in Finance
- South Africa Business Integrator: FASSET Research Summit and WSP Submission

Radio

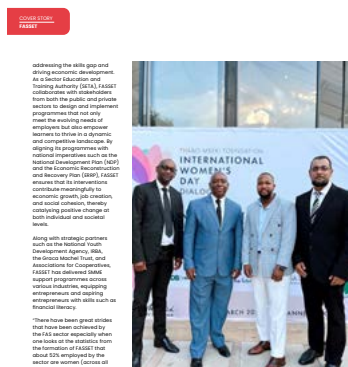
- Power FM: Women's Day Celebration – Breaking Boundaries
- VUMA FM: Inter-SETA Mandela Day Initiative

Print

- **Inside Education:** Advertorial on transforming the finance and accounting sector youth through skills development.
- **Accountancy SA:** CEO of FASSET as a catalyst for change.
- **Dialogue Magazine:** Cover Feature – CEO of FASSET on empowering women through FASSET initiatives.
- **Top Women Leaders:** Cover Feature – CEO of FASSET on creating jobs and building FASSET legacy.
- **JSE Magazine:** Double page spread – FASSET driving change for women.
- **A Profile Magazine:** Double-page spread – FASSET equipping the next generation of finance leaders.



Public Sector Leaders / April 2024 (1)



01 | Public Sector Leaders / April 2024

Each year, The Women Creating Wealth, in partnership with the Graca Machel Trust, targets around 2 500 SILENTS, along with the 700 benefitting from other programmes.

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Stakeholder Communications

Call Centre

- Inbound Calls: 1 380
- Outbound Calls: 29

Communication Mailers

- 110

Data Stats

- 8 925

Events and Outreach



Annual NextGen Career Expo



Dujia Internship Graduation



FASSET EDP Graduation



FASSET Service Excellence Awards



FASSET research summit



FASSET Annual General Meeting



Nkungumathe Laptop Donation Handover



Northern Cape Youth Empowerment Launch

Information and Communications Technology (ICT)



**MAKABONGWE
SIZIBA**
Chief Information
Officer

Following the completion of the ERP Assessment in July 2024, FASSET has continued to improve the functionality and data quality of its Microsoft Dynamics 365 ERP system. As part of its broader digital transformation agenda, the organisation launched the FASSET Atang mobile application – available on the Apple App Store from November 2024 and on the Google Play Store from February 2025. The app provides learners with a convenient platform to register their interest in various FASSET offerings, including bursaries and learnerships.

In parallel, FASSET has strengthened its cyber-security posture through a strategic partnership with the Council for Scientific and Industrial Research (CSIR), supporting the safe and secure implementation of its digital initiatives.

Information and Communication Technology (ICT) Services

Call Centre

The call centre service remains outsourced, with no internalisation planned at this stage. While the service continues to operate, the implementation of an Information Technology Service Management (ITSM) solution is currently underway. This initiative is expected to enhance operational transparency and improve visibility into ICT service performance, incident trends and resource utilisation – thereby enabling more informed executive decision-making. However, the current model presents risks related to limited coverage and potential delays during peak periods or in cases of staff absence.

Intranet and Website

FASSET's intranet remains operational but requires further refinement to optimise usability and performance. Website development is ongoing and has not yet reached completion. Both platforms are currently being developed by a single employee, which has contributed to delays and introduces the risk of resource strain. To improve user engagement and support, a chatbot powered by artificial intelligence is being integrated into the system.

Mass Mailer and SMS Service

The Mass Mailer and SMS Service continues to operate externally and has not been internalised. No challenges were encountered during the reporting period, and no significant risks or adverse impacts have been identified.

Risk Management System

FASSET previously relied on LexisNexis for its risk management processes but reverted to manual, spreadsheet-based risk registers over the past year. A new service provider will be appointed in the 2025/26 financial year to implement a better solution suited to FASSET's operational requirements. In the interim, risk management processes remain administratively intensive until the next phase of digitisation is introduced.

Board Pack Solution

The current Board Pack Solution is scheduled for decommissioning during the 2025/26 financial year.

Odoo Management Information System

The Workplace Skills Plan/Mandatory Grant module of the Odoo application has been live since March 2022, with electronic submissions for the year ended 2025 surpassing those of the previous three years. However, further development and enhancements to the platform have been placed on hold, pending the implementation of the Integrated Learner Management System (ILMS) in partnership with MICT SETA. Until the ILMS is operational, ETQE and Discretionary Grant functions will continue to be processed manually.

Internet Connectivity

FASSET's internet connectivity remains outsourced, supported by a primary data line and a wireless backup. No challenges or risks were encountered during the reporting period.

Microsoft Telephony

The Microsoft Telephony system remains in place and fully functional. It continues to support operations effectively and has contributed to cost reductions. No risks or operational challenges have been identified.

Invoice Management

The implementation of the new Invoice Management System (IMS) was delayed due to the termination of the appointed service provider following poor performance. FASSET's internal ICT team is currently enhancing the inherited codebase, with the system expected to go live in the second or third quarter of the 2025/26 financial year. In the interim, invoices are being processed manually.

Enterprise Resource Planning (ERP)

While the finance modules within FASSET's ERP system are largely operational, the processing of mandatory grants remains manual. In February 2025, a managed service provider was appointed on a 12-month contract to address data gaps, improve workflows, provide staff training and support compliance reporting. FASSET will continue to implement phased enhancements to strengthen financial processes and improve service delivery to stakeholders.

Cloud-enabled Human Capital Management (HRM System)

All staff members have been successfully onboarded onto the Sage 300 People system, enabling digital access to payslips and electronic

leave submissions. Preparations are underway for the internal launch of additional modules, including Performance Management and Job Profile Management, as well as an upgraded Expense Claims module. These developments are expected to significantly reduce manual processing and streamline employee-related tasks.

Digital Records Management System (DRMS)

FASSET is in the process of implementing a digital file plan and storage solution in line with National Archives and Records Service of South Africa (NARSSA) regulations. The system is active, with ongoing training and monitoring to support effective adoption. A key benefit of this initiative is the expected reduction in printing and related costs.

Introduction of FASSET Atang App

Another milestone within the ICT function is the development of the FASSET Atang App which operates in alignment with the learner portal. This platform is built to bridge the gap between FASSET and its beneficiaries, allowing ease of access to opportunities within FASSET programmes. Further to this, a portal for career guidance where capabilities to help learners plan for their academic journey in alignment with their career goals. The app is available for download from both the App Store and Google Play.

Looking Ahead

FASSET's ICT unit remains forward-looking, continually adapting to technological advancements and evolving operational requirements. The unit is committed to supporting a digitally resilient organisation by prioritising system reliability, responsive user support, and innovation-led solutions. Through strategic partnerships and a focus on agile service delivery, ICT will continue to enable seamless operations and strengthen FASSET's capacity to deliver on its mandate with increased speed, efficiency, and impact in an increasingly digital landscape.

Audit, Risk and Compliance



**NOBUNTU
GWALA**
Audit, Risk and
Compliance Manager

The Audit, Risk and Compliance Department is responsible for several key functions that support effective governance across the organisation. These include developing risk and compliance-related policies and monitoring the implementation of the Enterprise-Wide Risk Management and Compliance Frameworks throughout FASSET. The department also facilitates and coordinates the audit process, tracking audit findings, and ensuring that corrective actions are implemented.

In addition, it oversees the risk management process by ensuring that strategic, operational, and fraud risks are appropriately identified, assessed, and monitored by Management, with suitable mitigation measures put in place. The department further provides support to Management and business units in implementing the approved Risk Management and Compliance Policies and Processes, ensuring that these are embedded within the organisation's day-to-day operations.

Highlights



In the 2024/2025 financial year, the Audit, Risk and Compliance Department effectively executed its plans, delivering several key outcomes.

The department monitored and reported quarterly on the implementation status of agreed management action plans resulting in the successful closure of 20 out of 36 audit findings, reflecting a 56% resolution rate. A total of 21 out of 29 planned risk management and compliance activities were completed during the year, representing a 72% achievement.

Quarterly monitoring and reporting on strategic risk action plans showed that 83% had been completed, with the remaining 17% in progress. The department also facilitated training sessions covering risk management, Business Continuity Management (BCM), fraud prevention and compliance.

Further achievements included the review and update of FASSET's approved Compliance Regulatory Universe, as well as the review of selected risk and compliance management policies. Compliance Risk Management Plans (CRMPs) were developed for six pieces of legislation, with compliance monitored accordingly. Additionally, compliance with three approved policies was actively tracked and reported.

B-BBEE and Other Initiatives

During the year, the Audit, Risk and Compliance Department facilitated FASSET's Broad-Based Black Economic Empowerment (B-BBEE) verification exercise. This included coordinating engagements and meetings with key stakeholders, including the B-BBEE Commission, SANAS and the Department of Trade, Industry and Competition (the dtic), to ensure alignment on the appropriate approach to assessing FASSET's B-BBEE status.



In addition, the department participated in Mandela Day activities aimed at supporting and uplifting disadvantaged communities in the KwaZulu-Natal province.

Looking Ahead

In the year ahead, the Audit, Risk and Compliance unit will focus on addressing the gaps identified through the ongoing Risk Maturity Assessment, as well as those emerging from the Protection of Personal Information Act (POPIA) Impact Assessment.

Additionally, the planned introduction of a new risk management system, currently in the procurement phase, is expected to strengthen and streamline risk management reporting across the organisation.



DEPARTMENT OF EDUCATION

MASON LINCOLN SPECIAL SCHOOL

26 Umthente Drive 0 V section Umlazi 40431

Tel. No.: (031) 919 2040

Email: masonlincolnspecialschool@gmail.com

Cell: 031 919 20A0

"We Can Make A Difference."

16 May 2025

Attention: FASSET

On behalf of the School Governing Body, Parents, Staff and Learners of Mason Lincoln, we wish to express our deepest gratitude to Fasset for lending a helping hand to our school during the Inter SETA Collaboration on Mandela Day in 2024.

The following donation to the value of R2 768. 000 64 was appreciated -

1. Male and Female Paraplegic toilets
2. 7 X Park Home Classrooms
3. 10 X Laptops
4. R100 000 for wheelchairs and accessories
5. Fasset Weekend and Afternoon Classes for Accounting, Maths, Maths Lit and English for our grade 10, 11 and 12.

This programme benefited our learners a lot, academic results improved for FET Phase. We are forever grateful to Fasset for the support given to our school under the most capable Leadership of Ms Ayanda Mafuleka (the CEO) and the entire Fasset Team. We felt the warmth Fasset extended to our Staff and Learners.

Thank you Fasset, may you continue to touch the lives of the needy. Wishing the Management and Staff all the best in all of your efforts.

God Bless,

Galatians 6 vs 9

HB Morolong (Principal)



Facilities Department



**BOMKAZI
MNOMBELI**
Facilities Manager

The Facilities Department plays a critical role in maintaining secure, functional, and responsive physical and digital environments that support FASSET's operations. During the year under review, the department supported several key initiatives – most notably the launch of the Records Digitisation Project, which aims to modernise information management and improve operational efficiency across all business units.

Digitisation Project

FASSET's journey towards a more streamlined, compliant, and sustainable operating environment began with the launch of its Records Management Digitisation Project – a significant step in modernising how organisational records are managed, accessed, and preserved. The initiative is designed to reduce paper reliance, enhance compliance, and improve information accessibility across departments.

A major milestone was achieved with the full digitisation of all learnership records. This involved the successful scanning, indexing, and secure storage of more than 25 000 records – amounting to over one million

pages – now accessible at the click of a button. The project is being led by a dedicated team of seven staff members, with technical support from the ICT Department. This cross-functional collaboration has established a strong foundation for the next phases of the initiative, which will continue to transform FASSET's information management practices.

FASSET's digitisation journey is not only a technological advancement – it is a strategic shift towards becoming a future-ready, paper-light organisation built on principles of efficiency, compliance, and sustainability.



1 000 000
pages digitised



25 000
records stored



Performance Monitoring and Reporting



**PATIENCE
MOTLOUNG**
Performance Monitoring
and Reporting Assistant
Manager

Guided by the theme Inclusion. Participation. Learning., the Performance Monitoring and Reporting function played a pivotal role in upholding the integrity and impact of FASSET's programmes during the 2024/2025 period. Through strengthened oversight, enhanced evaluation tools and ongoing stakeholder engagement, the unit ensured that funded interventions remained inclusive, participatory, and aligned to learning outcomes that support meaningful transformation across the sector. However, the manual nature of FASSET's reporting system presented significant limitations, which affected the efficiency and accuracy of performance monitoring.

Limitations of the Manual Reporting System

- Manual data entry and collation were labour-intensive, leading to delays in compiling and validating reports.
- The risk of inaccuracies, inconsistencies and duplication was heightened due to human error.
- The absence of real-time data tracking made it difficult to identify emerging issues or trends promptly.
- Transparent, auditable records of changes were difficult to maintain.
- Delays occurred when responding to queries that required disaggregated information by age, gender or population group.

These challenges limited the unit's ability to provide timely, accurate, and actionable insights. In turn, this affected FASSET's responsiveness to emerging needs and constrained its ability to demonstrate the outcomes of inclusion, participation, and learning.

Planned System Upgrade

In response, FASSET is actively addressing these limitations through a system upgrade. In March 2025, a Memorandum of Agreement (MoA) was signed with MICT SETA to adopt its Learner Management System (LMS) as a shared service. Implementation will begin in Q3 of FY2025/26, starting with the Workplace Skills Plan (WSP) Portal for external stakeholders.

The upgraded WSP Portal is expected to deliver an improved user experience and enable integration with payment systems, significantly enhancing the efficiency of processing mandatory grants. Over time, additional modules — including Discretionary Grants, Sector Skills Planning and Learnerships — will be rolled out to support a fully integrated reporting and management platform. This will improve the overall quality, transparency and effectiveness of monitoring and reporting across all programmes.

Transition Readiness and Support

To ensure a smooth transition, FASSET has prioritised capacity building and system readiness. A variation to the FY2025/26 ICT budget has been requested to enable the onboarding of a data migration specialist. In addition, the internal team has been strengthened through the appointment of a senior developer and a senior business analyst. These steps aim to safeguard continuity, enhance system adoption and ensure that the new platform delivers robust, stakeholder-responsive reporting capabilities.



E

Governance

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Governance

Introduction

The Financial and Accounting Services Sector Education and Training Authority (FASSET) is a public entity established in terms of the Skills Development Act, No. 97 of 1998, and is listed as a Schedule 3A entity under the Public Finance Management Act (PFMA), No. 29 of 1999.

FASSET's Accounting Authority (AA) provides strategic direction and oversight to ensure the organisation effectively delivers on its mandate, including the implementation of its Sector Skills Plan (SSP) and strategy, as approved by the Executive Authority. The AA is accountable to both the Executive Authority — the Minister of Higher Education, Science and Innovation — and Parliament.

To support its responsibilities, the AA is guided by established Board committees. These include the Executive Committee (EXCO), Audit and Risk Committee (ARC), Finance Committee (FINCO), Human Resources and Remuneration Committee (HRREMCO), and the Governance and Strategy Committee (GSC). Each committee is functional and guided by approved charters aligned with the FASSET Constitution.

FASSET maintains effective and transparent systems of internal control and risk management. This is achieved through the oversight of a fully functional ARC, supported by Internal Audit and a capable Executive Management team. The organisation's Governance Framework includes a Code of Conduct, Service Level Agreements (SLAs), and formal declarations of conflict of interest.

FASSET recognises that ethical and effective leadership is fundamental to sound corporate governance. From the AA and Board through to operational staff, the organisation upholds a culture of integrity, accountability, and performance excellence. This commitment to ethics underpins the delivery of outcomes that are responsive to stakeholder needs and aligned with national priorities.

Implementation of King IV™

FASSET continues to align its governance practices with the principles of the King IV™ Report on Corporate Governance. The implementation of King IV™ has been approached as an organisation-wide project,

with specific responsibilities assigned to relevant business units. Working groups consisting of senior representatives from strategy and planning, risk, human resources, finance, ICT, governance, internal audit, and Executive Management were formed to guide the transition.

The CEO served as the project champion, with the Company Secretary leading governance implementation. This inclusive approach has strengthened SETA-wide understanding and application of governance practices and enabled benchmarking of existing controls against King IV™ principles to identify and address areas for improvement.

By embedding these principles across the organisation, FASSET reinforces its commitment to transparency, ethical leadership, and sustainable value creation — all critical to delivering on its mandate and contributing meaningfully to the national skills development agenda.

Portfolio Committees

The Portfolio Committee on Higher Education, Science and Innovation is responsible for exercising oversight over the department and its public entities. There were no direct engagements between FASSET and the Portfolio Committee during the current financial year.

Executive Authority

The Executive Authority of FASSET is the Minister of Higher Education and Training, Mr Buti Manamela. FASSET reports annually on both financial and non-financial performance to the Minister, and submits its Sector Skills Plan (SSP), Strategic Plan (SP), and Annual Performance Plan (APP) to the Department of Higher Education and Training (DHET) for approval.

A Service Level Agreement (SLA) is also concluded with the Executive Authority, outlining performance expectations and reporting obligations. During the reporting period, FASSET engaged with the Minister to present its APP and ensure alignment with departmental priorities. This engagement was attended by the Chairperson of the Board and the Chief Executive Officer.

The National Skills Authority

The Accounting Authority also engaged with the National Skills Authority (NSA) to present FASSET's organisational performance and provide a progress update on key strategic areas. These included:

- Skills policy matters.
- Outcomes and impact of the National Skills Development Strategy (NSDS).
- Governance matters.
- Progress in relation to the National Skills Development Plan (NSDP).

This engagement formed part of FASSET's ongoing commitment to accountability and alignment with national skills development priorities.

The Accounting Authority

The FASSET Board serves as the organisation's Accounting Authority (AA) in terms of its Constitution. It executes its duties and responsibilities in accordance with the provisions of the Public Finance Management Act (PFMA) and the amended Skills Development Act, No. 97 of 1998.

A new Board was appointed by the Minister of Higher Education, Science and Innovation for a five-year term, effective from 1 April 2020 to 31 March 2025. The Board is responsible for the overall oversight of FASSET's operations, ensuring effective control, compliance with applicable legislation, and the formulation and review of the organisation's strategic direction. The Board also ensures FASSET delivers on its legislative mandate and aligns with national skills development priorities.

Board Composition

The composition of the FASSET Board is guided by Section 11(1) and (2) of the Skills Development Act. As the highest governing structure of the organisation, the Board holds full and effective control over FASSET, monitors its performance, and ensures that decisions relating to material matters are appropriately addressed.

The Board comprises 13 members, including an independent Interim Chairperson. All Board members, including the Chairperson, serve in a non-executive capacity. Representation on the Board reflects a balanced and inclusive approach, drawing from key stakeholder constituencies as follows:

- One independent Chairperson.
- Six representatives from organised labour.
- Six representatives from organised business.

- One representative from a government department.
- One representative from a community organisation.

This composition ensures diverse perspectives are brought into governance processes and that the interests of all stakeholders within the finance and accounting services sector are considered.

Role of the Board

The Board's key responsibilities include:

- Providing full and effective control of FASSET;
- Ensuring compliance with fiduciary duties;
- Overseeing the performance of the organisation;
- Formulating, reviewing, and monitoring FASSET's strategic direction;
- Approving annual budgets, plans, risk policy, and major initiatives;
- Defining levels of materiality;
- Ensuring timely preparation of financial statements;
- Managing conflicts of interest;
- Monitoring the performance of the Chief Executive Officer (CEO);
- Ensuring sustainable organisational performance and stakeholder value;
- Assessing organisational risk and performance;
- Ensuring that material decisions and issues are addressed; and
- Upholding integrity, accountability, and responsible governance.

Board Charter and Code of Conduct

In line with the King IV™ Report on Corporate Governance, FASSET recognises that sound governance begins with ethical and effective leadership. The Board Charter outlines the framework within which the Accounting Authority operates and affirms its commitment to upholding principles of good governance. It defines the mandate, powers, and responsibilities of the Board and provides clarity on the roles of its members, including the Chairperson and the Chief Executive Officer.

The Charter covers the following areas:

- Powers and composition of the Accounting Authority.
- Authority and fiduciary responsibilities.
- Mandate, goals, roles, and functions of the Board.
- Roles of the Chairperson and Chief Executive Officer.
- Relationship with staff and stakeholders.
- Functioning and structure of Board committees.
- Frequency and conduct of meetings.
- Evaluation of Board effectiveness.
- Code of Conduct.
- Management of conflicts of interest and dispute resolution.
- Remuneration of Board members.

All Board members completed their annual declarations of interest, in accordance with the PFMA. The Board also reviewed and approved its Code of Conduct during the reporting period. Each member signed the Code and complied fully with the provisions of the Board Charter and Code of Conduct throughout the year under review.

Board Induction and Development

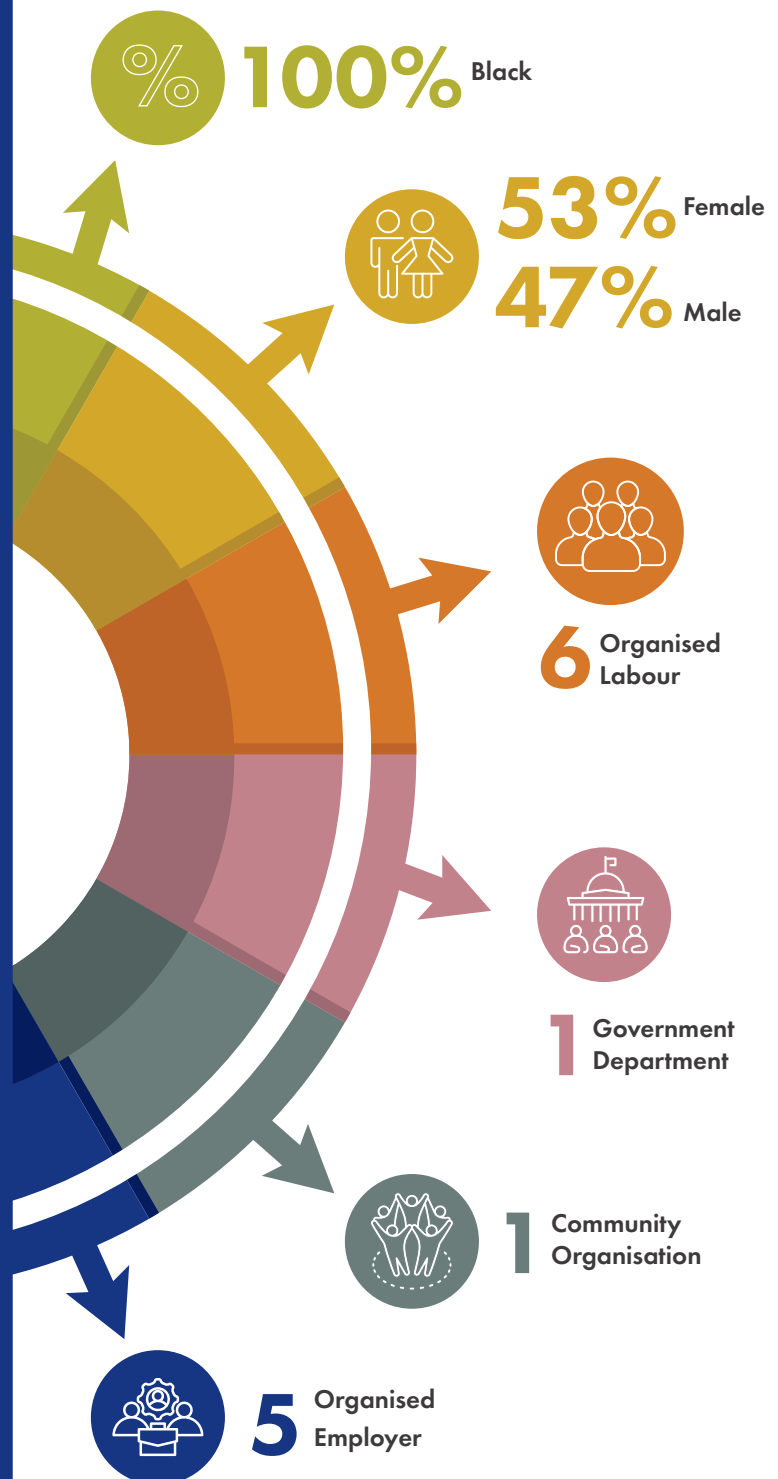
The Interim Board Chairperson has placed a strong focus on ongoing professional development to ensure Board members are fully equipped to carry out their responsibilities. A structured training and education programme familiarises members with FASSET's operations, the broader business environment, fiduciary obligations, behavioural expectations, and emerging regulatory developments.

During the reporting period, Board members attended key PFMA training sessions facilitated by National Treasury. In addition, a comprehensive Board Development and Training Programme has been developed and will be implemented in the 2023/2024 financial year.

Board members also have full and unrestricted access to FASSET Management, information, and property. Where necessary, they are entitled to seek independent professional advice in support of their oversight role.

All required Board and sub-committee meetings were held during the year under review, and the Board effectively fulfilled its governance responsibilities.

Board Diversity



Board Members



MS LYNETTE NTULI

Chairperson

(participation discontinued)*



MR BONGANI MATHIBELA

Interim Chairperson

Committees: EXCO, GSC

Qualifications:

- › PA & TP (SAIPA)
- › PIA (IIASA)
- › BRP (SARIPA)
- › Nat. Dip: Accounting
- › Nat. Dip: Taxation
- › BCompt
- › CFE (ACFE)



MR XOLA LINGANI

Organised Labour

Committees: EXCO

Qualifications:

- › MBA
- › ISA
- › IIA
- › BTech



MS THANDI MASEMOLA

Organised Labour

Committees: GSC (Chairperson), HRRESCO

Qualifications:

- › PGDip: Business Administration
- › BBTech
- › Nat. Dip: Cost and Management Accounting



MS MAMATSHILISO NHLAPO

Government Department

Committees: GSC

Qualifications:

- › MBL
- › MSocSci: Psychology and Research Consultation
- › BA (Hons)
- › BSocSci
- › Certificates in:
 - › Project Management
 - › Monitoring and Evaluation
 - › Public Finance Management Act (PFMA) for Non-Financial Managers



MR MBASA METUSE

Organised Labour

Committees: HRRESCO (Chairperson), GSC

Qualifications:

- › MSocSci: Social Policy and Development Research
- › PGDip: Business Administration
- › BSocSci
- › Certificate in Project Management

Board Members (cont'd.)



MS MOPO MUSHWANA

Organised Employer

Committees: FINCO (Chairperson), GSC

Qualifications:

- › MBA
- › GD: Business Administration
- › BCom



MS ROFHIWA SINGO

Community Organisation

Committees: ARC

Qualifications:

- › Chartered Global Management Accountant (ACMA, CGMA)
- › Associate General Accountant (AGA SA) – SAICA
- › BCompt (Hons): CTA
- › BCompt
- › IAC Higher Certificate in Accounting



MS TLAKALE PHATLANE

Organised Labour

Committees: FINCO, HRREMCO

Qualifications:

- › Nat. Dip: Secretarial Administration
- › Nat. Dip: Information Technology
- › H. Dip: Labour Law



MS ANGELA NYATHELA-MAHANJANA

Organised Employer

Committees: FINCO, HRREMCO

Qualifications:

- › LLB
- › BCom



MR JAMES MABOA

Organised Labour

Committees: EXCO, FINCO

Qualifications:

- › CA (SA)
- › BCom
- › PGDip: Accounting (CTA)



MR NTHATO MAPILOKO

Organised Labour

Committees: FINCO, HRREMCO

Qualifications:

- › MBL
- › BCompt (CTA)
- › PGDip: Tax Law
- › PGDip: Labour Law
- › Board Governance Certificate



MS MALEBO MAGASA

Organised Employer

(participation discontinued)*

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



MS PUMLA NGWENYA

Organised Employer

Committees: HRREMCO

Qualifications:

- › MBL
- › BBA
- › International Baccalaureate



MR PETERSON KHUMALO

Organised Employer

Committees: FINCO, ARC

Qualifications:

- › BCom
- › PGDip: Accounting
- › Registered Auditor
- › CA(SA)

Independent Board Members



MS MALANDE TONJENI

Committees: ARC (Chairperson)

Qualifications:

- › CA(SA)



MR VERNON MAKALENI

Committees: RMC (Chairperson), ARC

Qualifications:

- › BCom: Accounting
- › MPA
- › PGDip: Management (specialising in Corporate Governance)
- › MAP
- › Certified Director



DR CHARLES MOTAUNG

Committees: ICT Steering Committee (Chairperson)

Qualifications:

- › DTech: Computer Science and Data Processing
- › H. Dip: Computer Auditing
- › MIT
- › MBL
- › BCom



ADV. MATIME MANASOE

Committees: ARC

HRRESCO

Qualifications:

- › LLM
- › PGDip: Drafting and Interpretation of Contracts
- › Advanced Certificate in Construction Contracts
- › LLB



MR JOHN RAPHELA

Committees: ARC

Qualifications:

- › MBA
- › PRINCE2 Certification
- › BSc: Computer Science

Board Meeting Attendance

Name	Meetings Attended	Name	Meetings Attended
Mr Bongani Mathibela ¹	9/9	Mr Nthato Mapiloko	9/9
Ms Mamatshiliso Nhlapo	9/9	Ms Mopo Mushwana	9/9
Ms Rofhiwa Singo	9/9	Ms Angel Nyathela-Mahanjana	8/9
Mr James Maboa	9/9	Ms Pumla Ngwenya	7/9
Mr Xola Lingani	9/9	Ms Tlakale Phatlane	9/9
Mr Mbasa Metuse	9/9	Mr Peterson Khumalo	9/9
Ms Thandi Masemola	9/9		

¹ Appointed Interim Board Chairperson 23 March 2023

Board Committees

In accordance with the FASSET Constitution, the following Board committees have been established:

Executive
Committee
(EXCO)

Finance
Committee
(FINCO)

Governance
and Strategy
Committee (GSC)

Human Resources
and Remuneration
Committee
(HRREMCO)

Audit and Risk
Committee
(ARC)

Risk
Management
Committee
(RMC)

Executive Committee (EXCO)

EXCO was automatically dissolved due to non-compliance with constitutional requirements. A new EXCO has since been appointed by the Board and is currently awaiting concurrence from the Department of Higher Education and Training (DHET), in line with clause 9(1) of the Board Constitution, before resuming its legislative mandate and responsibilities.

Finance Committee (FINCO)

The Finance Committee is responsible for overseeing FASSET's financial operations and performance. Its key functions include monitoring and reporting on financial activities, internal financial policies, and budget performance. The committee also consolidates and recommends the annual budget for submission to the Board, provides guidelines for reporting on levy collections and grant disbursements, and considers and recommends financial reports for approval.

Meeting Attendance

Name	Number of Meetings Attended
Ms Mopo Mushwana ¹	5/5
Mr James Maboja	5/5
Ms Tlakale Phatlane	5/5
Ms Angel Nyathela-Mahanjana	5/5
Mr Peterson Khumalo	5/5
Mr Nthato Mapiloko	5/5

¹Chairperson

During the year under review, FINCO made several key achievements in line with its oversight and governance mandate. These included the review and approval of the Annual Financial Statements (AFS), as well as the recommendation to acquire the FASSET building as a strategic asset. The committee further considered and approved necessary deviations and adjustments to the 2024/2025 budget. In support of its strategic direction, FINCO adopted its revised Charter and work plan, while also reviewing and approving both the 2024/2025 and 2025/2026 procurement plans. In addition, the Supply Chain Management (SCM) Policy and Finance Policy were reviewed and approved to ensure alignment with regulatory and operational requirements.

Governance and Strategy Committee (GSC)

The Governance and Strategy Committee is tasked with shaping FASSET's governance and strategic direction. Its core responsibilities include developing policies, principles, criteria, and guidelines for governance and strategy; guiding the sector's Skills Development Strategy; monitoring adherence to codes of conduct and ethics; overseeing compliance with applicable legislation; and setting the direction for FASSET's approach to corporate citizenship.

Meeting Attendance

Name	Number of Meetings Attended
Ms Thandi Masemola ¹	5/5
Mr Bongani Mathibela	5/5
Ms Mamatshiliso Nhlapo	5/5
Mr Mbsa Metuse	5/5
Ms Mopo Mushwana	5/5

¹Chairperson

During the period under review, the committee considered, reviewed, and noted the following recommendations to the Board: the 2024/2025 DG Criteria, Service Level Agreement (SLA), Annual Performance Plan (APP), and Sector Skills Planning and Research Reports. Further recommendations included the FASSET Communications Policy, Performance Information Policy, and Stakeholder Management Framework. The committee also engaged with Monitoring and Evaluation Reports, including tracer studies and impact assessment reports. In addition, the Working Committee Charter and the Governance and Strategy Committee (GSC) Work Plan were reviewed and submitted to the Board for consideration.

Human Resources and Remuneration Committee (HRREMCO)

The Human Resources and Remuneration Committee advises and makes recommendations to the Board on human resources and remuneration strategies to ensure alignment with FASSET's mandate and organisational objectives. The committee ensures that the organisational structure supports FASSET's vision, mission, and activities, and that human capital policies are competitive, equitable, and market-aligned to attract, retain, and motivate talent. It also reviews employment equity and diversity practices to ensure alignment with legislative and organisational transformation goals.

Meeting Attendance

Name	Number of Meetings Attended
Mr Mbasa Metuse ¹	9/9
Ms Thandi Masemola	9/9
Mr Nithato Mapiloko	9/9
Mr Tlakale Phatlane	9/9
Ms Pumla Ngwenya	7/9
Ms Angel Nyathela-Mahanjana	9/9

¹Chairperson

During the year under review, HRREMCO fulfilled its mandate by considering and recommending several key matters to the Board. These included updates to the Pay Scale and Remuneration Report, the CEO's mid-year and annual performance assessments for the 2024/2025 financial year, and the recruitment of the Company Secretary. The committee also reviewed the updated FASSET organogram, recommended the annual salary adjustment for the 2024/2025 financial year, and supported the appointment of Lyra (formerly ICAS Southern Africa) as the provider of employee health and wellness services. In line with its oversight responsibilities, HRREMCO further reviewed and recommended its own Charter and annual work plan for approval.

In addition, the committee developed and submitted several revised policies for Board approval. These included the Remuneration Policy, Leave Policy, Performance Management Policy, FASSET Code of Conduct, and the FASSET Recruitment Policy.

Audit and Risk Committee (ARC)

The Audit and Risk Committee is composed of four independent members and two Board representatives. It is mandated to provide oversight of financial management, internal controls, risk management (including policy and planning), compliance with relevant laws and regulations, ethics, financial reporting, and both internal and external audit functions.

The committee draws on the collective expertise of its members, who possess deep knowledge of public sector accounting, GRAP standards, the Public Finance Management Act (PFMA), National Treasury Regulations, Information and Communications Technology (ICT) governance, and King IV™ principles.

To support its oversight of ICT-related matters, the organisation has established an Information and Communications Technology (ICT) Steering Committee, which reports directly to the ARC. Chaired by Dr Charles Motau, an independent appointee, the ICT Steering Committee convenes quarterly. The Chairperson is remunerated in accordance with the AA and Committees Remuneration Policy, and members include representatives from the Executive Management team.

Meeting Attendance

Name	Number of Meetings Attended
Ms Malande Tonjeni	8/8
Ms Rofhiwa Singo	8/8
Mr Peterson Khumalo	7/8
Mr Vernon Makaleni	8/8
Adv. Matime Manasoe	8/8
Mr John Raphela	7/8

The ARC's ICT oversight responsibilities are aligned with Principle 12 of King IV™, which addresses technology and information. This is further supported by the ICT Governance Framework and other applicable governance instruments. King IV™ distinguishes between 'technology' and 'information' as separate but complementary drivers of value creation, each presenting distinct risks and opportunities – a nuance reflected in the terminology used in the Code.

Remuneration of Board Members

Board members and independent members of the Audit and Risk Committee (ARC) are remunerated in accordance with the AA and committee's Remuneration Policy, which is aligned with guidelines issued by the National Treasury and the Department of Higher Education and Training (DHET). Board meetings are remunerated at a daily rate in line with Category S classifications. In addition, members are reimbursed for reasonable out-of-pocket expenses incurred while fulfilling their duties.

Board Remuneration and Disbursements for the Financial Year ended 31 March 2025

Name of Member	Board and Committees Remuneration	Other Disbursements
Ms Mamatshililo Nhlapo	R177 840	R2 927
Ms Rofhiwa Singo	R195 624	R1 035
Mr James Maboja	R142 272	R428
Mr Xola Lingani	R106 704	-
Mr Metuse Mbaso	R421 724	R1 190
Ms Thandi Masemola	R411 568	R3 870
Mr Nthato Mapiloko	R293 436	R963
Ms Tlakale Phatlane	R293 456	R11 586
Mr Bongani Mathibela	R590 656	R3 095
Ms Mopo Mushwana	R323 920	-
Ms Angel Nyathela-Mahanjana	R195 624	-
Ms Pumla Ngwenya	R195 624	R2 145
Mr Peterson Khumalo	R222 300	R126

Risk Management

Risk Management Committee (RMC)

The Risk Management Committee (RMC) supports the Board in fulfilling its oversight responsibilities in relation to risk management and internal control, in accordance with applicable legislation and corporate governance principles.

The RMC is chaired by Mr Vernon Makaleni, an independent member of the Audit and Risk Committee (ARC). The Chairperson is remunerated in line with the National Treasury's Board Remuneration Guidelines. RMC meetings are held quarterly.

The committee comprises the following members:

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

All departmental managers shall serve as standing members of the Risk Management Committee (RMC). In the event that a member is unable to attend a meeting, they must nominate a duly authorised representative to attend on their behalf.

Key Responsibilities of the Risk Management Committee

The committee's core responsibilities include, but are not limited to, the following:

- Developing and maintaining policies and procedures related to risk management.
- Assessing the effectiveness of mitigation strategies in addressing FASSET's material risks.
- Reviewing or recommending processes to ensure complete, timely, relevant, accurate, and acceptable risk disclosures.
- Reporting any material changes to FASSET's risk profile to the Audit and Risk Committee (ARC).
- Reviewing the Fraud Prevention Policy and recommending it to the ARC for submission to the Board for approval.

- Reviewing the Business Continuity Policy and associated plan and recommending it to the Audit and Risk Committee (ARC) for submission to the Board for approval.
- Assessing the effectiveness of the implementation of the Fraud Prevention Policy.
- Reviewing policy documents to ensure alignment with applicable laws, regulations, ethical standards, internal policies and procedures, and conflict of interest protocols.
- Considering material findings and recommendations from assurance providers related to the risk management system, and monitoring the implementation of corrective actions to address identified weaknesses.

Key Activities

During the reporting period, the Risk Management Committee (RMC) undertook several key activities that demonstrate its commitment to effective oversight and the fulfilment of its mandate:

- Reviewed the RMC Charter and recommended it to the Audit and Risk Committee (ARC) for consideration and approval.
- Developed and implemented the RMC Work Plan.
- Evaluated the effectiveness of the RMC and formulated an action plan to address identified gaps.
- Reviewed the Risk Management and Compliance Policies and Plans and submitted them to the ARC for review and recommendation to the Board for approval.
- Reviewed FASSET's risk identification and assessment methodologies and obtained reasonable assurance regarding the completeness and accuracy of the risk registers.
- Received and considered regular reports from the Audit, Risk and Compliance Department relating to risk management and compliance activities, including updates on strategic, operational, and fraud-related risks.
- Reviewed the Strategic, Operational, and Fraud Risk Registers and submitted them to the ARC for review and recommendation to the Board for approval.
- Reviewed the Compliance Regulatory Universe, Compliance Risk Management Plans (CRMPs), Policy Universe Register, Compliance Monitoring Reports, and Checklists, and recommended them to the ARC for approval.

Internal Audit

Internal Audit Function

The Internal Audit Function (IAF) plays a critical role in providing independent, objective assurance on the adequacy and effectiveness of FASSET's internal control systems. This assurance is informed by the testing of internal controls conducted during audit reviews, as outlined in the Annual Internal Audit Plan.

The IAF is currently outsourced to NEXIA SAB&T, and is responsible, among other duties, for the following:

- Supporting Management in maintaining an effective internal control environment by continuously evaluating whether controls are appropriately designed, and whether they are operating efficiently and effectively, with recommendations for improvement where necessary.
- Assisting the Audit and Risk Committee and Management in monitoring the adequacy and effectiveness of FASSET's risk management processes.

Reviewing internal controls across strategic, operational, financial reporting, and compliance areas, including:

- » The information management environment;
- » The reliability and integrity of financial and operational information;
- » The safeguarding of assets; and
- » The effective and efficient use of FASSET's resources.

The three year internal audit plan and one year operational plan is risk based and developed in consultation with Management, considering identified risk areas and focus areas. The plan is updated as needed to remain responsive to changes in FASSET's risk landscape. Findings from internal audit reviews are reported to both the Executive Management team and the Audit and Risk Committee at scheduled meetings. Management retains responsibility for establishing and maintaining an effective system of internal control, risk management, and governance.

Internal Audits Conducted: 2024/2025 Financial Year

The following audits were undertaken during the 2024/2025 financial year:

- POPIA Compliance.
- Research and Skills Planning.
- Project Governance Review MS 365.
- Audit of Performance Information.
- Discretionary Grants and Other Learning Programmes.
- Supply Chain Management (including Contract Management).
- Review of the Strategic Plan and the Annual Performance Plan.
- Follow-Up on Management Action Plans.
- Annual Financial Statements Review.
- Cyber Security.
- Ad hoc Reviews.

Compliance with Laws and Regulations

FASSET conducts regular reviews of its regulatory environment and has developed and approved a comprehensive Compliance Regulatory Universe, which outlines all applicable laws and regulations relevant to its operations.

Compliance Risk Management Plans (CRMPs) are completed prior to the commencement of compliance monitoring activities. In addition, policy compliance and PFMA checklists assessments and Public Finance Management Act (PFMA) compliance checklists, which are submitted quarterly to the Audit and Risk Committee (ARC) before being shared with relevant stakeholders.

In support of Broad-Based Black Economic Empowerment (B-BBEE), FASSET continues to take proactive steps to improve its scorecard. This includes implementing targeted initiatives aimed at enhancing its overall B-BBEE level.

Fraud and Corruption

The Fraud Prevention Plan was developed within the context of FASSET's Risk Management Framework, with the primary aim of minimising the risk of fraud across the organisation. A range of preventative controls have been implemented, including:

- Authorisation protocols.
- Asset custody controls.
- Detection mechanisms.
- Physical supervision.
- Management information systems.
- Segregation of duties.
- Physical and information security measures.

The Fraud Prevention Policy also outlines response procedures for the reporting, investigation, and resolution of fraud-related incidents. An independent service provider manages FASSET's fraud reporting hotline, which is available to both employees and external stakeholders to report suspected fraud, corruption, or unethical conduct.

Reported cases are routed to the Chairpersons of the Board and Audit and Risk Committee (ARC), the Chief Executive Officer, and Internal Audit, depending on the individuals implicated, for appropriate investigation. Consequence management measures are implemented upon the conclusion of each investigation, in accordance with the organisation's policies and procedures.

Conflict of Interest

FASSET upholds the principle that any constituent, representative, or employee who has a direct or indirect interest in any business or activity of FASSET – or of a committee on which they serve – and who holds any office or property that may give rise to a conflict of interest or the perception thereof, must:

- Declare such interest or potential conflict of interest;
- Disclose, in writing, to the Board and the CEO (in the case of employees), any actual or perceived conflict of interest or duties as soon as they become aware of the relevant facts;
- Refrain from participating in any discussion or decision related to the matter in question;
- Not engage in any transaction between FASSET and a company, firm, or enterprise in which they or a family member has an interest, unless such interest has been declared, and explicit authorisation has been granted by the Board; and
- All disclosures made at Board meetings, including the resulting decisions and motivations, are formally recorded in the minutes.

Code of Conduct

FASSET is committed to upholding a culture of fair dealing, integrity, and ethical conduct in all aspects of its operations. This commitment, strongly endorsed by the Board, is grounded in the belief that the organisation's affairs must be conducted honestly, fairly, ethically, and in full compliance with the law.

FASSET expects all constituencies, representatives, and employees to uphold this commitment by adhering to the highest standards of moral, ethical, governance, and legal conduct, as outlined in its Code of Conduct. Clear procedures are in place to address any breach of the Code, ensuring that violations are dealt with appropriately and in line with organisational policy.

Health, Safety, and Environmental Issues

FASSET prioritises the health and safety of its employees and continues to implement initiatives aimed at fostering a secure and sustainable working environment. The process of digitising FASSET records is well underway, with 25 000 learnership documents processed in the period under review. The organisation is committed to reducing paper use thereby saving trees, water, and reducing carbon emissions while streamlining its operations.

Company Secretary

The Board recognises the importance of the role played by the Company Secretary and ensures an environment that enables full adherence to Board procedures and applicable regulatory requirements. The primary responsibility of the Company Secretary is to provide guidance to Board members on their fiduciary duties and responsibilities, as well as to advise on matters related to corporate governance processes and compliance.

Social Responsibility

In terms of the Public Finance Management Act (PFMA), public entities are not permitted to use public funds to support corporate social responsibility (CSR) initiatives. As such, FASSET's CSR efforts are voluntary and staff-driven, reflecting the organisation's ongoing commitment to making a meaningful – albeit modest – difference in the communities it serves.

- Oversaw the procurement process for a new risk management system to support improved enterprise risk oversight.
- Noted continued improvement in audit outcomes, including a reduction in external audit findings and enhancements to the internal control environment.
- Ensured that compliance monitoring with key legislation and organisational policies was actively conducted throughout the reporting period.
- Oversaw the replacement of the ERP and Learner Management Systems, as well as the insourcing of several previously outsourced ICT functions.

Report of the Audit and Risk Committee (ARC)

In accordance with Regulation 27(1)(10)(b) of the Public Finance Management Act (PFMA), we are pleased to present the report of the Audit and Risk Committee (ARC) for the financial year ended 31 March 2025.

The committee discharged its responsibilities in line with its legislative mandate and governance obligations. The following key activities were undertaken during the period under review, reflecting the ARC's continued commitment to sound oversight and effective governance.

Key Activities

During the reporting period, the Audit and Risk Committee (ARC) continued to provide effective oversight of FASSET's internal controls, assurance processes, compliance, and risk management. Key activities included:

- Oversaw the outsourced Internal Audit function, which is currently contracted to Nexia SAB&T for a three-year term commencing July 2023.
- Supported preparations for the first enterprise-wide Risk Maturity Assessment, planned for the 2024/2025 financial year.
- Reviewed and approved the Cyber Security Strategy during 2024/2025 to enhance FASSET's resilience against digital threats.
- Monitored the implementation of the ERP Rehabilitation Project, including the recovery and completion plan.



Audit and Risk Committee Responsibility

The Audit and Risk Committee (ARC) confirms that it has fulfilled its responsibilities in accordance with Section 51(1)(a)(iii) and Section 76(4)(d) of the Public Finance Management Act (PFMA), as well as Treasury Regulations 27.1.7 and 27.1.10(b) and (c).

The ARC has adopted formal Terms of Reference through its ARC Charter, regulated its affairs in compliance with the Charter, and discharged all responsibilities outlined therein.

The committee has oversight over several critical areas, including financial management, internal controls, risk management, compliance, governance, and audit functions. It also provides oversight of Information and Communications Technology (ICT) governance. To support the execution of its mandate, the ARC developed an annual work plan and reported quarterly to the Accounting Authority (Board) on its performance against this plan. Key oversight responsibilities include:

- Financial management;
- ICT governance;
- Risk management and Internal Audit;
- Compliance with laws, regulations, and ethical standards;
- Reporting practices;
- External audit; and
- Reviewing reports from the fraud hotline and assessing whether appropriate actions were taken by Management.

Composition of the Audit and Risk Committee

The Audit and Risk Committee (ARC) comprises four independent members and two representatives from the Board. The committee benefits from a strong collective skill set, with members bringing extensive expertise in public sector accounting, GRAP standards, PFMA, National Treasury Regulations, ICT governance, and the principles of King IV™.

Audit and Risk Committee Attendance

Name	Number of Meetings Attended	Date Appointed
Ms Malande Tonjeni	8/8	1 September 2020
Ms Rofhiwa Singo	8/8	1 September 2020
Mr Peterson Khumalo	7/8	1 September 2020
Mr Vernon Makaleni	8/8	1 September 2020
Adv. Matime Manasoe	8/8	1 September 2020
Mr John Raphela	7/8	1 November 2021

Audit and Risk Committee Remuneration Rate

Designation	Preparation Fee/ Meeting Attendance
Chairperson	R11 432
Member	R8 892

Internal Control

In line with the requirements of the Public Finance Management Act (PFMA), the Internal Audit function is mandated to provide the Audit and Risk Committee (ARC) and Management with independent assurance regarding the adequacy and effectiveness of internal controls. This assurance is delivered through a risk-based audit approach, the identification of corrective actions, and recommendations to enhance internal processes and controls.

The Internal Audit function submitted quarterly progress reports to the ARC, which provided updates on the implementation of the approved Audit Plan, audit findings, and the status of corrective actions.

Internal Control and Audit Oversight

Management has developed action plans to address the control weaknesses identified during the audit process. These corrective actions will be tracked and followed up by the Internal Audit function in the next audit cycle. Timely implementation of these actions is expected to strengthen the overall control environment.

FASSET's activities are governed by formally documented policies and procedures, which are subject to regular review and approval by the relevant governance structures. These controls are continuously monitored by Management and staff, supported by an appropriate delegation of authority and segregation of duties. However, areas of concern were noted where practices did not align with established policies, and in certain cases, existing policies were not sufficient to mitigate key risks.

In-year Management and Monthly/ Quarterly Report

FASSET has submitted monthly and quarterly reports to the Executive Authority.

Auditor's Report

The AGSA reviewed the internal controls relevant to the audit of the financial statements, assessed performance information and compliance with applicable legislation, and did not identify any significant deficiencies in internal control.

In the AGSA's opinion, the financial statements present fairly, in all material respects, the financial position of the Finance and Accounting Services Sector Education and Training Authority as at 31 March 2025, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the Public Finance Management Act 1 of 1999 (PFMA), and the Skills Development Act 97 of 1998 (SDA).

The Audit and Risk Committee term ended as of 31 March 2025 and was not involved with the audit and post financial year end activities.

Malande Tonjeni

Ms Malande Tonjeni CA(SA)

Chairperson of the Audit and Risk Committee

B-BBEE Compliance Performance Information

The following table has been completed in accordance with the requirements of the Broad-Based Black Economic Empowerment (B-BBEE) Act of 2013, and as prescribed by the Department of Trade, Industry and Competition (the dtic).

Application of relevant code of good practice (B-BBEE Certificate Levels 1–8)

Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	FASSET does not issue any licences, concessions, or authorisations.
Developing and implementing a preferential procurement policy?	Yes	FASSET has an approved Supply Chain Management (SCM) Policy in place, which incorporates the requirements of preferential procurement.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable.
Developing criteria for entering partnerships with the private sector?	No	FASSET has opened a funding window and developed clear criteria to guide partnerships with private sector entities, government-related institutions – including local municipalities – NGOs, and institutions of higher learning such as universities and TVET colleges. These criteria ensure alignment with national priorities and the identified needs of the finance and accounting sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	FASSET has prioritised small-, medium-, and micro-enterprises (SMMEs) in its funding allocations, with a particular focus on employers holding a B-BBEE rating of Level 1 to 4.





Human Resources Management

Human Resources Management

82

Our Team in Numbers

82 Employees:
42 female | 40 male

20 Interns: 15 female | 5 male
7 absorbed into formal employment

R3 million Invested in staff bursaries
and training

1 Employee living with a disability

4 Specialists and 5 Managers/
Assistant Managers promoted

1 Wellness Day hosted, with wellness
provider available year-round



Human Resources Management



**MR KARABO
DIKGORE**
HR Manager



**MS NOKULUNGA
MTHOMBENI**
Corporate Services
Executive

Overview

The Human Resources Management (HRM) Department maintains a sustained and strategic focus on enhancing people, processes, and organisational effectiveness. In the year under review, this commitment was reflected in the successful hosting of FASSET's second Annual Excellence Awards – an initiative led by the department to promote a culture of recognition and continuous improvement, while fostering an enabling environment in which employees can thrive and grow professionally.

Building on the achievements of the 2023/2024 financial year, the department focused on improving recruitment turnaround times, enhancing well-being services, increasing investment in training and development, and strengthening business partnering relationships – all aimed at reinforcing employee engagement and organisational performance.

Achievements

FASSET continues to set the national benchmark in training and development. During the year under review, key achievements included the intensification of the Employee Study Assistance Programme, the strengthening of relations with organised labour, and the successful hosting of the second Annual Excellence Awards. The awards recognised individuals and teams who demonstrated exceptional performance, reinforcing FASSET's ongoing commitment to its employee value proposition and a culture of excellence.

Challenges

During the year under review, the HRM Department navigated several challenges that impacted both operational effectiveness and employee experience. These included increasing labour costs and declining staff morale, largely influenced by broader economic conditions. The organisation also faced the ongoing task of managing both planned and unplanned staff exits, while continuing to foster productive workplace relations. Adapting to the changing world of work – including evolving employee expectations and hybrid work models – remained a strategic focus area. In addition, office space constraints presented practical limitations that required

careful management to support a conducive and collaborative working environment.

Future Plans/Goals

Looking ahead, the HRM Department will continue to lead strategic people initiatives that support organisational growth and operational efficiency. In partnership with the ICT Department, the team has introduced automated human capital solutions – including an internal recruitment platform and a digital Performance Management System – designed to streamline processes, enhance the employee experience, and enable data-driven decision-making across the employee lifecycle.

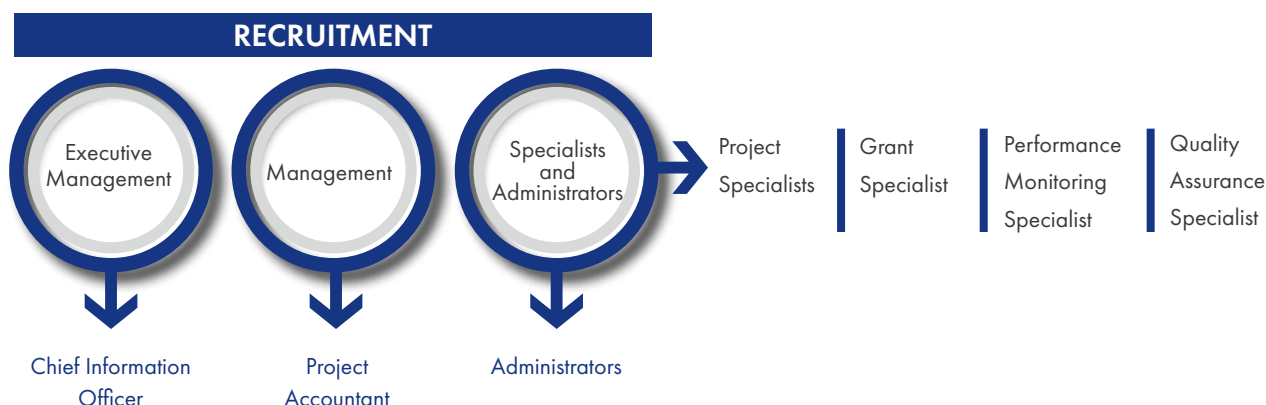
Additional planned initiatives include a strengthened focus on talent management and development, particularly in the area of succession planning. The department will also prioritise next-generation talent pipeline development, with specific emphasis on the Employee Study Assistance Programme for permanent staff. To foster a high-performance culture, workforce innovations such as the Excellence Awards will continue to be leveraged. Efforts to create an enabling workplace environment will be supported by the right people, policies, systems, and procedures, while ensuring that FASSET maintains a fit-for-purpose organisational structure aligned with its strategic goals.

Policy Development

FASSET's policies and procedures serve as a cornerstone for reinforcing expected standards of conduct and ensuring consistency across the organisation. They provide essential structure and control, helping to align employee behaviour with organisational values and operational requirements. During the year under review, several key policies were extensively consulted on and negotiated with organised labour. These included the Recruitment Policy, Leave Policy, Code of Conduct, Succession Plan, Performance Management Policy and Remuneration Policy – each aimed at strengthening fairness, transparency, and compliance within the workplace.

Statistics

HRM Organisational Structure



Recruitment

As at 31 March 2025, FASSET had eight funded vacancies for the 2024/2025 financial year. The tables that follow provide an overview of employee movements and related costs, including promotions, absorptions, new appointments, personnel expenditure by programme, and personnel costs per salary band.

Promotions/Absorptions and New Appointees

Salary Grade	Promotions (Internal)	Absorption (Learners and Interns)	New Appointees (External)	No. of Employees
Executives	0	0	1	1
Managers & Assistant Managers	5	0	5	10
Specialists	4	0	4	8
Administrators	0	7	5	12
Total	9	7	15	31

Personnel Cost by Programme/Activity/Objective*

Programme/Activity/Objective	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	No. of Employees	Average Personnel Cost per Employee (R'000)
Support	R 40 297	70%	45	895
Core Business	R 16 868	30%	37	401
Total	R 57 165	100%	82	1296

*Explanatory Note:

Support functions include: Human Resources Management; Finance and Supply Chain Management (SCM); Information and Communication Technology (ICT); Facilities and Records Management; Audit, Risk and Compliance; Communications and Stakeholder Engagement; Performance Monitoring and Reporting; the Office of the Company Secretary; Legal Services; and the Office of the CEO.

Core Business functions include: Project Management; Skills Planning and Research; Monitoring and Evaluation; and Quality Assurance.

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	No. of Employees	Average Personnel Cost per Employee (R'000)
Top Management	8 401	14%	4	2 100
Managers	17 495	30%	15	1 166
Professional Qualified	1 500	2%	2	750
Skilled	15 745	27%	29	524
Semi-skilled	13 855	24%	29	419
Unskilled	657	1%	3	219
Total	R 57 165	98%	82	5 178

Performance Rewards

Performance bonuses for the 2023/2024 financial year were finalised, with a total payout of R6 826 901. The performance bonus budget for the 2024/2025 financial year amounts to R8 621 457 and will be finalised in August 2025.

Training

FASSET strengthened its commitment to ongoing learning and development by providing training to all employees, achieving a 95% participation rate against a target of 85%.

Education, Training and Development

Training initiatives completed	42
Employees receiving study assistance	26
Total training interventions	68
Annual training target %	85%
Target Achieved	95%

Training Costs

Activity	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Average Training Cost per Employee (R'000)
Training Implementation Plan	R 57 165	R 3 000	5%	82	R 36 585

Employment and Vacancies

Employment and Vacancies by Programme/Activity/Objective *

Programme/ Activity/ Objective	2023/2024 No. of employees	2024/2025 Approved posts	2024/2025 No. of employees	2024/2025 Vacancies	% of Vacancies
Support	37	49	47	4	4%
Core Business	38	51	48	4	4%
Total **	75	103	95	8	8%

**Totals are exclusive of 10 WBE learners and 13 HET interns recruited in the period.

***Explanatory Note:**

Support functions include: Human Resources Management; Finance and Supply Chain Management (SCM); Information and Communication Technology (ICT); Facilities and Records Management; Audit, Risk and Compliance; Communications and Stakeholder Engagement; Performance Monitoring and Reporting; the Office of the Company Secretary; Legal Services; and the Office of the CEO.

Core Business functions include: Project Management; Skills Planning and Research; Monitoring and Evaluation; and Quality Assurance.

Employment Changes

Employment Changes by Salary Band

Level	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	5	1	1	5
Managers	15	3	1	17
Professional Qualified	2	0	0	2
Skilled	26	9	1	34
Semi-skilled	27	9	0	36
Unskilled	3	0	0	2
Total	78	22	3	96

Reasons for Staff Leaving

Reason	Number	% of Total no. of Staff Leaving
Death	0	0%
Resignation	3	3%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	3	3%

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal warning	2
Written warning	2
Final written warning	0
Suspensions	3
Dismissal	0
Other	0
Total	7

Employment Equity

FASSET's current Employment Equity Plan is in effect until 2026. As at 31 March 2025, the organisation had a total of 87 permanent employees, excluding interns and learners. The tables that follow provide a breakdown of employees by gender and include the representation of persons living with disabilities.

Male Staff by Salary Band

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	1	0	0	0
Managers	8	0	0	0	0	0	1	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	12	0	0	0	0	0	0	0
Semi-skilled	15	0	0	1	0	1	0	1
Unskilled	2	0	0	0	0	0	0	0
Total	41	0	0	1	1	1	1	1

Female Staff by Salary Band

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	0	0	0	0
Manager	7	0	0	0	0	0	0	0
Professional Qualified	2	0	0	0	0	0	0	0
Skilled	14	0	1	0	1	0	0	0
Semi-skilled	17	0	0	1	0	1	0	1
Unskilled	1	0	0	0	0	0	0	0
Total	43	0	1	1	1	1	0	1

Disabled Staff by Salary Band

Level	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professionally Qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	1	1	0
Unskilled	0	0	0	0
Total	0	1	1	0



Financial Information

Financial Information

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Notes

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Our Results in Numbers

REVENUE



R 904 million

3.7% higher than budget



TOTAL GRANT EXPENDITURE

R 941 million

ASSET BALANCE



R662 million

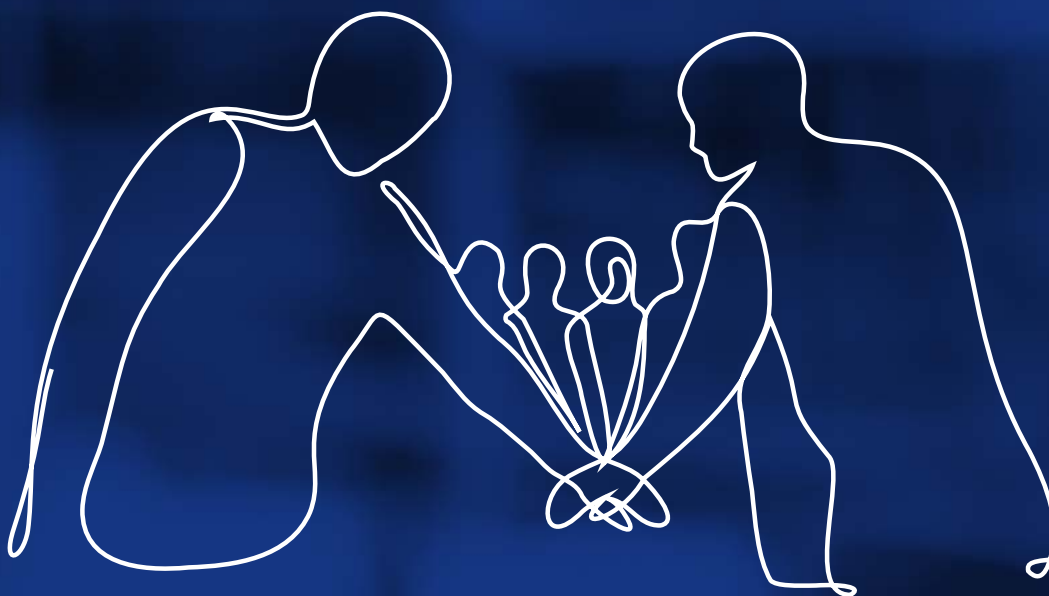
(R646m bank and cash)

COMMITMENT BALANCE



R583 million

125% of accumulated surplus



Financial Information



The financial section of this report presents a comprehensive overview of FASSET's financial performance and position for the year ended 31 March 2025. It reflects the organisation's continued commitment to sound financial management, compliance with relevant legislation and accounting standards, and the responsible use of public funds. The audited financial statements that follow provide assurance of FASSET's financial integrity and its ability to deliver on its mandate in a sustainable and accountable manner.

Statement of Responsibility

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

It is responsible for establishing and implementing a system of internal control to provide reasonable assurance as to the integrity and reliability of the unaudited annual financial statements.

In our opinion, the audited annual financial statements fairly reflect the operations of FASSET for the reporting period ended 31 March 2025. The audited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The audited annual financial statements set out on pages 91-135, which have been prepared on the going concern basis, were approved by the board on 31 July 2025 and were signed on its behalf by:

Ayanda Mafuleka
Chief Executive Officer

Ayanda Mafuleka
Accounting Authority (Interim)

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Note(s)	2025	2024 Restated*
Assets			
Current assets			
Inventories	3	215	196
Receivables from exchange transactions	4	91	84
Receivables from non-exchange transactions	5	10,472	5,980
Cash and cash equivalents	6	645,553	746,357
Total current assets		656,331	752,617
Non-current assets			
Property, plant and equipment	7	5,155	6,459
Intangible assets	8	499	567
Total non-current assets		5,654	7,026
Total assets		661,985	759,643
Liabilities			
Current liabilities			
Operating lease liability	9	-	20
Payables from exchange transactions	10	2,411	3,432
Payables from non-exchange transactions	11	43,858	25,213
Provisions	12	144,335	131,468
Total current liabilities		190,604	160,133
Total liabilities 1		90,604	160,133
Net assets		471,381	599,510
Reserves			
Administration reserve		5,654	7,026
Mandatory reserve		539	815
Discretionary reserve		465,188	591,669
Net assets		471,381	599,510

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2025	2024 Restated *
Revenue			
Revenue from exchange transactions			
Other income		-	10
Investment income	14	52,321	73,795
Gain on disposal of assets		7	6
Gain on foreign exchange		70	-
Total revenue from exchange transactions		52,398	73,811
Revenue from non-exchange transactions			
Transfer revenue			
Levies	15	851,797	775,411
Total revenue		904,195	849,222
Expenditure			
Employee related costs	16	(47,930)	(42,113)
Internal audit fees		(1,057)	(341)
External audit fees		(4,842)	(3,096)
Depreciation and amortisation		(2,449)	(3,475)
Consulting and professional fees	17	(8,411)	(5,839)
Lease rentals on operating lease		(4,258)	(3,792)
Impairment of receivables		(198)	(118)
Employer grant and project expenses	18	(941,170)	(953,769)
Loss on foreign exchange		-	(148)
Other administration expenses	19	(22,009)	(21,431)
Total expenditure		(1,032,324)	(1,034,122)
Deficit for the year		(128,129)	(184,900)

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

Figures in Rands and thousands	Administration reserve	Mandatory reserve	Discretionary reserve	Total reserves	Total net assets
Opening balance as previously reported	5,879	680	774,563	781,122	781,122
Adjustments					
Correction of errors	-	-	3,288	3,288	3,288
Balance at 01 April 2023 as restated*	5,879	680	777,851	784,410	784,410
Changes in net assets					
Surplus for the year	-	-	-	-	(184,900)
Allocation of surplus for the year note 13	21,754	90,885	(297,539)	(184,900)	-
Excess reserves transferred to discretionary reserve	(20,607)	(90,641)	111,248	-	-
Total Changes	1,147	244	(186,291)	(184,900)	(184,900)
Restated* Balance at 01 April 2024	7,026	815	591,669	599,510	599,510
Changes in net assets					
Deficit for year	-	-	-	-	(128,129)
Allocation of deficit for the period note 13	21,607	112,586	(262,322)	(128,129)	-
Excess reserve transferred to discretionary reserve	(22,979)	(112,862)	135,841	-	-
Net income (losses) recognised directly in net assets	(1,372)	(276)	(126,481)	(128,129)	(128,129)
Total changes	(1,372)	(276)	(126,481)	(128,129)	(128,129)
Balance at 31 March 2025	5,654	539	465,188	471,381	471,381

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Cash Flow Statement

Figures in Rand thousand	Note(s)	2025	2024 Restated *
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		847,584	776,883
Other cash receipts		70	10
Investment income		52,321	73,795
		899,975	850,688
Payments			
Grants and project payments		(912,620)	(1,026,981)
Compensation of employees		(45,025)	(39,573)
Payments to suppliers for goods and services		(42,065)	(35,463)
		(999,710)	(1,102,017)
Net cash flows from operating activities	20	(99,735)	(251,329)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,132)	(4,042)
Proceeds from sale of property, plant and equipment	7	63	28
Purchase of other intangible assets	8	-	(657)
Net cash flows from investing activities		(1,069)	(4,671)
Net increase/(decrease) in cash and cash equivalents		(100,804)	(256,000)
Cash and cash equivalents at the beginning of the year		746,357	1,002,357
Cash and cash equivalents at the end of the year	6	645,553	746,357

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Interest received - investment	30,000	20,000	50,000	52,321	2,321	
Revenue from non-exchange transactions						
Transfer revenue						
Levies	754,057	67,757	821,814	851,797	29,983	
Expenditure						
Employee related costs	(49,372)	(4,560)	(53,932)	(47,930)	6,002	Note 25.1
Internal audit fees	(883)	233	(650)	(1,057)	(407)	Note 25.7
External audit fees	(3,568)	(75)	(3,643)	(4,842)	(1,199)	Note 25.3
Depreciation and amortisation	-	-	-	(2,449)	(2,449)	
Consulting and professional fees	(10,640)	4,451	(6,189)	(8,411)	(2,222)	Note 25.2
Lease rentals on operating lease	(6,273)	1,753	(4,520)	(4,258)	262	
Impairment of receivables	-	-	-	(198)	(198)	
Employer grant and project expenses	(683,895)	(637,396)	(1,321,291)	(941,170)	380,121	Note 25.4
Administration expenses	(29,426)	(60,515)	(89,941)	(22,009)	67,932	Note 25.5
Total expenditure	(784,057)	(696,109)	(1,480,166)	(1,032,324)	447,842	
	-	(608,352)	(608,352)	(128,206)	480,146	
Gain on disposal of assets	-	-	-	7	7	
Gain on foreign exchange	-	-	-	70	70	
	-	-	-	77	77	
Deficit for the year	-	(608,352)	(608,352)	(128,129)	480,223	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	(608,352)	(608,352)	(128,129)	480,223	

Before the start of the financial year, the Executive Authority approved a budget of R784 Million for the period 01 April 2024 to 31 March 2025 which was later revised to R1.48 billion.

The budget is approved on an cash basis by functional classification. The approved budget covers the period from 01 April 2024 to 31 March 2025. The financial statements are prepared on the accrual basis using a classification on the nature of expenses in the statement of financial performance. The amounts in the financial statements were recast to a functional classification to be on the same basis as the final approved budget. The amounts of these adjustments are identified in the below table.

A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 31 March 2025 is presented below. Those amounts are shown in cases where there are timing and basis differences. The financial statements and budget documents are prepared for the same period.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
The reconciliation of budget is shown as follows:			Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the budget and actual comparative statement			(128,129)	-	(1,076)	(129,205)
Basis difference			14,579	-	7	14,586
Timing difference			13,815	-	-	13,815
			(99,735)	-	(1,069)	(100,804)

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1. Significant Accounting Policies

The significant accounting policies applied in the preparation of these audited annual financial statements are set out below.

1.1 Basis of preparation

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

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

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

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Significant judgements and sources of estimation uncertainty

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

Receivable from exchange transactions

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

Receivables from non-exchange transactions

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

Prepayments are made to service providers for learner stipends. These payments are made in tranches.

Payables from exchange transactions

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Payables from non-exchange transactions

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

Provisions

Provisions were raised and Management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

1.5 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

Item	Depreciation method	Average useful life
Office furniture and fixtures	Straight-line	10
Motor vehicles	Straight-line	5
Office equipment	Straight-line	5
Computer equipment	Straight-line	3
Leasehold improvements	Straight-line	Over the lease term
Small assets	Straight-line	1
Cell phones and tablets	Straight-line	2

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

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

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

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

1.6 Intangible assets

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.6 Intangible assets (continued)

An intangible asset is recognised when:

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

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

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

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

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).
Intangible asset under development will be amortised once completed and in-use.

Intangible assets are derecognised:

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

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

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

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.7 Financial instruments

Financial assets

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Interest income is recognised by applying the effective interest rate.

Effective interest method

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

Impairment of financial assets

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

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

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

Financial liabilities

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

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

Class	Category
Trade and payables	Financial liability measured at amortised cost

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.7 Financial instruments (continued)

Other financial liabilities

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

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

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

1.8 Tax

Tax expenses

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

1.9 Leases

Operating leases - lessee

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

1.10 Inventories

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

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

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

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

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

1.11 Employee benefits

Identification

Employee benefits

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

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

Termination benefits are recognised and expensed only when the company can no longer withdraw the offer of the benefits.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.11 Employee benefits (continued)

Liabilities for annual leave are recognised as they accrue to employees. The entity recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee. The leave liability is recognised as an accrual.

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

1.12 Grants and project expenditure

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

Mandatory grants

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

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.13 Provisions and contingencies (continued)

Commitments are disclosed in a note to the financial statements if both the following criteria are met:

- contracts should be non-cancellable or cancellable at a significant cost; and
- contracts should relate to something other than the routine, steady, state business of the entity - therefore salary commitments relating to employment contracts are excluded.

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

1.14 Inter-SETA transfers - Receivables/Payables

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

Inter-SETA receivables

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

- SARS has affected the transfer and the DHET portal confirms the transfer.
- FASSET submitting a claim to the previous SETA (requesting transfer of current year levies).
- the previous SETA has not yet made a payment but confirms their obligation to transfer to FASSET; and
- the previous SETA has approved a WSP for the past scheme year and sent the confirmation to FASSET.

In instances where any one of the criteria above is not met, the amount will be disclosed as a contingent asset as the transaction meets the definition. A contingent asset is a possible asset that arises from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the entity.

Inter-SETA payables

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

- SARS has affected the transfer and the DHET portal confirms the transfer;
- submission of claim to FASSET by the new SETA;
- FASSET has not yet made a payment but confirms their obligation to transfer to a new SETA; and
- FASSET has approved a WSP in relation to 2024/2025 and sent a confirmation to the new SETA.

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

1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.16 Revenue from exchange transactions

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

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

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

Interest

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

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

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

1.17 Revenue from non-exchange transactions

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

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

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

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

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

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Recognition

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

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

Levy income

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

In terms of Section 3(1) and 3(4) of the SDLA, 1999 as amended, registered member companies of the entity pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collect the levies on behalf of the DHET. Companies with an annual payroll cost less than R500 000 are exempted in accordance with Section 4(b) of the SDLA (1999) as amended, effective 01 August 2005.

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

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

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

Interest and penalties

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

1.18 Investment income

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

1.19 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.19 Accounting by principals and agents (continued)

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets, and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- it does not have the power to determine the significant terms and conditions of the transaction.
- it does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- it is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.20 Comparative figures

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

1.21 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling legislation, regulations, frameworks, circulars, instruction notes, practice notes, guidelines etc (as applicable).

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

1.22 Irregular expenditure

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

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

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

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

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

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

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.23 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2024 to 31/03/2025.

The audited annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.24 Related parties

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

1.25 Events after reporting date

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

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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

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

1.26 Reserves

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

Administration reserve
Mandatory reserve
Discretionary reserve
Accumulated surplus

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

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.26 Reserves (continued)

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

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

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

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

1.27 Grants

Mandatory grant payments

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

Discretionary grant payments

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

Discretionary projects

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

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

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 (as revised) Mergers	Effective date not yet gazetted	Unlikely there will be a material impact
GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	Effective date not yet gazetted	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	Effective date not yet gazetted	Unlikely there will be a material impact
GRAP 2023 Improvements to the Standards of GRAP 2023	Effective date not yet gazetted	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Effective date not yet gazetted	Unlikely there will be a material impact
GRAP 103 (amended): Heritage Assets	Effective date not yet gazetted	Unlikely there will be a material impact
iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

Figures in Rand thousand	2025	2024
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3. Inventories

Consumable stores	215	196
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Consumables stores consist of printer cartridge which cost more than R 1 000 each.

4. Receivables from exchange transactions

Other receivables	68	84
Staff debtors	4	-
SARS - EMP201 Overpayment	19	-
	91	84

5. Receivables from non-exchange transactions

Employer receivables	1,145	1,161
Provision for impairment of employer receivables	(1,077)	(878)
Inter-SETA Receivables	505	4
Prepayments - Projects	7,561	5,693
Projects receivables	2,338	-
	10,472	5,980

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

5. Receivables from non-exchange transactions (continued)

R1 145 000 (2024: R1 161 000) was recognised as a employer receivables relating to the overpayment to the levy paying employers in prior periods, as a result of levy income reversals done by SARS after the grants had been paid. FASSET refunds amounts to employers in the form of grants, based on information from the DHET. Where information is retrospectively amended, it may result in grants that have been paid to certain employers that are in excess of the amount FASSET is permitted to have granted to employers. All of the amounts included in the receivable as a result of the overpayment are over 30 days and a provision has been raised per the analysis below

R7 561 000 (2024: R5 693 000) was recognised as a Prepayment Projects relating to tranche stipend paid in advance.

R2 338 000 (2024: R0) relating to the amounts owing to FASSET by service providers.

Reconciliation of provision for impairment of employer receivables

Figures in Rand thousands	2025	2024
Opening balance	(878)	(760)
Provision for impairment	(199)	(118)
	(1,077)	(878)

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

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3	1
Bank balances - FNB current account	114,062	38,943
Reserve Bank (CPD account)	531,488	707,413
	645,553	746,357

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. FASSET invests surplus funds in line with the Treasury Regulations 31.3.3. During the current year funds were invested with the Corporation for Public Deposits. The average interest rate on funds held at the Corporation for Public Deposits was 7.99% (2024: 8.41%).

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

7. Property, plant and equipment

Figures in Rand thousand	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office furniture and fittings	2,450	(1,253)	1,197	2,458	(1,023)	1,435
Motor vehicles	3,247	(1,151)	2,096	3,247	(503)	2,744
Office equipment	1,055	(574)	481	937	(754)	183
Computer equipment	4,805	(3,534)	1,271	5,524	(3,666)	1,858
Leasehold improvements	1,711	(1,711)	-	1,711	(1,711)	-
Small assets	125	(125)	-	-	-	-
Cell phone and tablets	322	(212)	110	423	(184)	239
Total	13,715	(8,560)	5,155	14,300	(7,841)	6,459

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Total
Office furniture and fittings	1,435	-	1	-	-	(239)	1,197
Motor vehicles	2,744	-	-	-	-	(648)	2,096
Office equipment	183	392	-	-	-	(94)	481
Computer equipment	1,858	561	(38)	-	(7)	(1,103)	1,271
Small assets	-	67	-	7	-	(74)	-
Cell phones and tablets	239	112	(19)	-	-	(222)	110
	6,459	1,132	(56)	7	(7)	(2,380)	5,155

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

Figures in Rand thousand

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

Depreciation rates

Item	Depreciation method	Average useful life
Office furniture and fixtures	Straight-line	10
Motor vehicles	Straight-line	5
Office equipment	Straight-line	5
Computer equipment	Straight-line	3
Computer software	Straight-line	2
Leasehold improvements	Straight-line	Over the lease term
Intangible assets developed	Straight-line	Over the term of contract
Small assets	Straight-line	1
Cell phones and tablets	Straight-line	2

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

8. Intangible assets

Figures in Rand thousand	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	703	(703)	-	703	(703)	-
Intangible assets internally generated	4,992	(4,493)	499	4,992	(4,425)	567
Total	5,695	(5,196)	499	5,695	(5,128)	567

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Intangible assets internally generated	567	(68)	499

Reconciliation of intangible assets - 2024

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

Intangible assets in the process of being constructed or developed

FASSET is in the process of developing a invoice management system. All expenditure relating to the system research phase has been expensed. All costs incurred relating to development phase has been capitalised according to GRAP 31. Amortisation will commence once the system is put into use.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

9. Operating lease asset (liability)

Figures in Rand thousand	2025	2024
Current liabilities	-	20

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

10. Payables from exchange transactions

Trade creditors	70	1,534
Salaries related payable	2	-
Accrued leave pay	2,258	1,838
Administration accruals	81	60
	2,411	3,432

11. Payables from non-exchange transactions

Skills development grants payable - mandatory	21,913	19,459
Project accruals	10,199	3,204
Project creditors	8,001	671
Levy Creditors	2,026	1,879
Unutilised Funds - DHET summit and awards *	1,719	-
	43,858	25,213

*The entity is a party to the principal-agent arrangement where FASSET has been requested by the association of SETA CEO's (ASCEO) and the National Skills Authority (NSA) to collect funds from other SETAs as a contribution for the DHET SETA Summit and the NSA awards, respectively, and to utilise the funds for venue, logistics, and other administrative expenses. Below is the breakdown of the funds received and spent.

Unutilised Funds-DHET summit and awards

DHET Summit and Awards Income and Expenditure Report	-	-
INCOME	-	-
Summit contribution received	4,450	-
Awards contribution received	400	-
EXPENDITURE	-	-
Summit: Venue and logistics	(3,131)	-
	1,719	-

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

12. Provisions

Reconciliation of provisions - 2025

Figures in Rand thousand	Opening Balance	Additions	Utilised during the year	Total
Provision for discretionary grants - employers	40,258	-	(40,258)	-
Provision for discretionary grants - projects	66,620	101,410	(51,049)	116,981
Exempt employer provision	17,027	279	-	17,306
Bonus provision	6,955	8,621	(6,955)	8,621
Provision for admin expenses	608	1,427	(608)	1,427
	131,468	111,737	(98,870)	144,335

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for discretionary grants - employers	5,077	40,258	(5,077)	-	40,258
Provision for discretionary grants - projects	80,503	44,898	(43,386)	(15,395)	66,620
Exempt employer provision	15,465	1,562	-	-	17,027
Bonus provision	5,053	6,955	(5,053)	-	6,955
Provision for admin expenses	-	608	-	-	608
	106,098	94,281	(53,516)	(15,395)	131,468

Provision for Discretionary grants - Employers

An amount of R0 (2024: R40 258 000) relates to learner employer grants. Applications for 2025 were received and evaluated during the current financial year and the final approval was after year end.

Provision for Discretionary grants - Projects

An amount of R116 981 000 (2024: R66 620 000) relates to discretionary grants for the bursary projects, which are still subject to verification.

Exempt employer provision

An amount of R17 306 000 (2024: R17 027 000) relates to levies incorrectly contributed by employers, and paid over by SARS and the DHET, after being exempted from contributing SDL due to legislation changes which came into effect from 01 August 2005. As SARS collects the levies on behalf of the DHET, the responsibility to refund the levies to the employers remains with SARS.

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

Bonus provision

An amount of R8 621 000 (2024: R6 955 000) relates to performance bonus which is payable to employees that are with FASSET for six months or more at year end and the company has achieved seventy percent or more on the Annual Performance Plan targets.

Provision for admin expenses

An amount of R1 427 000 (2024: R608 000) relates to admin expenditure for goods and services which are still to be subject to verification.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

13. Allocation to accumulated surplus

Current year - 2025

	Administration Reserve	Mandatory Reserve	Discretionary Reserve	Total
Levies	112,761	209,657	529,379	851,797
Interest received - investments	-	-	52,321	52,321
Other income	-	-	77	77
Administration expenses	(91,154)	-	-	(91,154)
Employer grants and projects expenses	-	(97,071)	(844,099)	(941,170)
	21,607	112,586	(262,322)	(128,129)

Prior year -2024

	Administration Reserve	Mandatory Reserve	Discretionary Reserve	Total
Levies	102,107	191,365	481,939	775,411
Interest received - investments	-	-	73,795	73,795
Other income	-	-	16	16
Administration expenses	(80,353)	-	-	(80,353)
Employer grants and projects expenses	-	(100,480)	(853,289)	(953,769)
	21,754	90,885	(297,539)	(184,900)

14. Investment income

Interest revenue		
Reserve Bank (CPD Account)	49,075	68,339
FNB current account	3,246	5,456
	52,321	73,795

15. Levies

Levy transfer: Employer grants	209,657	191,365
Levy transfer: Discretionary grants	524,222	477,039
Levy transfer: Administration	112,761	102,107
Levy penalties and interest	5,157	4,900
	851,797	775,411

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

16. Employee related costs

Figures in Rand thousand	2025	2024
Basic salaries	33,546	29,963
Medical aid - company contributions	2,156	1,781
UIF	127	119
Workmens compensation	64	75
SDL	439	383
Leave pay accrual	156	46
Group life benefits	912	845
Post-employment benefits: Defined contribution plans***	3,828	3,648
Performance bonus - current year provision	6,476	4,954
Leave paid-out	226	299
	47,930	42,113

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

17. Consulting and professional fees

Consulting fees	754	829
Service provider fees	7,657	5,010
	8,411	5,839

18. Employer grant and project expenses

Mandatory grants	97,071	100,480
Discretionary grants	85,475	149,031
Project expenditure	758,624	704,258
	941,170	953,769

Amount of R18 463 000 (2024: R13 981 000) relating to the employee cost has been included under project expenditure as this costs relate to activities directly attributable to project expenditure.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

19. Other administration expenses

Figures in Rand thousand	2025	2024
Advertising and stakeholders engagement costs	878	460
Bank charges	69	69
Catering and refreshments	146	155
Committee costs and related costs	751	803
Donations-CSI and B-BBEE initiatives	250	399
Education and Training Quality Assurance (ETQA)	386	123
Insurance	1,127	818
IT expenses	1,126	1,096
Legal fees	1,058	2,141
Motor vehicle expenses	150	86
Other administrative expenses	401	1,215
Staff uniform	181	114
Postage and courier	6	3
Printing and stationery	339	206
Quality Council for Trades and Occupations (QCTO)	5,196	4,551
Repairs and maintenance	115	123
Research expenditure	863	1,841
Remuneration to members of the Accounting Authority	3,571	2,997
Staff welfare	1	2
Subscriptions and membership fees	193	173
Telephone	936	1,055
Training	3,055	2,134
Travel and accommodation	329	272
Water and electricity	882	595
	22,009	21,431

20. Cash used in operations

Deficit	(128,129)	(184,900)
Adjustments for:		
Depreciation and amortisation	2,449	3,475
Profit on disposal of assets	(7)	(6)
(Gain) loss on foreign exchange	(70)	148
Impairment of receivables	198	118
Movements in operating lease liability	(20)	(136)
Movements in provisions	12,048	24,762
Changes in working capital:		
Inventories	(19)	-
Receivables from exchange transactions	(7)	(83)
Receivables from non-exchange transactions	(4,492)	(90)
Payables from exchange transactions	(132)	(107)
Payables from non-exchange transactions	18,446	(94,510)
	(99,735)	(251,329)

Finance and Accounting Services Sector Education and Training Authority

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Notes to the Audited Annual Financial Statements

21. Commitments

Figures in Rand thousand	2025	2024
Admin commitments		
Office rental	3,399	4,416
Professional services fees	2,259	-
Service provider fees	679	1,853
Call centre solution	16	89
Car tracker	-	3
Assessment tools	43	53
Employee wellness	165	18
Promotional items	75	-
Multi-function printing services	352	482
Staff uniform	324	-
Infrastructure and connectivity	201	975
Audit services	246	1,680
Legal services	1,115	-
Travel agency	2,482	2,825
Fraud hotline services	128	13
Certificate printing	37	88
Telephones	515	-
	12,036	12,495

Discretionary projects

Bursary, Academic support 2024/2025

Cape Peninsula University of Technology (CPUT)	-	10,000
Nelson Mandela University (NMU)	-	10,000
University of Witwatersrand (WITS) (2024)	-	5,000
North-West University (NWU)	-	10,000
University of KwaZulu-Natal	-	20,000
Cape Peninsula University of Technology (CPUT)	-	750
Tshwane University of Technology	-	700
North-West University (NWU) (School of Accounting Science)	-	402
Nelson Mandela University (NMU)	-	750
North-West University	-	3,000
Sol Plaatjie University	714	1,250
Walter Sisulu University Academic support	1,734	3,000
African Woman Chartered Accountants (AWCA)	-	5,000
University of Fort Hare	-	4,500
University of Free State	-	5,250
University of Johannesburg	-	2,250
University of South Africa (UNISA)	-	3,000
University of Witwatersrand (WITS) (2024)	-	750
University Learner Bursary 2024 (entered)	-	11,900
TVET College Learner Bursary 2024	-	7,200
TVET Lecturer Bursary 2024	-	651
University Learner Bursary 2024 (continuation)	-	27,900
University Learner Bursary 2025 (entered)	3,600	-
University of Fort Hare	4,500	-
University of Free State	2,946	-
University Learner Bursary 2025 (continuing)	22,700	-
University of free state	4,500	-
Employed Bursary 2025	1,858	-
University of Venda (UNIVEN)	3,000	-
Walter Sisulu University Academic support	1,500	-

Finance and Accounting Services Sector Education and Training Authority

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Notes to the Audited Annual Financial Statements

21. Commitments (continued)

Figures in Rand thousand	2025	2024
AGSA Bursary	3,011	-
University of Western Cape	3,840	-
AGSA Academic Support	750	-
University of Limpopo	3,000	-
North-West University	3,000	-
Nelson Mandela University (NMU)	1,500	-
Cape Peninsula University of Technology	750	-
TVET Lecturer Bursary continuing	3,359	-
	66,262	133,253
Professional Body Programme 2024/2025		
The Association of Certified Fraud Examiners SA Chapter (ACFE)	-	375
The Anti Fraud Risk Investigations and Compliance Academy (AFRICATA)	-	375
The Chartered Institute of Management Accountants (CIMA)	-	1,125
The Southern African Institute of Government Auditors (SAIGA)	-	605
The Tax Faculty NPC	256	625
The Chartered Institute of Business Accountants (CIBA)'s U ² Pro Acceleration Programme – Chartered Financial Administrator	-	1,240
Auditor General of South Africa (AGSA)	971	-
Institute of Internal Auditors South Africa (IIA SA)	600	-
	1,827	4,345
Public Sector Grant 2024/2025		
Gauteng Province Treasury	1,990	-
Lifelong Learning Programme		
The South Africa Institute of Financial Markets (SAIFM)	505	-
The Institute of internal Auditors (IIA)	718	-
The Association of Fraud Examiners (ACFE)	500	-
The South Africa Institute of Taxation (SAIT)	547	-
The Institute of Risk Management of South Africa (IRMSA)	500	-
The Chartered Institute of Management Accounting (CIMA)	566	-
	3,336	-
Maths, Accounting and English Programme 2024/2025		
Thandulwazi	-	1,184
Kutlwanoeng Centre for Maths, Science and Technology	-	3,990
ST Johns	-	606
Mamone Science Centre	42	1,387
	42	7,167
Discretionary Special Projects, Learnerships and Internships 2024/2025		
TVET WBE Programme	74,914	81,407
TVET Placement	16,331	6,551
Youth Employment Services (YES) - Higher Education Training - (HET) Work Programme	98,513	51,074
Youth Employment Services (YES) - National Senior Certificate - (NSC) Work Programme	18,459	13,029
FOODBEV SETA	5,776	23,480
DBSA	9,627	10,000
SALGA	9,405	14,250
Blind SA	1,620	5,763
SANACO	6,930	-
Higher Education and Training Health Wellness	720	-

Finance and Accounting Services Sector Education and Training Authority

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Notes to the Audited Annual Financial Statements

21. Commitments (continued)

Figures in Rand thousand	2025	2024
Tsogo Tlhago Trading	8,400	-
National Youth Development Agency (NYDA)	5,600	-
ADAMO	7,014	-
National Corporative Association of South Africa (NCASA)	7,700	-
Workers College	1,435	-
Family Tree	706	-
	273,150	205,554
CET Programme 2024/2025		
KZN CET	-	1,000
Western Cape CET	-	1,000
Limpopo CET College	1,000	-
	1,000	2,000
2023/2024 Digital Skills Programme - to be implemented 2024/2025		
Aguila Gigante Holdings	-	100
Public Sector Accountant & Audit Academy (PSAAA)	-	1,000
Astute Training Inc	-	2,762
The Graduate Institute of South Africa (Pty) Ltd.	-	3,000
National Enterprise Development organisation (NEDO)	-	350
Kebopelo Barona Community Project	-	200
Masithuthuke Holding (Pty) Ltd .	-	1,000
VSP Training Academy NPO	-	495
Kaelo Computer training	-	100
Tshwane South TVET College	10,800	-
Royal Knowledge academy	420	-
	11,220	9,007
Employed Skills Programme Grant 2024/2025		
Harmony IT & banking solutions	-	100
Reliance Auditors and Consulting	-	100
Chartered Institute for Business Accountants NPC (CIBA)	-	759
The Association of Certified Chartered Accountants (ACCA)	-	3,000
Institute of Commercial Forensic Practitioner (ICFP)	700	-
Chartered Institute for Business Accountants NPC(CIBA) new	1,500	-
South African Revenue Services	1,590	-
Thabi Consulting CC	83	-
The Association of Certified Chartered Accountants (ACCA) New	713	-
	4,586	3,959
Bursary, Academic support 2023/2024		
University of South Africa	-	892
University of Venda	-	3,000
University of Rhodes	-	1,380
Employed Bursary Programme	-	1,356
University of South Africa Learner Bursary 2024	-	4,277
Thuthuka upliftment (TEUF)	-	5,000
University of Limpopo	-	3,000
	-	18,905
Female Leadership Programme		
IWFSA	51,701	101,526

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

21. Commitments (continued)

Figures in Rand thousand	2025	2024
Wits	13,214	36,038
African Women Chartered Accountants' Forum (NPO) (AWCA)	-	1,810
	64,915	139,374
Professional Body Programme		
SAIT	-	524
SAIPA	-	3,626
	-	4,150
Public Sector Grant 2023/2024		
North-West Provincial Treasury	2,236	3,358
Eastern Cape Provincial Treasury	1,870	3,025
Limpopo Provincial Treasury	460	1,445
Office of the Premier Free State	3,565	6,000
Mpumalanga Provincial Treasury	3,380	6,000
CSIR	467	617
SITA	18,222	31,007
Northern Cape Provincial Treasury Internship	15,335	4,750
Northern Cape Office of the Premier	2,100	2,100
	47,635	58,302
Discretionary Special Projects, Learnerships and Internships 2023/24		
Graca Machel Trust	12,976	14,844
TVET WBE Programme-2023/2024	2,352	50,794
TVET Placement 2023/2024	-	1,819
SAPCO	-	11,964
IRBA	-	864
South African National Association Tertiary Cooperative Ltd. (SANACO)	-	516
Tsogo-Tlhago Trading Enterprise Ltd.	-	1,160
Family Tree Holding	-	3,941
Sekhukhune TVET College	-	1,208
Workers College South Africa (Trade Union support)	228	1,095
Ben Van AS & Association	-	303
VEXOSAT	-	708
ADAMO Holdings	-	465
National Corporative Association of South Africa (NCASA)	-	1,708
University of KwaZulu-Natal	-	4,760
Youth Employment Services (YES) HET Work Programme	2,271	19,572
Youth Employment Services (YES) NSC Work Programme	-	1,539
	17,827	117,260
Digital Skills Programme 2023/24		
Astute Training Incorporated	719	5,651
MMC Business Solutions	1,833	2,743
Royal Knowledge Academy	-	130
	2,552	8,524
Bursary, academic support and special projects 2022/2023		
The South African Actuaries Development Programme (SAADP)	8,021	10,570
Injeje Consulting & Training (Pty) Ltd.	-	14,937
South African Institute of Chartered Accountants (SAICA - MOU)	31,899	44,983
Fumi & Mixo	-	20,788
St John College - Mthatha	-	1,314
	39,920	92,592

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

21. Commitments (continued)

Figures in Rand thousand	2025	2024
2021/2022 discretionary special projects, learnerships and internships to be implemented in 2022/2023		
TVET WBE Programme 2022/2023	-	1,238
Non-government organisation	46,746	43,189
	46,746	44,427
	-	
Grand total	583,010	848,818

An amount of R583 010 000 (2024: R848 818 000) was committed out of the total R465 188 000 (2024: R591 669 000) discretionary reserves. The percentage committed as at 31 March 2025 is 125%. A request for utilisation of the accumulated discretionary surplus will be sent to NT for approval.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

22. Related parties

Relationships

Controlled entities under common control

By virtue of the fact that FASSET is a National Public Entity controlled by the DHET, It is considered related to other seta's, the QCTO and the NSF, public Universities, CET colleges and TVET colleges. The transactions are consistent with the normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such. This will include and transactions that may occur during the period under review recognised in the statement of financial performance, and balance outstanding at the reporting period recorded in the statement of financial position as well as any committed balance at reporting date. At reporting date committed amounts related to Public Universities, CET colleges, SETAs, and TVET colleges included in the notes to the financial statements amount to R54 192 000, R1 000 000, R5 776 000 and R26 390 000, respectively. (2024: R138 102 000, R2 000 000, R23 480 000 and R31 082 000) Balances included in the statement of financial position relating the public Universities, TVET, SETAs and CET colleges amount to R0, R0, R505 000 and R0 respectively, (2024: R354 000, R0 and R0) at the reporting date.

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

Basamandla Consulting (HB Mathibela) amount included in commitment R1 030 000 (2024: R163 000)
LEDA (M Mushwana) amount included in commitment R425 000 (2024: R361 000)
NEDO (N Nyathela-Mahanjana) amount included in commitment R0 (2024: R350 000)

Members of Accounting Authority

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

22. Related parties (continued)

Figures in Rand thousand	2025	2024
Members of key Management		
	A. Mafuleka (CEO)	
	Z. Alli (CFO)	
	NM. Mithombeni (DCS)	
	M. Siziba (CIO)	
	M. Thebethe (COSEC)	
Related party balances		
Amounts included in receivable from non-exchange transaction regarding related parties		
Services SETA	501	-
MICT SETA	4	4
Amounts relates to the inter-SETA transfer receivables to FASSET.		
Transactions with SETAs and other entities under common control		
QCTO	5,196	4,551

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

23. Remuneration of Executive Management and Members of Accounting Authority

Figures in Rand thousand					2025	2024
Remuneration of Executive management						
2025						
	Basic	Allowance	Employee related benefits	Leave payout	Bonus	Total
Ayanda Mafuleka - Chief Executive Officer	2,029	524	321	-	534	3,408
Zakariya Alli - Chief Financial Officer	1,559	54	234	-	375	2,222
Nokulunga Mthombeni - Director - Corporate Services	1,389	54	208	-	313	1,964
Makabongwe Siziba - Chief Information Officer	1,365	211	205	-	-	1,781
Mapula Thebethe - Company Secretary (Resigned May 2024)	208	8	31	118	-	365
	6,550	851	999	118	1,222	9,740
2024						
	Basic	Allowance	Employee related benefits		Bonus	Total
Ayanda Mafuleka - Chief Executive Officer	1,791	501	301		424	3,017
Zakariya Alli - Chief Financial Officer	1,500	48	224		290	2,062
Nokulunga Mthombeni - Corporate Services Executive	1,250	48	187		239	1,724
Makabongwe Siziba - Chief Information Officer (Appointed December 2023)	437	16	66		-	519
Mapula Thebethe - Company Secretary	1,250	48	187		-	1,485
	6,228	661	965		953	8,807
Remuneration - Members of the Accounting Authority (excludes travel)						
2025						
R.I. Singo					196	137
J. Maboa					142	142
X. Lingani					107	107
N. Mapiloko					293	267
P. Khumalo					222	177
T. Masemola					412	323
M. Magasa					-	18
H.B. Mathibela (Acting Chairperson)					590	566
M. Metuse					422	221
M.F. Mushwana					324	278
P. Ngwenya					196	142
N.E. Nyathela-Mahanjana					196	169
T.C. Phatlane					293	263
M.P. Nhlapo					178	196
					3,571	3,006

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

23. Remuneration of Executive Management and Members of Accounting Authority (continued)

Figures in Rand thousand	2025	2024
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The Accounting Authority consists of members appointed in terms of the FASSET's Constitution. Remuneration is paid to members or to their nominating organisations. FASSET has remunerated members of the Accounting Authority for attending board and sub-committee meetings as disclosed above. The transactions above occurred under terms that were no more favourable than those available in similar arm's length dealings.

24. Financial Instruments

Liquidity risk

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

2025	Carrying amount	6 months or less
Payables from exchange transactions	(151)	(151)
Project creditors	(8,001)	(8,001)
Project accruals	(10,199)	(10,199)
	(18,351)	(18,351)
2024	Carrying amount	6 months or less
Payables from exchange transactions	(3,432)	(3,432)
Project accruals	(3,204)	(3,204)
Project creditors	(671)	(671)
	(7,307)	(7,307)

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

24. Financial Instruments (continued)

Credit risk

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

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

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

2025	Carrying amount	6 months or less
Receivables from exchange transactions	91	91
Prepayment - projects	7,561	7,561
Project receivables	2,338	2,338
	9,990	9,990

	Gross	Impairment	Carrying amount
Cash and cash equivalents	645,553	-	645,553

2024	Carrying amount	6 months or less
Receivable from exchange transactions	84	84
Prepayment - projects	5,693	5,693
	5,777	5,777

	Gross	Impairment	Carrying amount
Cash and cash equivalents	746,357	-	746,357

Market risk

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

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

24. Financial Instruments (continued)

Interest rate risk

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

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

2025	Floating rate	Non-interest bearing	Total
Cash	645,553	-	645,553
Receivables from exchange transactions	-	72	72
Prepayment - projects	-	7,561	7,561
Projects receivables	-	2,338	2,338
Payables from exchange transactions	-	(151)	(151)
Project creditors	-	(8,001)	(8,001)
Project accruals	-	(10,199)	(10,199)
	645,553	(8,380)	637,173

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

25. Budget differences

Notes to Statement of Comparison of Budget and Actual amounts

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

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

Note 25.1 Employees and related cost

Employees and related costs were 11% below budget in the year due to vacant posts not filled.

Note 25.2 Consulting and professional fees

Consulting and professional fees are 37% higher than expected due to implementation of ICT projects.

Note 25.3 External audit fees

External audit fees were 33% higher than budget due to late starting of external audit in the previous year.

Note 25.4 Employer grants and projects costs

Employer grants and project costs were 31% lower than budget due to slow implementation of DG projects.

Note 25.5 Other administrative costs

Other administrative costs were 76% lower than budget due mainly due to late procurement of new office space.

Note 25.6 Internal audit costs

Internal audit costs were 62% higher than budget due mainly to additional ad hoc assignments that have been conducted during the year under review.

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

26. Contingencies

Discretionary projects

First time employer registrations

The Skills Development Legislation allows an employer, registering for the first time, 6 months to submit an application for a mandatory grant. At the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R539 000 (2024: R680 000) will be payable. The amount is contingent on the number of submissions received and approved.

Legal case 1

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

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

The minister has issued draft SETA Grant Regulations for comment, where mandatory grant was maintained at 20%. To date no further communication has been received regarding gazetting of these regulations. The DHET continues to split the mandatory grant levy income portion at 20% in the levy download information. Consequently, the SETA continued to pay and accrue mandatory grants at 20% in the 2023/2024 financial year which is aligned to the approved annual performance plan. The mandatory grant expenditure in note 7 as well as the mandatory grant liability in note 16 were calculated at a rate of 20%.

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

Legal case 2

A claim has been submitted in favour of FASSET to the value of R1 956 656.65 on the deceased estate of the deceased sole director of Trend Setters Consultants (Pty) Ltd. and Afro-Ban Thai Massage (Pty) Ltd. who had projects with FASSET. The amounts claimed were for monies that had not yet been transferred to universities for learner study fees at the time of death of the director when operation ceased to continue. The outcome is currently uncertain.

Legal case 3

FASSET has instituted legal proceedings against a service provider to compel the service provider to furnish verifiable evidence of service delivery and expenditure aligned to the approved project deliverables. Should the provider fail to comply, FASSET will proceed with legal recovery of the funds not utilised for their intended purpose of an amount of R11 080 000. The timing and likelihood of recovery remain uncertain and are subject to the outcome of the legal and arbitration processes currently underway.

Legal case 4

Verification of learner stipend payments by service providers amounting to R487 136 has not been confirmed through project monitoring. FASSET has instituted a legal process for the affected providers to provide evidence for the service delivery, failing which FASSET will use the legal process to claim back funds not spent on the stated project deliverables. The timing and possibility of the claims are uncertain, as it depends on the arbitration process.

Surplus Funds

Finance and Accounting Services Sector Education and Training Authority

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Notes to the Audited Annual Financial Statements

26. Contingencies (continued)

Figures in Rand thousand	2025	2024
Retention of cash		
In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. During May 2017, National Treasury Issued Instruction No.12 of 2020/21 which gave a revised definition of a surplus. According to this instruction, a surplus is based on cash and cash equivalents, plus receivables, less current liabilities at the end of the reporting period.		
Application to retain accumulated surplus as at year-end.		
The FASSET will be applying for the retention of its accumulated surplus at the financial year ending 31 March 2024 in terms of section 53(3) of the PFMA from National Treasury during the second quarter of the 2024/2025 financial year. The accumulated surplus as at year-end is therefore disclosed as a contingent liability until approval has been obtained. On 30 November 2017, the DHET issued Skills Development Circular No. 15/2017 which requires SETAs to continue to apply for the retention of surpluses in terms of section 53(3) of the PFMA and should observe National Treasury Instruction No.12 of 2020/21.		
As of 31 March 2025, the surplus for the period is as follows:		
Cash and cash equivalents at the end of the year	645,553	746,357
Add: Receivables	10,563	6,064
Less: Current liabilities	(190,604)	(160,133)
Accumulated surplus	465,512	592,288

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

Committed Amount		
Amount per surplus calculation above	465,512	592,288
Administration commitments	(12,036)	(12,495)
Projects commitments	(583,010)	(848,818)
Accumulated surplus net off commitments	(129,534)	(269,025)

27. Operating lease

The operating lease relates to the rental of office space in which the entity operates. FASSET entered into a lease agreement on 01 August 2018 until 31 July 2023 and it was extended to 31 December 2025. The monthly rental escalates annually by 7.5% on the anniversary of the start date. Future minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	3,398	4,231
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Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

28. Irregular, fruitless and wasteful expenditure

Figures in Rand thousand	2025	2024
Fruitless and wasteful expenditure *	31	489
Less: Amount written off - current	-	(4)
Less: Amount written off - prior period	-	(6)
Financial losses through criminal conduct	-	660
Total	31	1,139

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

* Incident description 2024/2025.

An investigation into project expenditure has been conducted. R31 947.85 was identified as a fruitless expenditure as it could not be supported against the invoice paid to the service provider. Further determination will be performed in order to confirm the nature and amount as reported in the investigation.

29. Events after the reporting date

The term of the Accounting Authority ended on 31 March 2025. The Minister of Higher Education and Training has appointed the CEO to assume the duties of the Accounting Authority for a three-month period or until the Accounting Authority is appointed.

30. Prior period error

30.1 Trade payables

Trade payables were incorrectly overstated by R3 288 000 in prior period March 2023. This relates to the migration from Microsoft dynamics 2012 AX to Microsoft dynamics 365 where some of the vendors transactions were wrongly migrated. The opening accumulated surplus of 01 April 2022 has been restated.

30.2 Employer grant and project expenses

Employer grant and project expenses were incorrectly understated by R12 128 000 in prior period March 2024, this mainly relate to projects expenses of R12 237 000 which was not recorded in 2024 financial year.

30.3 Other administrative expenses

Recruitment cost of R90 000 was previous classified as part of employee related cost in 2024.

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

Statement of financial position

2023			
	As previously reported	Correction of error	Restated
Payable from non-exchange transactions	122,893	(3,288)	119,605
2024			
	As previously reported	Correction of error	Restated
Provision 1	119,273	12,195	131,468
Payables from non-exchange transactions	25,322	(109)	25,213
Net assets	611,596	(12,086)	599,510

Finance and Accounting Services Sector Education and Training Authority

Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

30. Prior period error (continued)

Figures in Rand thousand	2025	2024	
Statement of financial performance			
2024	As previously reported	Correction of error	Restated
Employee related costs	42,203	(90)	42,113
Employer grant and project expenses	941,640	12,129	953,769
Other administration expenses	21,341	90	21,431
Total expenditure	1,021,993	12,129	1,034,122
Surplus for the year	172,771	12,129	184,900
Project commitments			
Project commitment was overstated by R 1 200 000 in 2024 financial year, 2024 figures were restated as below:			
Project commitment	As previously reported	Correction of error	Restated
DIGITAL SKILL PROGRAMME_2023/2024		-	
Royal Knowledge Academy	1,000	(870)	130
Astute Training Incorporated	6,339	(688)	5,651
Discretionary Special projects, Learnerships and Internships 2023/2024		-	
TVET Placement 2023/24	1,080	738	1,818
Youth Employment Services (YES) HET Work Programme	12,853	6,718	19,571
TVET WBE Programme 2023/24	50,425	369	50,794
Youth Employment Services (YES) NSC Work Programme	1,029	510	1,539
Bursary, Academic Support 2023/2024		-	
University of South Africa Learner Bursary 2024	-	4,277	4,277
Bursary, Academic Support 2024/2025			
University of Witwatersrand (WITS) (2024)	5,000	(4,250)	750
University Learner Bursary 2024 (Entered)	11,800	100	11,900
FEMALE LEADERSHIP PROGRAMME		-	
IWFSA	112,942	(11,416)	101,526
WITS	36,968	(930)	36,038
PROFESSIONAL BODY PROGRAMME		-	
SAIT	-	524	524
Discretionary Special projects, Learnerships and Internships 2024/2025		-	
Youth Employment Services (YES) HET Work Programme	51,619	(545)	51,074
Public Sector Grant 2023/24 -		-	
Northern Cape Provincial Treasury	5,500	(750)	4,750
Bursary,Academic support and special projects 2022/2023		-	
Injeje Consulting & Training (Pty) Ltd.	13,897	1,040	14,937
2021/2022 Discretionary special projects, Learnerships and Internships to be implemented 2022/2023		-	
Non-government Organisation	39,215	3,973	43,188
	349,677	(1,200)	348,477

Reconciliation of Irregular and Fruitless Expenditure as at 31 March 2025

Description	31 March 2025	31 March 2024
Opening Balance	-	2 364 272,24
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	2 364 272,24
Closed Balance	-	-

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

Reconciling notes to the annual financial statements	31 March 2025	31 March 2024
Irregular expenditure for the current financial year	-	2 364 272,24
<i>Irregular expenditure to the value of R 2 364 272,24 has been written-off by the Accounting Authority and removed in the 2023/2024 financial period</i>		

Reconciliation of fruitless and wasteful expenditure as at 31 March 2025

Description	31 March 2025	31 March 2024
Opening Balance	485 415,45	6 128,26
Add: Fruitless and wasteful expenditure confirmed	* 31 947,85	489 590,97
Less: Fruitless and wasteful expenditure written off	-	10 303,78
Closing Balance	* 517 363,30	485 415,45

Incident description 2024/2025

* Internal Audit through the ARC unit has been requested to conduct an assessment and determination to confirm the amounts as reported in the investigation.

An investigation into project expenditure has been conducted. R 31 947,85 was identified as a fruitless expenditure as it could not be supported against the invoice paid to the service provider.

Reconciling notes to the annual financial statement

Description	31 March 2025	31 March 2024
Fruitless and wasteful expenditure for the current financial year	* 31 947,85	489 590,97
* Internal Audit through the ARC unit has been requested to conduct an assessment and determination to confirm the amounts as reported in the investigation.		

Details of the current and previous year fruitless expenditure written off

Description	31 March 2025	31 March 2024
Fruitless and wasteful expenditure for the current year	-	10 303,78

Details of material losses through criminal conduct as at 31 March 2025

Description	31 March 2025	31 March 2024
Opening Balance	660 000,00	-
Add: Other Material losses	-	660 000,00
Less: Reduction due to further investigation	424 477	-
Closing balance	* 235 523	660 000,00

* A second investigation has been initiated by the Accounting Authority, and the result of the investigation has reduced the amount to R 235 523,00; disciplinary processes have been followed.

Notes

Notes



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Make the future count

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