

FASSET SECTOR SKILLS PLAN 2021/22 UPDATE

August 2020



F A S S E T

FOREWORD

As we face this pandemic which is having such significant consequences for not only the health of the populace, but also the economy of nations across the world, this annual Sector Skills Plan (SSP) update provides essential knowledge for the SETA Board to make decisions concerning the allocation of funding and interventions needed to meet both sectoral and national priorities.

This SSP update identifies skills priority areas both immediate and in the medium term, by investigating the economic and labour market performance of the sector and the extent of skills mismatches within it, thus allowing the identification of the scarce skills required which are presented in the Sectoral Priority Occupations and Interventions (SPO) list, which was previously called the PIVOTAL list.

The allocation of funding for interventions required to address the SPO skills list has been decided by the FASSET Board during its engagements in quarter 2 of 2020. This includes discretionary grants and projects that will be utilised to address scarce and SPO skills.

FASSET has in its five- year SSP (2020-2025) identified the following four strategic focus priorities for which relevant projects are to be implemented:

- The need for a long-term and holistic view of the skills pipeline;
- Ensuring that new entrants to the sector reach professional status in the sector;
- Strengthening the capacity of the Technical Vocational Education and Training (TVET) colleges and improving the absorption of TVET learners in the labour market; and
- Supporting population group transformation of the sector.


The above four priority areas link intrinsically to the FASSET strategic impact statement:

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

This SSP annual update will be of value to stakeholders such as employers, professional institutes, learners and education and training institutions in the sector, in that it identifies the latest skills required for the sector and can guide planning and implementation.

I am confident that FASSET will continue to conduct valuable research relevant to skills development in the sector, allowing for the implementation of appropriate interventions to meet the scarce skills, and education and training demands of the sector as we navigate these new challenges presented to us.

Thanking you,



Ms. Lynette Ntuli

FASSET Chairperson

ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
AAT (SA)	Association of Accounting Technicians
ACCA	Association of Chartered Certified Accountants
ACFESA	Association of Certified Fraud Examiners South Africa
AGSA	Auditor General of South Africa
ATR	Annual Training Report
B-BBEE	Broad-Based Black Economic Empowerment
CA(SA)	Chartered Accountant (South Africa)
CESM	Classification of Educational Subject Matter
CFE	Certified Fraud Examiner
CIMA	Chartered Institute of Management Accountants
CPD	Continuous Professional Development
CSS	Customer Satisfaction Survey
CSSA	Chartered Secretaries Southern Africa
CTA	Certificate in the Theory of Accounting
DHET	Department of Higher Education and Training
DPSA	Department of Public Service and Administration
EEA	Employment Equity Act No. 55 of 1998
EMIS	Education Management Information System
ETQA	Education and Training Quality Assurance Body
FAS	Finance and Accounting Services
FASSET	Finance and Accounting Services Sector Education and Training Authority
FET	Further Education and Training
FETMIS	Further Education and Training Management Information System
FSB	Financial Services Board
FSCA	Financial Services Conduct Authority
GDP	Gross Domestic Product
HEI	Higher Education Institution
HEMIS	Higher Education Management Information System
HET	Higher Education and Training
IACSA	Institute of Accounting and Commerce
ICB	Institute of Certified Bookkeepers
ICBA	Institute of Certified Bookkeepers and Accountants
ICM	Institute of Credit Management
IDC	Industrial Development Corporation
IIASA	Institute of Internal Auditors of South Africa
IMFO	Institute of Municipal Finance Officers
IRBA	Independent Regulatory Board for Auditors
MoU	Memorandum of Understanding
NATED	National Accredited Technical Education Diploma
NCV	National Certificate (Vocational)
NDP	National Development Plan
NLRG	National Student Financial Aid Scheme Loan Repayment Grant
NQF	National Qualifications Framework
NSA	National Skills Authority
NSC	National Senior Certificate
NSDP	National Skills Development Plan
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
OFO	Organising Framework for Occupations
OHF	Organisational Huge File

PAO	Professional Accountancy Organizations
PFMA	Public Finance Management Act
PIVOTAL	Professional Vocational Technical and Academic
PSET	Post School Education and Training
QAP	Quality Assurance Partner
QCTO	Quality Council for Trades and Occupations
RA	Registered Auditor
SAIBA	Southern African Institute for Business Accountants
SAICA	South African Institute of Chartered Accountants
SAIGA	Southern African Institute of Government Auditors
SAIPA	South African Institute of Professional Accountants
SAIT	South African Institute of Tax Professionals
SARB	South African Reserve Bank
SARS	South African Revenue Service
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SMMEs	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
StatsSA	Statistics South Africa
TVET	Technical and Vocational Education and Training
VAT	Value Added Tax
WIL	Work Integrated Learning
WSP	Workplace Skills Plan

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EXECUTIVE SUMMARY

The SSP is a coherent framework for sector analysis and interpretation to enable credible skills planning for the financial and accounting services sector. In working towards the 2021/22 update, the SSP report was guided by the Department of Higher Education and Training's SSP guidelines and requirements framework. The Finance and Accounting Services Sector Education and Training Authority (FASSET) has been promulgated as a Sector Education and Training Authority (SETA) for the Finance and Accounting (FAS) sector and is made up of 17 Standard Industrial Classification (SIC) codes. Most of these categories fall within the main group "Finance, Real Estate and Business Services". In the 2019/20 financial year, out of 32 951 identified employers in the sector, an average of 8 426 (26%) organisations paid the Skills Development Levy (SDL) to FASSET. Most organisations in the sector are SMME entities, which are not required to pay the SDL.

In 2019, the Finance, Real Estate, and Business services sector achieved a growth rate of 2.3% (compared to 1.8% achieved in 2018) and contributed 0.6 of a percentage point to the Gross Domestic Product (GDP) (0.4% in 2018). The sub-sectors recorded to have performed well include financial intermediation, auxiliary activities, real estate activities and business services. Most organisations in the Finance and Accounting Services (FAS) sector are small sized companies employing fewer than 50 people. The largest percentage (35%) of organisations belong to the sub-sector Accounting, Bookkeeping, Auditing and Tax Services.

While global growth was forecasted to increase to 3.3% from 2.9% in 2019, the global outbreak of the Coronavirus (COVID-19) has severely impacted this outlook. Global growth prospects are now turning downward, and another financial recession is expected. The global outbreak of the Coronavirus (COVID-19) pandemic has overshadowed a lot of the economic activity in South Africa since March 2020. The economic impact of the pandemic is troublesome for the South African economy as it was already in a weak state before the outbreak.

At the end of the 2019 calendar year, the South African economy faced serious challenges due to, among others, power outages through load shedding; structural obstacles; increased demand on public expenditure; and failing state-owned enterprises (SOEs). Only three sectors, Mining (1.8%), Personal Services (0.7%), and the Finance, Real Estate, and Business Services (2.7%), showed positive growth in Q4 of 2019. In 2020, the current global health pandemic will further amplify unfavourable domestic growth, trade, business confidence and investment. Rating agencies predict the economy will contract by 4.5% in 2020, and per capita GDP will shrink for the sixth consecutive year, according to the South African Reserve Bank. Lack of economic growth impacts on sectoral performance, growth and opportunities for employment. The additional health crisis will show its true impact in the financial quarters to follow. Economists are expecting major contractions with continuing negative growth rates for most of the year. The high levels of unemployment are already increasing further.

The financial services sector, although not as directly impacted as manufacturing, education, tourism, hospitality and consumer services industries, will be affected by long-term knock-on effects due to economic downturn, government decision-making and loss of consumerism. According to initial reports on the pandemic's influence on the economy, in terms of income components of GDP at factor cost, financial and insurance services are experiencing a mild economic decline; real estate, legal and accounting services are experiencing a moderate decline; while 'other business services' are experiencing a large decline (Arndt et al., 2020).

Chapter 1 reflects the key statistics with respect to business impact as a result of the pandemic and government enforced lockdown measures. Key statistics reveal that there will be higher unemployment rates in the economy; reduced workforces for many industries; and many small and medium sized businesses are less likely to survive, which means an overall reduced pool of businesses in the sector. Chapters 1-3 addresses concerns around recent developments.

According to estimates based on the Workplace Skills Plan and Annual Training Report (WSP/ATR) data submitted by employers in the sector, and as shown in Chapter 1, the current FAS workforce consists of approximately 165 053 employees. The Accounting, Bookkeeping, Auditing and Tax services sub-sector recorded the largest proportion of workers in the sector with 37%, followed by the Business and Management consulting services sub-sector with a share of 21% of employees. Demographically, the FAS workforce comprises 42% Black African, 12% Coloured, 9% Indian, and 35% White. The sector comprises a majority of 56% women. About 57% of workers are in the youth category (35 and younger).

Chapter 2 demonstrates that developments in information and communication technology have had and continue to have a profound impact on the work of professionals in the FAS sector and drives the need for information technology specialists in the sector. The advent of the Fourth Industrial Revolution (4IR) and the changes in the way of work brought on by the pandemic means that the new skills sets, productivity measures and infrastructure will become the norm in 2020 and beyond. This is true for the finance and accounting services (FAS) sector and all other industries in South Africa, as well as globally.

FASSET's skills planning continues to be influenced largely by national policies and strategies. Key among them, is the National Development Plan (NDP); the White Paper for Post-School Education and Training (WP-PSET); the National Skills Development Plan (NSDP); the Strategic Integrated Projects (SIPs); and the Employment Equity Act and Broad-Based Black Economic Empowerment (B-BBEE) legislation.

Moreover, the FAS sector is a highly regulated sector and changes in legislation and in the regulatory environment affect the skills needs in the sector. This is amplified by changes as a result of the pandemic, its economic implications, the advent of the 4IR and globalisation. In some instances, regulations will have to be relaxed to accommodate a changing working environment and education, learning and training system. In other instances, regulations and governance will become stricter as cyber security issues arise and risks increase in business operations and client interactions, which at the time of writing, is predominantly virtual and online.

The following skills issues will continue to be key to FASSET, however, the achievement of these skills issues will be affected due to the impact of COVID-19 on the economy and the skills planning landscape:

- The need to retain a long-term and holistic view of the skills pipeline and to address the key challenges that occur in the pipeline;
- Ensuring that, where necessary, new entrants reach professional status;
- Strengthening the capacity of the Technical Vocational Education and Training (TVET) colleges and improving the absorption of TVET learners in the labour market; and
- Supporting the transformation of the sector.

These skills issues, as highlighted in the FASSET's 2020 APP, provide the framework in which FASSET's performance is measured, and underscores which performance indicators are monitored and evaluated. The research and analysis in the 2021/22 SSP Update indicate that the demand of skills in the sector will drastically change in the short- to medium-term, particularly in terms of technology and 4IR facing occupations and skills. The supply of the required skills and occupations following the pandemic will likely be in shortfall, which will result in pressure on the labour force to upskill, re-skill and acquire entirely new skills sets to be employable. The skills development environment will need to adapt to the demands and changes that are imminent. Chapters 2, 3 and 6 explores these emerging demands and changes in-depth.

There are challenges that are persistent in the sector in terms of occupational shortages; mismatches in skills supply and demand; and related issues such as scarce skills and gaps. A key aspect is the skills fed into the sector at various points of education and training. This includes the number of learners who obtain the National Senior Certificate (NSC) with Maths and Accounting as subjects. Output from the TVET colleges is still relatively small and pass rates continue to be low. In recent years there has been a recorded increase in the number of graduates with National Qualifications Framework (NQF) Level 8 qualifications in Accounting – especially female graduates. Chapter 3 provides a summary of the challenges experienced at key points in the education and training pipeline.

FASSET attempts to address the full spectrum of the skills development pipeline to varying extents. Emphasis is placed on overcoming the challenges at every point in the skills formation pipeline. The three broad areas covered by the skills development priorities are:

- Increasing the flow of new finance and accounting entrants into employment;
- Developing and growing the skills required in the sector; and
- Facilitating transformation of the Finance and Accounting Services Sector.


Specific priorities and targets were set by FASSET for each of these broad priority areas, as described in the Strategic Plan, and outlined in Chapter 5 of this report.

Chapter 4 addresses FASSET's long-standing partnerships with professional bodies and higher education institutions. These partnerships have become a crucial component of the SETA's interventions in the skills pipeline. Individual projects are monitored throughout and FASSET adapts its criteria for funding from time to time in order to give preference to the most successful intervention types. Placement in further education programmes and in employment remains a very important criterion for all these projects.

Professional bodies also perform certain functions in terms of the promotion, administration and quality assurance of their own qualifications and learnerships. This arrangement has enabled FASSET to remain an effective organisation.

Ms. Ayanda Mafuleka
CEO

Signature:



Date: 28 August 2020

RESEARCH PROCESS AND METHODS

The SSP is a coherent framework for sector analysis and interpretation to enable credible skills planning for the financial and accounting services sector. In working towards the 2021/22 update, the SSP report was guided by the Department of Higher Education and Training's SSP guidelines and requirements framework. The intention is that the SSP is informed by evidence-based research, consultation with stakeholders, systematic analysis of sub-sector needs, and strategic engagement at the level of the Board.

The research that informs the FASSET SSP comprises quantitative and qualitative methodologies, consisting of document reviews, data analysis and stakeholder consultations. This section outlines how the research methods were applied to each chapter, including details around research tools, sampling, data sources and data analysis techniques.

The SSP Research Process

FASSET's SSP is aimed at providing a comprehensive and up-to-date picture of the skills situation in the Finance and Accounting Services Sector. The topics included in the research are prescribed in the SSP Guidelines issued by the DHET and include: a profile of the sector; key skills issues faced by the sector and the SETA; occupational shortages and skills gaps and partnerships of the SETA; and the monitoring and evaluation adopted by the SETA. The research culminates in the skills development priorities set by FASSET.

Qualitative and quantitative data used in the SSP development was sought systematically – mainly through the interrogation of research reports and through internet searches. Statistical information on the profile of the sector and on occupational shortages was obtained from the WSP/ATRs submitted to FASSET in May 2020. Some of the key secondary data sources interrogated for the purposes of this SSP update include:

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

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

Timeframe

The SSP research for the 2021/22 update was interrupted by the government-legislated lockdown measures as a result of the COVID-19 pandemic. The first draft submission date was postponed to mid-July.

Table 1: Research conducted in preparing FASSET's 2021/22 Update

Chapter	Nature of the study	Objectives of study	Data collection tool	Sample size and scope	List of data sources and datasets	Time frame
Chapter 1: Sector Profile	Quantitative Qualitative	<ul style="list-style-type: none"> - To provide an overview of the financial and accounting services (FAS) sector 	Desktop research and analysis	Total number of employers that submitted WSP/ATRs: 1 305	<ul style="list-style-type: none"> - Secondary literature - Statistics SA data - WSP/ATR submission data 	March-June 2020
Chapter 2: Key Skills Change Drivers	Qualitative	<ul style="list-style-type: none"> - To determine and validate key skills change drivers in the sector - To determine the implications of identified change drivers for skills planning in the sector 	Desktop research and analysis Virtual interviews and focus groups	A total of 7 sessions were held. A total of 35 sub-sector representatives participated, and an additional 7 skills development providers participated in the sessions	<ul style="list-style-type: none"> - Sub-sector representatives - Skills development providers (one group of representatives) 	April-June 2020
Chapter 3: Occupational Shortages and Skills Gaps	Quantitative Qualitative	<ul style="list-style-type: none"> - To identify and analyse the hard-to-fill vacancies and scarce skills in the sector - To determine the nature of supply and demand in the sector - To determine sectoral priority occupations and interventions (SPOI) 	Desktop research and analysis Virtual interviews and focus groups	Total number of employers that submitted WSP/ATRs: 1 305; A total of 35 sub-sector representatives and 7 skills development providers	<ul style="list-style-type: none"> - Secondary literature - WSP/ATR submission data - Sub-sector representatives and skills development providers - HEMIS and HETIS data - Secondary literature 	April-June 2020
Chapter 4: Sector Partnerships	Qualitative	<ul style="list-style-type: none"> - To identify and analyse FASSET partnerships - To assess effectiveness FASSET partnerships, identify challenges and areas of strengths 	Desktop research and analysis Virtual interviews and focus groups	A total of 8 sessions were held. A total of 35 sub-sector representatives participated, and an additional 7 skills development providers participated in the sessions. A total of 4 FASSET representatives participated in the session.	<ul style="list-style-type: none"> - Secondary literature - FASSET representatives 	May-June 2020

Chapter	Nature of the study	Objectives of study	Data collection tool	Sample size and scope	List of data sources and datasets	Time frame
Chapter 5: Monitoring and Evaluation	Qualitative	<ul style="list-style-type: none"> - To determine FASSET's M&E approach - To assess FASSET skills development programmes/priorities for the period under review 	Desktop research and analysis Virtual interviews and focus groups	A total of 4 SETA staff employers participated in an interview/focus group session	<ul style="list-style-type: none"> - FASSET staff representatives - Previous M&E reports - FASSET Annual Reports - Other FASSET supporting documents 	May-June 2020

Table 2 WSP/ATR submissions by employer size 2020 submissions

Enterprises	2020 Submissions
Large Employers (150+ employees)	105
Medium Employers (50 – 149 employees)	157
Small Employers (1 – 49 employees)	1 043
Total	1 305

Source: FASSET data system

CHAPTER 1: SECTOR PROFILE

1.1 INTRODUCTION

This chapter presents a broad overview of the Financial and Accounting Services (FAS) Sector. The chapter elaborates on the scope of coverage of the sector, key role players, economic performance and the profile of employers and employees. The labour market profile presented in this section provides insight on trends in employment in the FAS sector, employees' age, race and gender distribution and information on employees living with disabilities. The labour market profile also details the sub-sectors in which people work within the sector and how employment has changed over the past few years. The analysis in this chapter is informed by data extracted from various sources including Statistics South Africa, South African Revenue Services (SARS), FASSET data systems, and primary data gathered through stakeholder engagement.

1.2 SCOPE OF COVERAGE

The FAS sector in the context of the South African (SA) skills development landscape is defined by the demarcation of Standard Industrial Classification (SIC) codes to different Sector Education and Training Authorities (SETAs) by the Minister of Higher Education and Training (MHET). The Establishment of Sector Education and Training Authorities (SETAs) government notice R1055 in government gazette 33756 of 11 November 2010 allocated 17 SIC codes to the FAS sector. Except for organs of state falling under the sector, the rest of the SIC codes allocated to the sector fall within the broader 'Finance, Real Estate and Business Services' sector, as defined by Statistics South Africa. In order to facilitate engagement and service delivery, organisations belonging to the sector have been clustered into seven sub-sectors. The SIC codes and the sub-sectors to which each belongs are indicated in Table 3.

Table 3: SIC and Sub-sector Descriptions

SIC Code	SIC Description	Sub-sector
81904 88103	Investment Entities & Trusts Company Secretary Services	Investment Entities & Trusts & Company Secretary Services
83110 83120 83121 88102	Administration of Financial Markets Security-dealing Activities Stockbroking Asset Portfolio Management	Stockbroking & Financial Markets
83180	Development Corporations & Organisations	Development Organisations
88101 88120 88121 88122 88123	Tax Services Accounting, Bookkeeping & Auditing Activities Tax Consultancy Activities of Accountants & Auditors registered in terms of the Public Accountants & Auditors Act Activities of Cost & Management Accountants Bookkeeping Activities, including Relevant Data Processing & Tabulating Activities	Accounting, Bookkeeping, Auditing & Tax Services

SIC Code	SIC Description	Sub-sector
83190	Activities Auxiliary to Financial Intermediation	Activities Auxiliary to Financial Intermediation
88140	Business & Management Consulting Services	Business & Management Consulting Services
91108 9110E	South African Revenue Service (SARS) National Treasury Provincial Treasuries	SARS & Government Departments

The sub-sector descriptions are generally self-explanatory. However, it should be noted that the development organisations belonging to the sector include only those that provide financial assistance and (in some instances) business advice, such as the Industrial Development Corporation (IDC) and other development finance institutions which do not fall under the banking sector. Similarly, business and management consulting services encompass a wide range of activities and may also fall under other SETAs. Only those organisations that choose to describe their main functions in terms of SIC code 88140 or 88142 are included in this sub-sector. Some of the accounting and auditing firms also provide business and management consulting services but, because accounting and auditing is their main business, they are classified in the sub-sector 'Accounting, Bookkeeping, Auditing and Tax Services'.

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

1.3 KEY ROLE PLAYERS IN THE SECTOR

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

Table 4 Key role players in the FAS sector

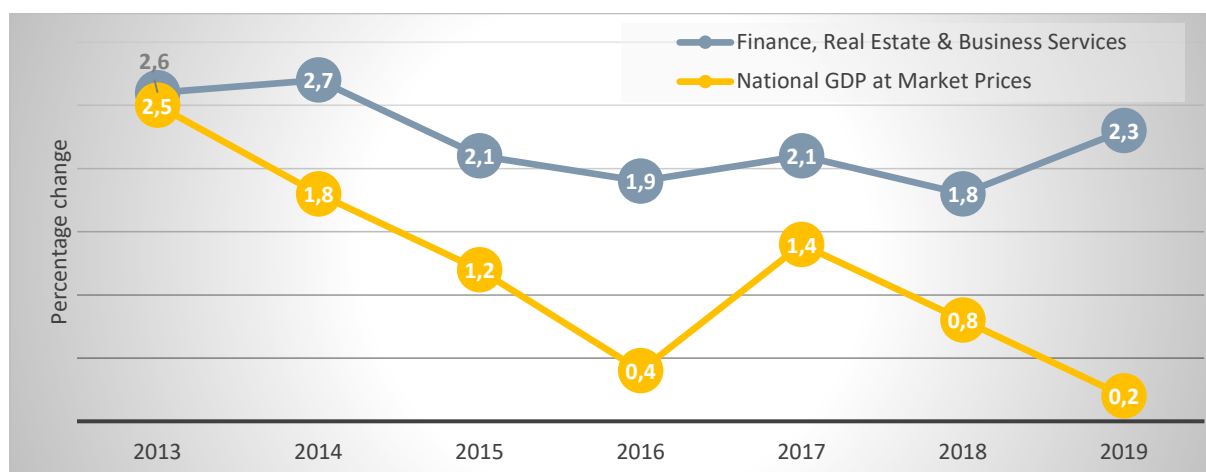
KEY ROLE PLAYERS	ROLES
PROFESSIONAL BODIES	
<p>Some of the key professional bodies in the sector:</p> <ul style="list-style-type: none"> • Association of Accounting Technicians (AAT) • Association of Chartered Certified Accountants (ACCA) • Chartered Institute of Management Accountants (CIMA) • Chartered Secretaries Southern Africa (CSSA) • Institute of Certified Bookkeepers (ICB) • Institute of Internal Auditors of South Africa (IIASA) • South African Institute of Professional Accountants (SAIPA) 	<p>The professional bodies set standards for professions and occupations, set and maintain ethical codes and standards for professional conduct, investigate and deal with complaints of unprofessional conduct against their members, hold disciplinary enquiries and impose sanctions against practitioners who contravene the codes of professional conduct. They are also consulted on the quality assurance of most qualifications that are required in the sector.</p> <p>Professional bodies work in support of the first four outcomes of the National Skills Development Plan (NSDP). They play a crucial role in the development of learnerships for the FAS sector and for the broader</p>

KEY ROLE PLAYERS	ROLES
<ul style="list-style-type: none"> South African Institute of Chartered Accountants (SAICA) 	<p>economy. Professional Bodies also act as the Assurance Quality Partner (AQP) for most qualifications that are re-quired in the sector.</p>
POST SCHOOL EDUCATION AND TRAINING (PSET) INSTITUTIONS	
<ul style="list-style-type: none"> 26 public universities 50 public TVET colleges and their numerous campuses Private higher education institutions (HEIs) Private TVET colleges Plethora of FASSET or QCTO accredited private training providers, much of which are in-house accredited training functions 	<p>As individuals seek to obtain relevant qualifications in this field, institutions of higher learning are key players on the skills supply side. TVET colleges provide National Accredited Technical Education Diploma (NATED) programmes (N1-6), which include bookkeeping and other business administration skills; while universities offer commerce diplomas and degrees.</p> <p>Employers and professional bodies frequently play their part in providing workplace exposure and work integrated learning opportunities.</p>
INDUSTRY BODIES AND ASSOCIATIONS	
<ul style="list-style-type: none"> Investment Analysts Society of South Africa Association of Black Securities and Investment Professionals Association for the Advancement of Black Accountants in SA Black Brokers Council of South Africa Southern African Accounting Association African Women Chartered Accountants CFO South Africa 	<p>Employer bodies in the sector play a very important role in advancing sector interests, including skills development, ethical behaviour, services quality improvement, etc. Industry bodies and associations have a role to play in achieving all the outcomes of the NSDP.</p>
REGULATORS	
<ul style="list-style-type: none"> South African Revenue Service (SARS) is the regulator of tax practitioners The Independent Regulatory Board for Auditors (IRBA) is the regulatory body for auditors The Financial Sector Conduct Authority (FSCA) is responsible for the regulation of financial service providers 	<p>Regulators monitor, review and oversee how business is conducted within the sector. They set standards, ensure transparency and promote good corporate governance. Regulators work closely with voluntary professional bodies and they play an important role in the setting of educational standards, standards of professional conduct and CPD requirements. These are in line with outcomes 3 and 4 of the NSDP.</p>
TRADE UNIONS	
<ul style="list-style-type: none"> National Education Health and Allied Workers Union (NEHAWU), and Public Servant Association (PSA) are dominant in the FAS Sector, especially amongst public servants Other unions such as Solidarity and the South African Society of Bank Officials (SASBO) and Association of Mineworkers and Construction Union (AMCU) also have some membership in the sector 	<p>Trade unions play an important role in bargaining councils, training committees, and on SETA structures. They also have a role to play in attainment of all outcomes of the NSDP.</p>

1.4 ECONOMIC PERFORMANCE OF THE SECTOR

The Finance, Real Estate, and Business services sector as the broader sector (in which the FAS sector fits) has remained the strongest sector in the South African economy over the past few years. The sector outperformed all other sectors, including agriculture, and is a major driver of growth, achieving a growth rate of 2.3% in 2019 (See Figure 1 below).

Figure 1: Annual growth rates in industry value added and GDP (constant 2010 prices, seasonally adjusted and annualised): 2013-2019



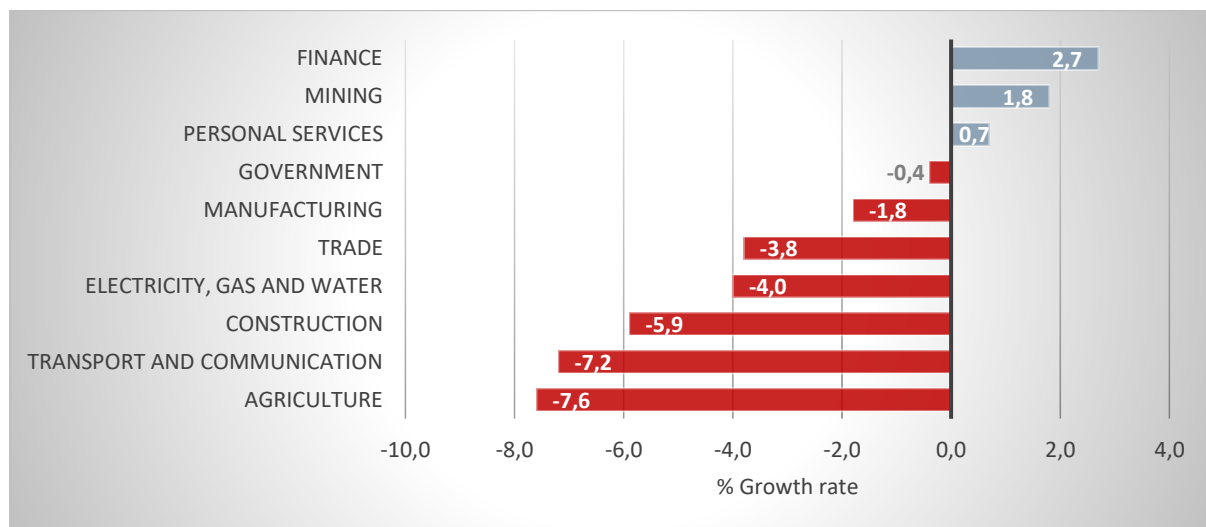
Source: Statistics South Africa (StatsSA), PO4414.

The Finance, Real Estate, and Business Services sector contributed 0.6 (0.4% in 2018) of a percentage point to the Gross Domestic Product (GDP) of South Africa (SA) in 2019, based on Q4 growth rate of 2.7%. In terms of nominal GDP growth, the Finance, Real Estate, and Business Services sector contributed a value of 20% to the GDP growth of SA in Q4 of 2019.

The Finance, Real Estate, and Business Services recorded a growth rate of 1.1% in the first quarter (Q1) of 2019 but recovered to 4.1% in the second quarter (Q2). The sector contracted again in quarter three (Q3) to a growth rate of 1.6% but ended the year with a sound 2.7% of growth in the fourth quarter (Q4). The sub-sectors recorded to perform well include financial intermediation, auxiliary activities, real estate activities and business services.

The sector's performance at the end of the year was the strongest out of all the sectors, as is shown in the Figure below.

Figure 2: Economic performance by growth rate of the different sectors Q4, 2019



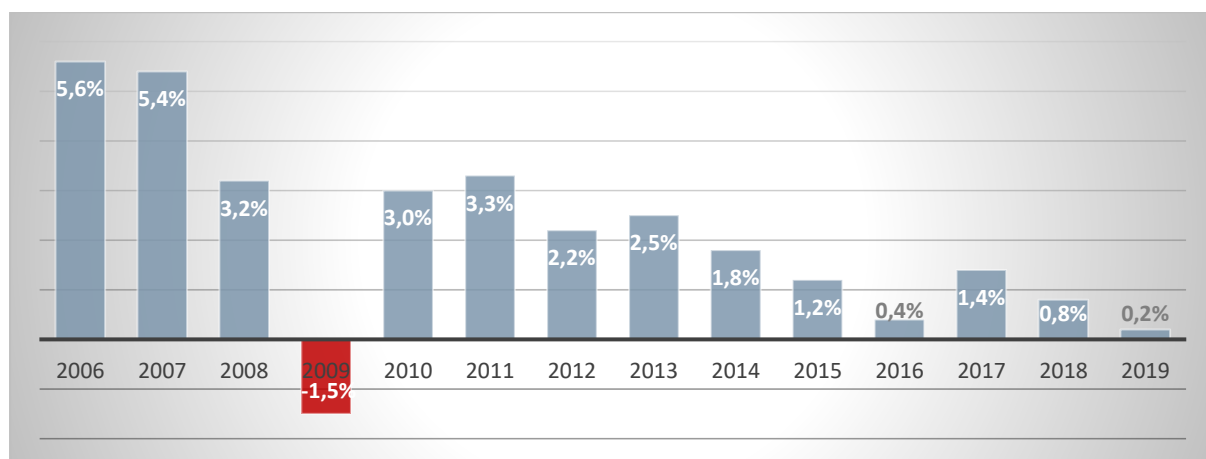
Source: StatsSA, PO4414, Fourth Quarter 2019 (seasonally adjusted and annualised).

While global growth was forecasted to increase to 3.3% from 2.9% in 2019, the global outbreak of the Coronavirus (COVID-19) has severely impacted this outlook. Global growth prospects are now turning downward, and another financial recession is expected. This is troublesome for the South African economy. Only three sectors, Mining (1.8%), Personal Services (0.7%), and the Finance, Real Estate, and Business Services sector (2.7%), showed growth in Q4 of 2019.

Despite its strong performance against other sectors of the economy in Q4 of 2019, the sector's performance was weaker than its own performance in Q2.

Overall, the sector had the same growth rate of 2.7% in Q4 of 2019 as it did in 2018. The current South African economy is in a technical recession, with two successive quarters of negative growth recorded in 2019. South Africa's actual GDP for Q4 of 2019 decreased by 1.4% and 7 of the 10 sectors contracted in Q4. The positive performance of the Finance, Real Estate, and Business Services sector therefore indicates that the sector can sustain relative growth, even in a weak economy.

Figure 3: SA GDP growth rate (year-on-year)



Source: StatsSA, PO4414, Fourth Quarter 2019.

The Figure above shows that the economy recorded the lowest GDP growth in 2019 since 2009, which was during the global financial crisis. GDP growth recovered strongly following 2009 but started to decline steadily from 2014. Since 2014 the economy has failed to recover economically, falling below 1% of growth in two successive years.

In 2020, the economy continues to face a bleak future, due to, amongst others, power outages as a result of load shedding; structural obstacles; increased demand on public expenditure; and failing state-owned enterprises (SOEs). In addition, the current global health pandemic will not be favourable for domestic growth, trade, or business confidence and investment. Lack of economic growth impacts sectoral performance, growth and opportunities for employment. The addition of the health crisis, which hit the country in March (end of Q1), will show its true impact in the financial quarters to follow. Economists are expecting major contractions with continuing negative growth rates for most of the year. The already high level of unemployment is expected to grow.

The financial services sector is highly regulated and is affected by changes in legislation and in the regulatory environment. The Coronavirus, which has tested global interdependence, global governance, and the response of national governments, is likely to reveal existing vulnerabilities in the current economic order, and so does the Fourth Industrial Revolution (4IR), which will be accelerated by COVID-19. It will also put to test the FAS sector's compliance with regulations and the adoption of changing regulations. Another determining factor following the pandemic, will be that of business continuity in the sector in the event of modern global risks and disruptions, particularly where small and medium sized companies are involved.

The financial services sector, although not as directly impacted as manufacturing, education, tourism, hospitality and consumer services industries, will be affected by long-term knock-on effects due to economic downturn, government decision-making and loss of consumerism. According to initial reports on the pandemic's influence on the economy, in terms of income components of GDP at factor cost, financial and insurance services are experiencing a mild economic decline; real estate, legal and accounting services are experiencing a moderate decline; while 'other business services' are experiencing a large decline. Manufacturing, accommodation services, construction and recreation services experience severe decline (Arndt et al., 2020).

Despite its continued positive economic growth throughout the years, the sector will have to demonstrate resilience following the major disruption caused by the COVID-19 pandemic.

Impact of COVID-19 pandemic on the economy

In addition to the overall economic disruption brought on by the pandemic, the South African government, in compliance with global health regulations, legislated a national lockdown on 27 March 2020. The lockdown followed a phased approach, with the initial phase of Level 5 halting nearly all business and economic activities in the country. Subsequently, plans and revisions were put in place to ensure the economy was cushioned against a complete collapse. Some of the major changes businesses, with the consideration of the FAS sector, faced because of lockdown measures include:

- The cessation of businesses not providing essential services;
- Forced reduction in operations and restrictions on non-essential business operation;
- Less consumerism and decreased business confidence;

- Rising unemployment;
- The provision of, and access to, goods and services;
- Changes to workforce capacity, productivity, stability; and
- Uncertainty on business investment (Pillay et al., 2020; Arndt et al., 2020).

Due to the listed changes, a March-April Stats SA survey on business impact conducted on 2 182 tax-paying businesses across all economic industries revealed that majority of business (over (85%)) had a below normal turnover in Level 5 lockdown. Nearly 37% of businesses expected to lay off staff in the short-term, while over 45% expected a reduction in workforce (Pillay et al., 2020). Most businesses in Real Estate & Other Business Services indicated they were able to trade only partially, while many have temporarily closed or paused trading (Pillay et al., 2020).

These statistics reveal that the country can expect higher unemployment rates; reduced workforces for many industries; and many small and medium sized businesses are less likely to survive, which means an overall reduced pool of businesses in the sector.

In terms of government relief schemes, organisations were given a four-month (May to August 2020) tax relief on the skills development levy (SDL) to alleviate financial stress for businesses (SA government, 2020; SARS, 2020). On 4 June, the Minister of Higher Education, Science and Technology Blade Nzimande stated that the tax relief is a deferral which companies must apply for and will be required to pay back (Curson, 2020). The consequences of the SDL payment holiday will be seen in skills planning efforts in the short- to medium term. Stakeholder engagements revealed that organisations should ideally continue to spend on skills development despite the levy payment holiday because of the importance of updating skills during this time. This is further discussed in Section 2.2.

The full-scale impact will only be clearer in hindsight. Currently, perceptions are largely reactionary and based on assumptions and the suddenness of the crisis (Rasool, 2020). The impact on the pool size of businesses, the workforce and the labour market can only be objectively determined after the virus is mostly contained and lockdown measures have ceased. Skills planning for the sector will also likely change drastically in the coming months as new skills requirements are revealed during the lockdown. Industry inputs obtained through stakeholder engagements that provide further insights into the possible future of skills in the FAS sector are discussed in Chapter two.

1.5 EMPLOYER PROFILE

According to the FASSET Organisational Huge File (OHF) generated by SARS, there are just under 33 000 employers operating within the FASSET scope of coverage. Of these employers, 8 426 (26%) paid skills development levies during the 2019/20 financial year. The next section provides an overview of the sectoral and provincial distribution of employers in the sector.

1.5.1 SUB-SECTOR DISTRIBUTION

The majority (98%) of employers operating in the sector are small businesses (0-49 employees). Out of 32 951 employers in the sector, only 310 are medium size companies (50-149 employees), while 191 are large (150+ employees). The largest proportion (34.2%) of employers are operating within the Accounting, Bookkeeping, Auditing and Tax services sub-sector,

followed by Investment Entities & Trusts & Company Secretary Services (22.9%) and the Business and Management Consulting sub-sector (20.8%). The Stockbroking and Financial Markets sub-sector comprises a 12.3% share of employers; 8.1% Activities Auxiliary to Financial Intermediation; while Development Organisations and SARS and Government Departments hold the smallest share with 1.3% (443 employers) and 0.3% (108 employers) respectively.

Table 5: Sub-sector Distribution of Employers, 2020

Sub-sector	Large (150+)	Medium (50-149)	Small (0-49)	Total
Accounting, Bookkeeping, Auditing and Tax Services	40	101	11 133	11 274
Activities Auxiliary to Financial Intermediation	22	29	2 608	2 659
Business and Management Consulting Services	38	69	6 753	6 860
Development Organisations	5	3	435	443
Investment Entities and Trusts and Company Secretary Services	17	36	7 494	7 547
SARS and Government Departments	10	1	97	108
Stockbroking and Financial Markets	59	71	3 930	4 060
Total	191	310	32 450	32 951

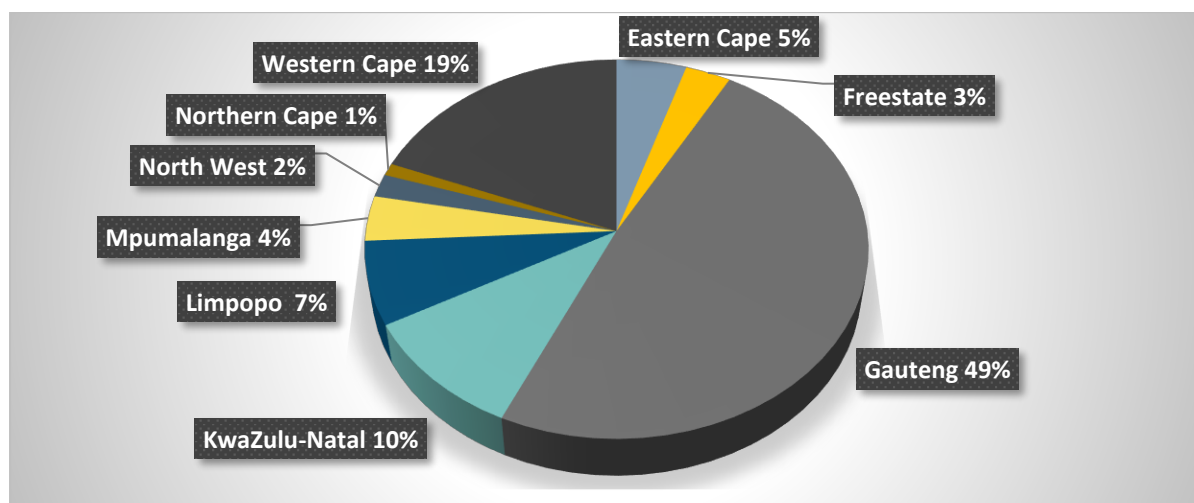
**Figures are estimations based on OHF and WSP/ATR submissions of 2020.*

Source: FASSET data system 2020.

1.5.2 PROVINCIAL DISTRIBUTION

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

Figure 4: Provincial Distribution of FASSET Employers, 2020



**Figures are estimations based on OHF and WSP/ATR submissions of 2020.*

Source: FASSET data system 2020.

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

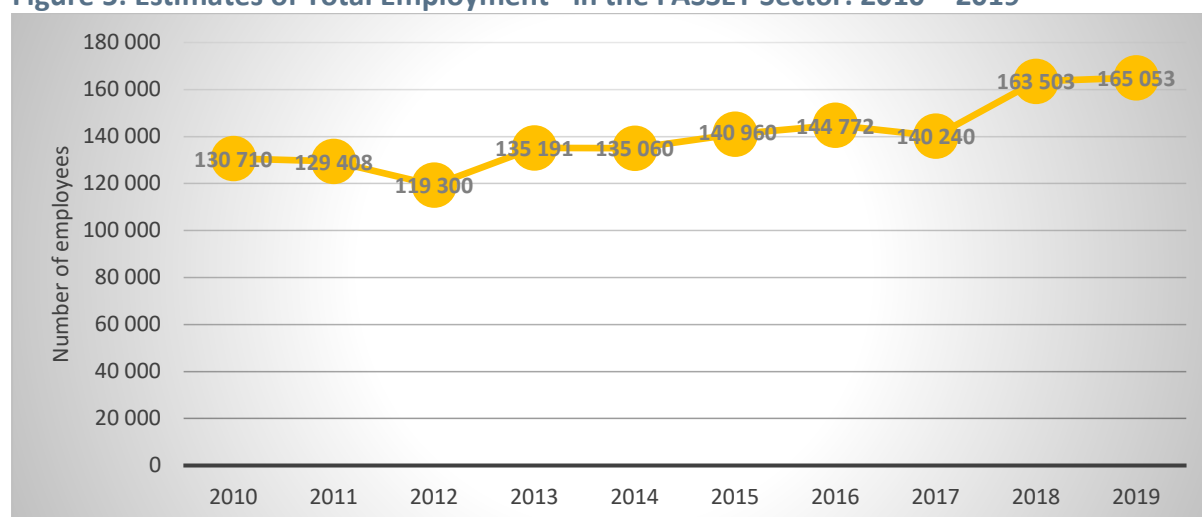
The majority of employers (34%) in the Western Cape are also providing Accounting, Bookkeeping, Auditing and Tax services, which is also the most dominant sub-sector in the North West (46%). Most employers in Limpopo are operating within the Investment Entities, Trusts and Company Secretary services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

1.6 LABOUR MARKET PROFILE

1.6.1 EMPLOYMENT TRENDS

The FAS sector reported a total of 165 053 employees for the 2019/20 financial period. The increase of employment from 2018 to 2019 is marginal compared to trends in previous years. The graph below shows the employment trends in the FAS sector over time.

Figure 5: Estimates of Total Employment* in the FASSET Sector: 2010 – 2019



*Weighted holistically for 2019/20 period.

***Figures are estimations based on OHF and WSP/ATR submissions of 2020. Source: FASSET data system 2020.

1.7 SUB-SECTOR DISTRIBUTION OF EMPLOYEES

In the 2019/20 financial period, the Accounting, Bookkeeping, Auditing and Tax services sub-sector recorded the largest proportion of workers in the sector, contributing 37% to the sector's employment. The number of employees in the Accounting, Bookkeeping, Auditing, and Tax services sub-sector increased just over 9% from 55 523 in 2018 to 61 1000 in 2019 and accounted for 37% of the total employment in the Finance and Accountancy sector, a 3% larger contribution than in 2018. Business and Management Consulting Services is the second largest sub-sector, accounting for approximately 21% of the sector's workforce in 2019. The Stockbroking and Financial Markets sub-sector is the third largest sector in terms of employment in the sector. Although its percentage share stayed the same between 2018 and 2019, there is a slight increase the number of employees. The SARS and Government departments sub-sector has a proportion of 9% of employees in the sector. The Development Organisations sector accounts for the small share of employees in the FAS sector.

The table below shows the sub-sector distribution of employees between 2017 and 2019.

Table 6: Sub-sector Distribution of Employees: 2017 – 2019

SUB-SECTOR	2017		2018		2019	
	N	%	N	%	N	%
Investment Entities, Trusts & Company secretarial services	13 885	10	11 623	7	9 671	6
Stockbroking and Financial markets	18 389	13	24 189	15	24 380	15
Development Organizations	2 735	2	5 216	3	2 919	2
Accounting, Bookkeeping, Auditing & Tax services	52 252	37	55 523	34	61 100	37
Activities Auxiliary to financial intermediation	14 788	11	21 830	13	17 123	10
Business and Management consulting	21 010	15	27 034	17	34 437	21
SARS & Government departments	16 684	12	17 443	11	15 055	9
Unknown	-	-	-	-	369	0
Total	140 240	100	163 503	100	165 053*	100

*Figures are estimations based on OHF and WSP/ATR submissions of 2020.

Source: FASSET data system 2020.

1.7.1 PROVINCIAL DISTRIBUTION OF EMPLOYEES

A significant number of employees in the sector are based in Gauteng. Gauteng consistently comprised more than 50% of employment in the sector. In 2018 however, the number of employees based in Gauteng declined moderately from 55% in 2017 reaching 51% in 2018 suggesting that employees are either finding other employment or relocating to other provinces such as the Western Cape. The Western Cape has seen some increase in the number of employees in the sector over the years. In 2014, only 19% of the employees were based in the Western Cape compared to 29% in 2018, marking a 10% increase over the years. However, the province recorded a decline to 22% in 2020. Only 7% of employees are based in the Kwa-Zulu-Natal province. Relatively small percentages of employees were located in the remaining six provinces.

Table 7: Provincial Distribution of Employees: 2017 – 2019

Province	2017		2018		2019	
	N	%	N	%	N	%
Eastern Cape	5 271	4	6 540	4	6 562	4
Free State	2 825	2	3 270	2	3 274	2
Gauteng	77 588	55	83 386	51	97 744	59
KwaZulu-Natal	11 606	8	11 445	7	13 308	8
Limpopo	4 131	3	4 905	3	3 547	2
Mpumalanga	2 834	2	3 270	2	2 413	1
Northern Cape	2 510	2	1 635	1	1 497	1
North West	1 136	1	1 635	1	964	1
Western Cape	29 804	21	47 415	29	35 724	22
Unallocated	2 535	2	0	0	21	0
Total	140 240	100	163 503	100	165 053	100

*Figures are estimations based on OHF and WSP/ATR submissions of 2020.

Source: FASSET data system 2020.

1.8 EMPLOYEE PROFILE

Historically employment equity has been a major challenge in the FAS sector. Prior to 1990, many of the highly skilled occupations in the sector were reserved for Whites, with black people predominantly employed in unskilled or semi-skilled jobs. There have been changes in the equity profile of the sector, with FASSET programmes (such as learnerships and internships linked to professional registration) contributing to an increase in the numbers of black people in managerial, professional and technical positions. However, the FAS sector is still a long way from achieving an employee profile that reflects the demographics of the country.

Estimations for the 2020 period indicate that the Black demographic (Black African, Coloured, Indian) together occupy 63% of jobs in the sector, while the White demographic occupies 35%. The Black African group occupies 42% of jobs in the sector. However, this hides a continuing equity challenge. The sector is still grappling with transformational issues. Whites continue to occupy most managerial posts (49%), and a disproportionate number of both professional posts (40%) and technical posts (38%) compared to other race groups. The Black demographic together occupy only 48% of managerial positions, 58% of professional and 60% of technical positions. African Black people occupy the majority of lower level occupations.

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

Occupational group	African Black		Coloured		Indian		White		Non-South African		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Managers	8 840	28%	3 243	10%	3 211	10%	15 526	49%	749	2%	31 568	100%
Professionals	21 186	36%	5 832	10%	7 079	12%	23 969	40%	1601	3%	59 667	100%
Technicians and Associate Professionals	7 505	40%	2 429	13%	1 341	7%	6 967	38%	299	2%	18 541	100%
Clerical Support Workers	21 788	52%	6 679	16%	3 087	7%	9 622	23%	675	2%	41 852	100%
Service and Sales Workers	3 110	70%	496	11%	123	3%	556	12%	175	4%	4 460	100%
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	767	73%	34	3%	18	2%	183	17%	50	5%	1 053	100%
Plant and Machinery Operators and Assemblers	1 055	79%	127	10%	14	1%	83	6%	50	4%	1 330	100%
Elementary Occupations	3 921	87%	278	6%	63	1%	164	4%	90	2%	4 516	100%
Unallocated¹	1 011	49%	266	13%	181	9%	573	28%	35	2%	2 067	100%
Total	69 183	42%	19 383	12%	15 116	9%	57 643	35%	3724	2%	165 053	100%

**Figures are estimations based on OHF and WSP/ATR submissions of 2020.*

Source: FASSET data system 2020.

¹ Occupational group data pertaining to these employees not available in the database at the time of reporting

1.8.1 GENDER OF EMPLOYEES

According to estimations derived from the 2020 WSP/ATR submissions and OHF data, most employees in the Finance and Accountancy sector were women (56%). In 2020, 48% of managers, 54% of professionals, 58% of technician and associate professionals and 72% of clerical support worker positions were occupied by women. The services and sales work, the skilled agricultural forestry and fishery as well as plant and machine operator work, is predominantly occupied by male counterpart.

Table 9: Gender of Employees, 2020

Occupational Group	Gender		
	N	F (%)	M (%)
Managers	31 568	48%	52%
Professionals	59 667	54%	46%
Technicians & Associate Professionals	18 541	58%	42%
Clerical Support Workers	41 852	72%	28%
Service & Sales Workers	4 460	51%	49%
Skilled Agricultural, Forestry, Fishery, Craft & Related Trades Workers	1 053	13%	87%
Plant & Machine Operators & Assemblers	1 330	11%	89%
Elementary occupations	4 516	43%	57%
Unallocated	2 067	42%	58%
Total	165 053	56%	44%

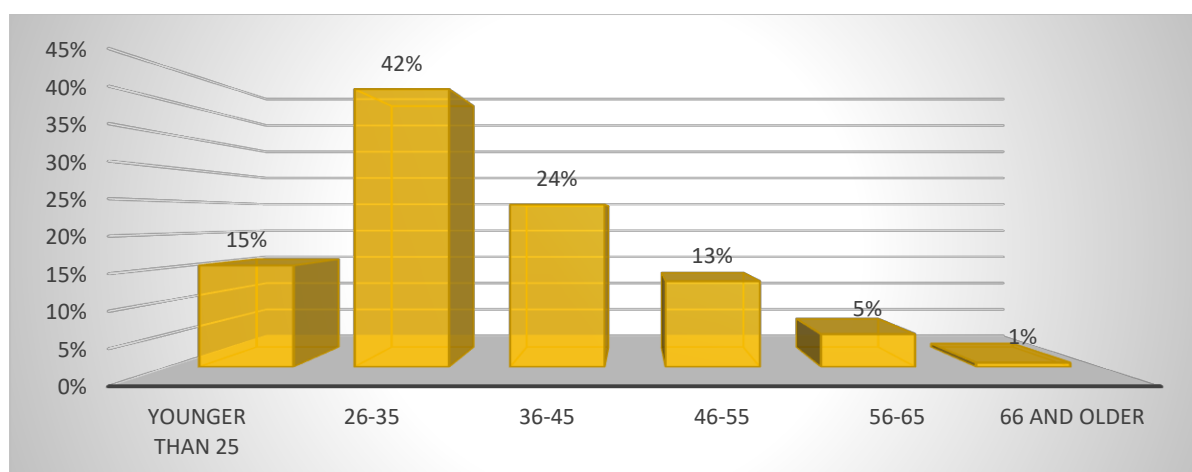
**Figures are estimations based on OHF and WSP/ATR submissions of 2020.*

Source: FASSET data system 2020.

1.8.2 AGE OF EMPLOYEES

Most workers fall in the youth category (35 and younger), 42% of workers are in the 26-35 age group. This means that the FAS sector is growing to be predominantly young. This is a good result in terms of developmental imperatives which aims to have more youth in employed by 2030. The FAS sector is generally regarded as a training sector with large numbers of learners in learnerships (Chartered Accountant and Professional Accountant learnerships). This is the main reason for the relatively youthful profile of the sector.

Figure 6: Age of employees in the sector, 2020



**Figures are estimations based on OHF and WSP/ATR submissions of 2020. Source: FASSET data system 2020.*

1.8.3 DISABILITY

In the 2020 mandatory grant applications, employers in the sector reported 1 769 people living with disabilities – 1.1% of total employment in the sector at the time. The largest number of people living with disability 927 (2.2%) was employed in the Clerical Support Workers occupation group.

Table 10: Workers living with disability according to Occupation Group, 2020

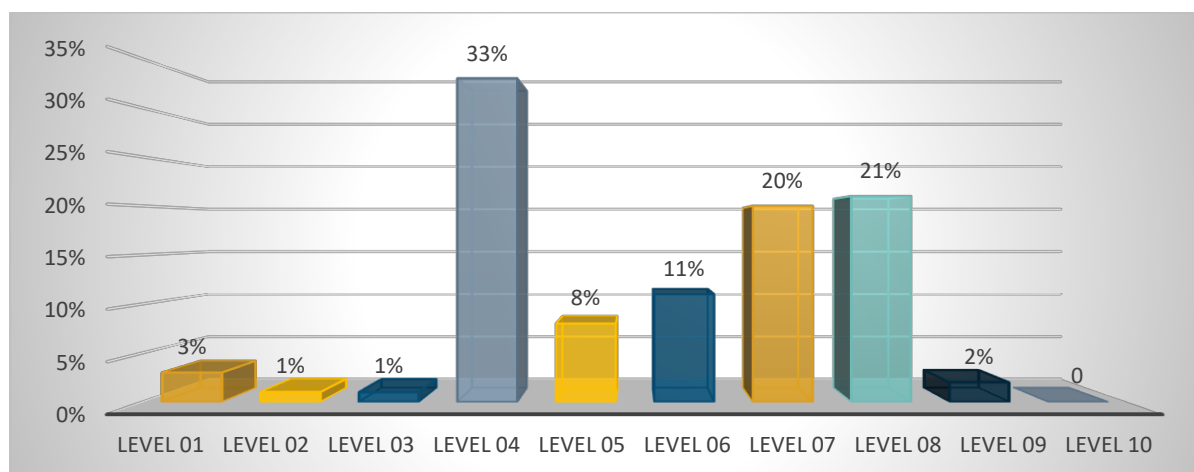
Occupation Group	Workers living with disability	Total Employment	% of Employment*
Managers	55	31 568	0,2%
Professionals	529	59 667	0,9%
Technicians and Associate Professionals	180	18 541	1,0%
Clerical Support Workers	927	41 852	2,2%
Service and Sales Workers	4	4 460	0,1%
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	5	1 053	0,5%
Plant and Machinery Operators and Assemblers	2	1 330	0,2%
Elementary Occupations	44	4 516	1,0%
Unallocated	23	2 067	1,1%
Total	1 769	165 053	1,1%

*Figures are estimations based on OHF and WSP/ATR submissions of 2020. Source: FASSET data system 2020.

1.8.4 QUALIFICATIONS OF EMPLOYEES

The graph below shows the level of qualifications in the FAS workforce as at 1 January 2020. The data speaks to information reported by medium and large organisations (50+ employees) and government departments only. Based on the submitted data, most of the workforce (33%) have, at minimum, an NQF level 4 qualification (Matric equivalent). The majority have post-school education (62%), over 40% of employees have university degrees (NQF L7 and above). These figures speak to level of education and qualifications that is characteristic of the sector.

Figure 7: Percentage of qualifications by NQF level of FAS workforce (reported by medium and large organisations and government departments), 2020

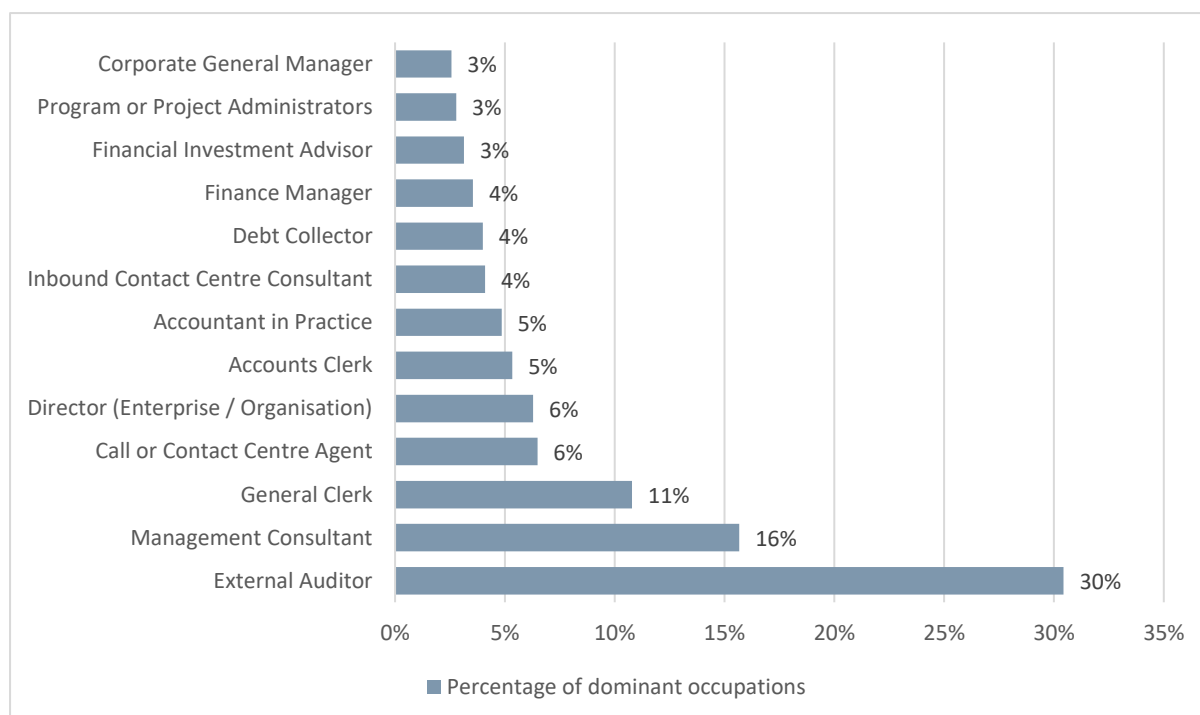


*Figures are estimations based on OHF and WSP/ATR submissions of 2020. Source: FASSET data system 2020.

1.8.5 DOMINANT OCCUPATIONS IN THE SECTOR

A brief examination of the most held occupations as at 1 January 2020 are demonstrated below. Again, data speaks to information reported by medium and large (50+) organisations and government departments only. The total count for the 13 occupations listed is 39 870, that is 24% of the total workforce. Out of that total, the most held occupation in the sector is External Auditor (30%).

Figure 8: Dominant occupations in the sector in (reported by medium and large organisations and government departments), 2020



**Figures are estimations based on OHF and WSP/ATR submissions of 2020.*

Source: FASSET data system 2020.

1.9 CONCLUSION

This chapter provided a high-level overview of the FAS Sector. The sector is dominated by small organisations, with the Accounting, Auditing, Bookkeeping and Tax services sub-sector identified as the most prominent sub-sector. The organisations belonging to the sector are largely concentrated in the metropolitan provinces, including Gauteng, the Western Cape and KwaZulu-Natal. This may limit FASSET's ability to reach out to rural areas and to roll out large-scale skills development interventions in rural areas. The sector tends to employ large numbers of professionals and the majority of employees have higher education qualifications.

The FAS sector has shown economic resilience compared the sectors in the South African economy. However, the economic shock and subsequent recession brought on by the pandemic will be telling in the short- to medium-term. Reduced activity in one sector will have consequences for another, and this spread will inevitably affect the size of workforces, the pool of businesses in the sector, employment rates, and changes in skills priorities and skills gaps will emerge as a result of SDL payment holiday.

CHAPTER 2: KEY SKILLS CHANGE DRIVERS

2.1 INTRODUCTION

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

2.2 CHANGE DRIVERS IN THE SECTOR

Current key skills changes are greatly influenced by shorter employment cycles of the millennial (birth years 1981-1996) and Gen Z (1995-2015) generation who are in constant search for more convenient, dynamic, and flexible work experiences and workplaces. In addition, young talent with tech-savvy talent are increasingly drawn to high-tech companies, leaving more traditional institutional firms to outsource talent to develop technological capacity. Outsourcing practices include cross- industry and country employment (ILO, 2018; Dimock, 2019; Hoopes, 2019).

Moreover, at the time of compiling the SSP Update for the 2021/22 period, the world faced the global health crisis: The Coronavirus (COVID-19) pandemic. While the key skills change drivers are greatly influenced by a myriad of factors, the pandemic took centre stage in discussions. The state-enforced lockdown measures to contain the spread of the virus resulted in many of the country's workforce to work from home, which also greatly influenced the findings for this section.

Table 11: Five key change drivers in the sector, 2020

FIVE KEY CHANGE DRIVERS IN THE SECTOR	
1) THE CORONAVIRUS (COVID-19) PANDEMIC	
<p>Risk management skills are amongst the top skills anticipated for the future. The pandemic has accelerated the need for risk and compliance in the sector, and as a result the demand for compliance and ethics officers will grow too.</p> <p>In addition, the pandemic has revealed that firms must be prepared for worst-case scenarios. The ability to continue with business without key staff because of illness or recurring quarantine measures will be essential. Upskilling staff and equipping personnel with the necessary infrastructure to work from home is key and expected. Industry suggests that skills development efforts remain important during the phased lockdown approach, and thereafter. The pandemic and working from home require different skills sets that many personnel needs training for. Tax Practitioners and Auditors with high-level ICT competencies will grow to be valued in the sector.</p> <p>Moreover, the pandemic calls for innovative and flexible leadership, strategic thinking, long-term decision-making, and adaptability. Industry indicates that these qualities lack in the FAS sector as the sector follows many traditional approaches. The FAS sector did not expect the changes that were considered as 'emerging' to take place so soon and as abruptly; many firms are not ready for the change and this will negatively impact business.</p>	
2) ECONOMIC FACTORS	
<p>The COVID-19 pandemic presents the biggest contraction in the South African economy since 1960 and is nearly five times larger than the economic contraction of the recession in 2009. Rating agencies predict the economy will contract by 4.5% this year, and per capita GDP will shrink for the sixth consecutive year, according to the South African Reserve Bank (Stoddard, 2020). During the early days of the lockdown, SA was downgraded to junk status, these ratings mean that the country is becoming poorer (Stoddard, 2020). Included in</p>	

FIVE KEY CHANGE DRIVERS IN THE SECTOR

the economic shock of the pandemic is South Africa's lasting effects of state capture and failing state-owned enterprises, which adds to the persistent weak economy and bleak financial outlook for the country. Tax revenue will continue to decline, and the government will sustain a higher public debt ratio (Bhorat, 2020).

The pandemic has also amplified the country's existing socio-economic and labour market vulnerabilities. The government has therefore initiated stimulus packages to cushion the socio-economic devastation of the pandemic. Key initiatives include reprioritisation efforts where budget line items were shifted to focus more attention on social assistance and wage subsidisation; debt relief for SMME businesses; business rescue for larger businesses; social grants for unemployed persons and UIF payouts for workers undertaking pay cuts and to retain employment (Aguilar, 2020; du Plessis, 2020).

The four-month tax deferral on the skills development levy (SDL) to alleviate financial stress for businesses, which provides relief of around R6 billion, will have a marked impact on SETAs' income (SA government, 2020; SARS, 2020; Curson, 2020). The impact following the levy payment holiday will be substantial for skills development efforts in the short- to medium term. There will also be a general reduction in levy income due to businesses closing and retrenchments.

3) TECHNOLOGY AND FOURTH INDUSTRIAL REVOLUTION (4IR)

Following the pandemic, the FAS sector will have to invest in seamless organisational structures and increased technological connectivity to enable business continuity. Many personnel across sub-sectors are not able to adapt to working from home, due to lack of tech savviness and poor communication skills, which is more evident through virtual and online platforms. This made client interactions difficult and slowed down business. The onus is on organisations to prepare personnel to be flexible and adaptable, particularly in the advent of the 4IR.

In addition, the sector must adopt digital communication strategies, re-skill and upskill personnel, equip management with crisis management skills, and normalise virtual interaction such as Zoom, Skype and Microsoft Teams. Business in the sector will suffer without this adjustment. Clients' portfolios and investments still need to be managed, securely and with confidence, more so during a disrupted financial market.

The accountancy profession will evolve significantly due to automation, artificial intelligence (AI), the Internet of Things (IoT), blockchain and cloud computing (Jooste, 2019). The spread of digital technologies and its impact on business will transform the practise of accounting and the competencies that professional accountants require. The full integration of technology and 4IR systems will lessen human intervention over time for the financial and accounting services industries (Jooste, 2019).

4) GLOBALISATION

Continued globalisation presents opportunities and challenges for those in and around the FAS sector. According to research, professional accountants will need to anticipate and accommodate emerging differences in business practises, geography, roles, responsibilities, and regulations and develop the necessary technical knowledge, skills and ethics, in addition to displaying interpersonal behaviour and qualities (ACCA, 2016).

As harmonisation of accounting and business standards increases, so will the need for teams that are multi-national and culturally diverse. Being multilingual, understanding different cultures, and having the interpersonal skills to work as part of and manage diverse teams will eventually become as important as technical skills in the decisions made about recruitment and deployment. The opportunities to work in different countries brought forth by globalisation will necessitate the need to not only develop these skills but to also conform to international standards.

Compliance with international standards requires changes in the education system and the way training is conducted. It requires changes in regulations to be closely aligned with that of international regulatory bodies. The interconnectedness of the current global order also shows that the world is indeed global and responses to changes in its environment will have to be systematic and standardised to ensure recovery from disruption for all nations (du Plessis, 2020). Having an international outlook also exposes firms to a greater customer base, and more opportunities for wealth creation and preservation.

5) CHANGES IN REGULATION AND GOVERNANCE

The FAS regulatory environment is detailed and stringent. The impact of the pandemic puts to question many of the regulations that govern the sector. Industry experts suggest that more flexibility in regulation and governance will be needed in the future to accommodate a changing working and technological environment, as well as accepting the standards of the global environment to ensure that firms are replicable and can extend

FIVE KEY CHANGE DRIVERS IN THE SECTOR

business successfully across borders. While eased regulations and the adoption of new and digital processes will lead to expanded business and faster approaches, they also open the sector up to increased risk and vulnerability.

Increased operation risks and other risks (including health and safety) related to business continuity came to the fore during the pandemic. Another risk particular to the FAS sector is client confidentiality as information has shifted to being shared and transferred almost entirely through online and cloud software. Remote work, lack of security protocols and an increased risk of cyberattacks poses huge risks for businesses in the FAS sector. Regulation and governance following the pandemic will have to be supportive of business operational continuity, employee protection as well as market preservation.

Apart from the pandemic, changes in the tax environment has driven the need for more tax practitioners and tax specialists. The prominence of tax evasion in political and social agendas around the globe results in several governments demanding more tax specialists and introducing more stringent laws. Newer realities are driving the need for more tax professionals with knowledge of legal provisions both locally and in other jurisdictions. Changes in the financial markets has resulted in the Financial Sector Regulation Bill (2017) and the Financial Matters Amendment Bill (2019) from the government proposed “twin peaks” model of 2011. Transformation in the sector must continue to be driven by B-BBEE Codes of Good Practice and national employment equity targets.

2.3 IMPLICATIONS OF CHANGE DRIVERS FOR SKILLS PLANNING

The key skills issues and implications for skills planning that may occur as the result of the change drivers identified are described in the table below.

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

KEY SKILLS ISSUES AND IMPLICATIONS FOR SKILLS PLANNING
The Coronavirus (COVID-19) Pandemic
<ul style="list-style-type: none"> Increased importance of tax practitioners in the country to complete tax forms, UIF claims, etc. The pandemic has accelerated the need for risk and compliance in the sector, the demand for compliance and ethics officers will grow too. The structure and culture of organisations must be reviewed to ensure maximum operational efficiency while the world of work is interrupted in the foreseeable future. Investing in Health and Safety officers will become important for businesses once the economy is fully open again. This will ensure clients and workers are comfortable to participate in interpersonal business interactions. The sensitivity around physical and mental health during the pandemic means that leadership and management will have to grow keen interpersonal skills, emotional intelligence, and other soft skills; including being open to a new way of doing, working, managing, and measuring productivity. Firms to undertake continued skills development and training via online and virtual platforms. Need for tech-savvy skills in the sector, as well as virtual communication and virtual interpersonal skills. Use of technology will become more important; enabling staff to work remotely. Sector will move away from data production to data utilisation; data to be used for better decision-making in the future.
Economic factors
<ul style="list-style-type: none"> Increased demand for (upskilled or newly skilled) tax practitioners. Scenario planning required for sector skills planning in 2021/22 following the pandemic. More education on investment consultancy needed in the sector. The sector should encourage professionals toward intra- and entrepreneurial mentality, which will lead to self-employment and is necessary for economic growth of the country in the long-term. The impact following the levy payment holiday will be substantial for skills development efforts in 2021/22. The onus will be on companies to continue skills development; upskilling of key occupations and skills will have increased importance following the pandemic and advent of 4IR.

KEY SKILLS ISSUES AND IMPLICATIONS FOR SKILLS PLANNING

- The impact of the COVID-19 economic shock will become apparent as businesses address shortcomings in months/financial period to follow.

Technology and 4IR

- Workers need to be virtually competent and industry must undergo digital transformation.
- Financial technology will cause a dramatic evolution throughout the industry and will require the development of new skills sets for existing occupations and newer or future occupations.
- Data security is becoming a crucial, all businesses have to introduce additional measures and controls to safeguard data security and hedge against cyber-crime and risk of data fraud.
- Automation of workflow and processes calls for upskilling of back-office support and a reduction in staff headcount.
- Auditors with high-level ICT competencies will grow to be valued in the sector.
- Auditors will have to embrace the advanced technologies helping them obtain both structured and unstructured data from clients.
- Investment analysts and stockbrokers will need more than just the fundamental and technical analysis skills but also digital technology skills.
- Accountants roles are shifting from interpreting historical and transactional information to a more strategic advisory role.
- Future accountants will increasingly need education in digital technology (including cloud computing and use of big data), and integrated reporting regulation.

Globalisation

- From a skills perspective, it is important that there is a good understanding within enterprises of the changing nature of global markets and how it relates to their products and customer base.
- Future accountants will increasingly need education and awareness in globalisation (outsourcing of accounting services) and evolving regulations which includes tax regulation, new forms of corporate reporting.

Changes in regulation and governance

- The market-demand is shifting towards higher qualified, professional tax practitioners.
- Tax practitioners who do not meet the educational requirements of the professional bodies, need training in order to comply with the requirements.
- The dynamic change in technology will shift the role of regulation to be more supportive and enabling of technological advancements, as well as increased globalisation practices.
- Businesses may also have to contend with intensifying political, economic, and health security risks.
- Easing of repressive measures in the sector that hinder innovation and growth in key areas.
- Sector to look at other legislations and other countries' reporting standards and how it can be utilised for companies looking for growth.
- More sector engagement necessary to find out why transformation targets are difficult to reach.
- The sector is highly qualified but not willing to do the actual work required for advancement; the sector needs to adopt transformation agenda objectives to diversify the sector.

2.4 POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

The FAS sector aligns its strategies and skills development interventions with key national policies and strategies interfacing with the sector. These strategies and policies are discussed in the table below.

Table 13: Implications of guiding policies on FASSET's skills planning

IMPLICATIONS OF KEY NATIONAL POLICIES AND STRATEGIES ON SKILLS PLANNING

The National Development Plan (NDP)

The NDP is the overarching framework guiding economic development in South Africa. The NDP prioritises improving the quality of education, skills development, and innovation. Various requirements for the skills

IMPLICATIONS OF KEY NATIONAL POLICIES AND STRATEGIES ON SKILLS PLANNING

development system which are set out in the NDP are considered in skills planning, the most important of which are the following: adaptation to changes in technology, industry, population dynamics and global trends; the promotion of lifelong learning and targeted support to students who are academically less prepared; responsiveness to the skills needs of all sectors of society – especially the need for financial professionals; and the development of partnerships in skills provision.

Following the NDP, FASSET focusses on increasing the numbers of financial skills developed at all levels, improving the quality of education and training, and on increasing the throughput rates throughout the educational pipeline. FASSET also provides lifelong learning opportunities and targeted support to students in need.

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

FASSET takes cognisance of the general direction indicated by the White Paper and aligns its skills planning strategy accordingly. Specific areas that are considered, include 1) the strengthening of the TVET College system; 2) long-standing partnerships and arrangements for the provision of work experience for prospective financial professionals, and work placements are incentivised through the grant scheme; and 3) a clear focus on the skills pipeline to develop learners in non-artisan fields and to support them in workplace learning through learnerships and internships.

National Skills Development Plan (NSDP)

The NSDP recognises the need to identify and increase the production of occupations in demand, linking education and the workplace, improving the levels of skills in the South African workforce and to increase access to occupationally directed programs. Considering these objectives of the NSDP, FASSET aligns its strategy to focus its resources on the achievement of these objectives. FASSET considers the skills formation process as it spans the lifetimes of individuals, along the educational and career pipeline. Skills development interventions fulfill developmental imperatives for beneficiaries.

Strategic Integrated Projects (SIPs)

Eighteen SIPs have been identified that cover a range of economic and social development needs of the country and is effective across all 9 provinces, with emphasis on poorer provinces. The DHET identifies the skills needed to support the SIPs. FASSET's skills interventions are toward the fulfillment of the SIPs and identified areas of occupational and skills needs. FASSET cooperates with the SIP processes, as and when required, and makes budget available to ensure efforts are carried through.

Employment Equity Act, 55 of 1998

Employment Equity legislation is intended to redress past imbalances created during Apartheid. The long-term intention is for the profile of company workforces to reflect the demographics of the country. Employers are required to submit employment equity reports to the Department of Employment and Labour and there is annual monitoring of progress. FASSET strives to further these imperatives to reflect in management, and professional and technical occupational categories. Transformation in the FAS sector is driven by the Broad-Based Black Economic Empowerment (B-BBEE) legislation and Industry's B-BBEE Codes of Good Practice. The key focus of B-BBEE legislation is ownership and measures that contribute to improved patterns of ownership and control within companies.

2.5 CONCLUSION

The intention of this chapter was to present and discuss key skills issues affecting the demand for and supply of skills within the FAS sector. The chapter revealed the global health pandemic has cross-over effects on the various change drivers in the sector and is a major concern for the sector in the short- and medium term. Targeted training for employees will be important to maintain relevancy in an increasingly globalised environment and the advent of the 4IR. Employers in the industry must embrace advanced technology to maximise its potential for faster operations and increased productivity in the sector.

CHAPTER 3: OCCUPATIONAL SHORTAGES AND SKILLS GAPS

3.1 INTRODUCTION

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

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

3.2 SECTORAL OCCUPATIONAL DEMAND

3.2.1 OCCUPATIONS THAT ARE HARD-TO-FILL

This section presents the occupations identified as hard-to-fill or that are considered “scarce skills” in the FAS sector. Hard-To-Fill Vacancies (HTFVs) are a strong labour market signal of occupational demand. They are typically defined as vacancies that employers are unable to fill within 12 months, or it takes longer than 6 months to find a suitable qualified and experienced candidate. The section lists the hard-to-fill vacancies (HTFV) in the sector, identified through WSP submissions and described through the primary data collected.

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

The method used to determine the ‘scarce skills’ or HTFVs for this SSP update comprised the following: Scarce skills and hard-to-fill vacancies in relation to occupations were identified by employers through their WSP/ATR submission. The employers also indicated the number of positions that needed filling for each occupation for the 2020 calendar year. These occupations were ranked by the number of positions required for the 2020 calendar year. Additionally, about 87% of WSP/ATR submissions were prepared after the occurrence of lockdown measures (27 March) and the timing appears to have influenced the list of occupational shortages.

The table hereunder lists the most hard-to-fill vacancies (HTFV), including the total need of employees across sub-sectors.

Table 14: Occupational shortages in the FAS sector, 2020

Rank	FASSET Occupation Group	OFO Code	Occupation	Needed	Reasons
1	ICT Professionals	121905	Programme or Project Manager	15	Pool of sufficiently qualified and experienced candidates is very small in the local market
		133103	Data Management Manager	6	The Financial Sector Conduct Authority (FSCA) requires a new skill and expertise to address its expanded mandate
		133105	Information Technology Manager	8	Geographical; not enough African Black; lack of experienced and qualified candidates
		243403	Computer Consultant	2 028	Limited number of individuals with experience in required systems and complex payrolls; lack of EE candidates
		251101	ICT Systems Analyst	38	Absolute scarcity; lack of EE candidates; lack of financial services experience
		251201	Software Developer	102	Lack of specialised experience within FAS; inexperienced SQL Developers; remuneration; difficult to retain and attract
		251202	Programmer Analyst	2 073	Lack of required qualifications in sector; scarcity of EE candidates with relevant experience (15+ years exp required); extensive architectural implementation experience needed which graduates lack
		251203	Developer Programmer	41	Lack of relevant qualifications and experience
		251401	Applications Programmer	5	Shortage of developers in market; inexperienced SQL Testers; EE lack
		252101	Database Designer and Administrator	2 072	Lack of EE candidates; lack of exceptional mathematical and creative abilities; inadequate number of graduates with necessary Engineering/Business Mathematics/Informatics skills; not enough specialists in SA, new industry
		252301	Computer Network and Systems Engineer	28	Not enough specialists in SA; limited number of people with certifications
		252901	ICT Security Specialist	65	Lack of suitable candidates with required experience and qualifications, affordability
		214101	Industrial Engineer	6	Relative scarcity; lack of experience
Total needed				6 487	
2	Actuaries and statisticians	212101	Actuary	49	Competitive market; limited prophet modelling experience and good exam progress
		212103	Statistician	15	Absolute scarcity; lack of EE candidates
		331301	Bookkeeper	14	Inadequate training, limited exposure and incomplete/no degrees

Rank	FASSET Occupation Group	OFO Code	Occupation	Needed	Reasons
		431101	Accounts Clerk	52	Lack of supply
		411101	General Clerk	2 022	In need of upskilling
Total needed				2 152	
3	Accountants and Auditors	121101	Finance Manager	26	Lack of female EE candidates; lack of FAS experience; inadequate qualifications
		241101	General Accountant	187	Lack of EE candidates in municipal areas; difficult to attract; high competition for talent among accounting firms; lack of required skills and experience
		241102	Management Accountant	5	Not enough candidates
		241103	Tax Professional	99	Inadequate supply of experienced & qualified candidates, particularly EE candidates; lack of adequate technical and management skills
		241104	External Auditor	1 038	Lack of qualifications in the field; lack of supply of students to undergo SAICA accredited learner-ships; shortage of EE candidates; qualified candidates moving to other industries; salaries not competitive with other industries; lack of excellent mathematical and communication skills; lack of post-graduates in the field; salaries not competitive with other industries; high level of technical knowledge required
		241106	Accountant in Practice	28	Shortage of Chartered Accountancy graduates; lack of adequate skill levels
		241107	Financial Accountant	213	Lack of EE candidates; difficult to recruit suitably qualified CA and AGA's registered with SAICA to fill managerial roles; graduates not passing CTA levels; location and remuneration
		241108	Forensic Accountant	7	General shortage at senior level
		242204	Corporate Treasurer	34	Scarcity; salaries not competitive; lack of exposure & experience; unique skills set
Total needed				1 637	
4	Management consultants	242101	Management Consultant	191	Lack of experience; lack of data analytics knowledge; strict entry requirements; competition for top talent; lack of analytical problem-solving skills; lack of PMI experience; lack of operational experience; not enough financial services industry (FSI) specialists in SA; 15+ years exp ideal
		242102	Organisation and Methods Analyst	9	Occupation not common; scarce market availability
		421401	Debt Collector	101	Lack of skills and experience
		341111	Debt Counsellor	10	Candidates are unable to register with the NCR as they do not meet the regulatory requirements to become registered Debt Counsellors

Rank	FASSET Occupation Group	OFO Code	Occupation	Needed	Reasons
		242202	Policy Analyst	2	Scarce skill
Total needed				504	
5	Investments practitioners	241201	Investment Analyst	40	Geographic; lack of EE candidates; lack of supply from university
		241202	Investment Manager	11	Absolute scarcity
		241301	Financial Investment Advisor	51	Specialised; niche market; works with SMEs sector; not a lot of CFP qualified individuals
		241203	Investment Advisor	7	Lack of foreign language capability
		241301	Financial Investment Advisor	51	Few designated candidates and most of these candidates are recruited by big companies
		242207	Compliance Officer	4	Compliance is a very scarce skill in the Financial Services Sector
Total needed				164	
6	Internal auditors and risk managers	121104	Internal Audit Manager	25	Lack of experience; universities produce low numbers
		242203	Company Secretary	6	Not enough candidates
		242208	Organisational Risk Manager	7	Absolute scarcity; lack of experience; lack of financial related qualifications
		242211	Internal Auditor	73	Candidates lack experience in VAT; candidates lack knowledge of required international standards; only 4200 Registered Auditors in the country
Total needed				111	
7	Sales and Marketing Professionals	122101	Sales and Marketing Manager	24	Lack of EE candidates with relevant experience and a relevant IFA network
		122103	Director of Marketing	5	Lack of experienced and qualified candidates; general shortage at senior level
		243103	Marketing Practitioner	6	Rare skill; lack of experience; scarcity of EE candidates in the retail investment market
		122102	Sales Manager	16	Hard to find combined skills of credit management, data, consulting and selling
Total needed				51	
8	Human Resources and related Professionals	333301	Recruitment Officer	10	Specialised skillset and extensive working experience require
		242303	Human Resource Advisor	11	Absolute scarcity; geographic
		121901	Corporate General Manager	5	Scarcity; lack of experience; competitive market

Rank	FASSET Occupation Group	OFO Code	Occupation	Needed	Reasons
		242401	Training and Development Professional	2	Lack of professional trainers
		121202	Business Training Manager	7	Absolute scarcity
		262202	Information Services Manager	15	Lack of experience; lack of EE candidates
Total needed				50	
9	Economists	263101	Economist	12	Rare skill; absolute scarcity
Total needed				12	

Source: FASSET data system 2020.

The majority of WSP/ATR submissions were prepared after the occurrence of lockdown measures 27 March (almost 87%) and the timing appears to have influenced the list of occupational shortages. The submissions in 2020 compared to the previous years, for example, shows favour toward ICT professionals, with the highest need (6 487). The submissions, as result of the pandemic and observations during lockdown, already identifies future skills needs. Occupations not directly in the ICT space also require ICT competency to an extent, and this is reflected in the reasons for some of the occupations listed. In addition, science, technology, engineering and mathematics (STEM) skills are also listed among the key reasons for occupations that are hard to fill.

3.2.2 OVERALL REASONS FOR PERSISTENT HTFV IN THE SECTOR

Despite other reasons discussed in Section 3.3 below, stakeholder engagements revealed that the overarching reason for the persistent occupational shortages in the FAS labour market is the length of the FAS education and skills pipeline.

In the FAS sector most professionals need more than a tertiary qualification. They also need to belong to professional bodies and comply with the entry requirements of the professional bodies. That means that learners should progress through the total pipeline until they reach professional status. Professional bodies normally require work experience before new members can obtain full membership and professional designations. This means that fully qualified professionals spend a long time in the training and certification process before they enter the labour market resulting in persistent vacancies. These individuals also need to attain the relevant work experience before they can advance to higher level HTFV occupations.

3.2.3 MAJOR SKILLS GAPS IN THE SECTOR

The major skills gaps evident in the sector were identified through both primary and secondary data collection. Skills are defined as proficiency, or ‘the ability to do’. The skills gaps identified with regard to new entrants into the labour market are important and are described as:

- Poor work-readiness/ lack of professionalism;
- Inability to apply theoretical knowledge in practice;
- A lack of critical thinking skills in various roles and areas in the workplace;
- Poor soft skills such as communication and negotiation skills; and
- Lack of alignment between tertiary education and workplace/industry demands.

In addition, new entrants often lack the attitude and initiative that is required in the workplace of graduate employees. This impedes their willingness to learn and take direction and they are often unable to ask for assistance too. According to industry and stakeholders, the skill gaps point to the inadequacy of training at tertiary institutions. The lack of coherence between theory and practice in education and learning results in graduates that are ill-prepared for the demands of the workplace.

Most important skills gaps across occupational level

The Table below shows the most prominent skills gaps that were highlighted in previous FASSET employer interviews, and which were then validated and updated through the recent focus groups conducted to update the SSP.

Table 15: Common critical skills gaps across broad occupational levels

Broad Levels	Occupational Levels	Common Skills Gaps
Senior	Managers	Conflict management skills Negotiating skills Entrepreneurial/ business skills Emotional intelligence
Middle	Professionals	Conflict management skills Negotiating skills Critical thinking
	Technicians and Associate Professionals	Supervising skills Project management Complex problem solving
Lower	Clerical Support workers, Service and Sales, Trades workers, Elementary Occupations	Communication Computer skills – Microsoft excel Customer service Complex problem solving Technical skills

3.2.4 THE FUTURE OF SKILLS

The pandemic and the advent of the 4IR are presenting new ways of thinking about work. Prof. H. Rasool (2020) offers that the pandemic will impact employment, work, jobs and skills in the following ways: full-time jobs will diminish, remote and digital work will become the norm, employment relations will become flexible, increased employee accountability will be

expected, new jobs of different kinds will be created, and credentials will take a backseat to skills.

Industry representatives further identified future or emerging top-up skills that will be key for the sector moving forward. These include digital computing, virtual interpersonal skills, communication skills, leadership skills, emotional intelligence, adaptability, diversity management, change management, advisory, data analyst, software development and digital client service skills, as key, amongst others.

Industry representatives suggest that persistent and emerging vacancies shortages can be met through:

- Work integrated learning will be required in the future
- Upskilling of tax practitioners and auditors towards advisory roles
- FAS professionals to be 4IR ready and relevant (enhance existing roles with emerging skills sets)
- Universities to transform ways of teaching; learning must be adaptable and more reflective of current industry needs
- Learners must undergo more practical and more technical training
- Increased and sincere sector engagement to reach transformation targets
- Expose learners to diversity of professions in the FAS sector
- BCom graduates' knowledge needs to be more well-rounded and relevant to emerging needs
- Encourage concurrent programmes; students can do learnerships while studying
- Outlook on training and development will have to change; invest in value skills.

Moreover, there is consensus that roles such risk management, auditors, tax practitioners, tax technicians, business rescue practitioners, actuarial scientists, compliance management, and investment accountancy will grow increasingly important considering the key skills change drivers.

3.3 EXTENT AND NATURE OF SUPPLY

3.3.1 ENTRY ROUTES INTO THE SECTOR

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

3.3.2 EDUCATION AND TRAINING AT TVET LEVEL

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

a) Senior Certificate

The senior certificate examination results are the baseline gateway for the supply of accounting and other professional skills, especially the pass rates in accounting and mathematics. Grade 12 Mathematics is a prerequisite for tertiary studies in most of the study fields relevant

to FASSET. The Grade 12 subject Accounting is not a prerequisite for entry into higher certificate, diploma or degree programmes in the finance and accounting field. Nevertheless, many students who are interested in the finance and accounting field select Accounting as a subject at school level. Bookkeepers and accounting clerks could however be drawn from Grade 12 learners with Mathematics and Accounting as subjects. It is also possible that Accounting at school level could spark learners' interest in accounting as a career.

One needs to acquire 30% or more in the National Senior Certificate to be able gain admission to tertiary programmes in most professional study fields in the labour market. Table 14 gives a summary of the grade 12 enrolments and completions for the period 2015-2019.

Table 16: Grade 12 statistics: 2015-2019

Number of learners who:	2015		2016		2017		2018		2019	
	N	%	N	%	N	%	N	%	N	%
Wrote Grade 12	644 536	100	610 178	100	534 484	100	512 735	100	504 303	100
Achieved Grade 12	455 825	71	442 672	73	401 435	75	400 761	78	409 906	81
Wrote Mathematics	263 903	41	265 912	44	245 103	46	233 858	46	222 034	44
Achieved Mathematics (40% and more)	84 297	13	89 084	15	86 098	16	86 874	17	121 179	24
Wrote Accounting	140 474	22	128 853	21	103 427	19	90 278	18	80 110	16
Achieved Accounting (40% and more)	50 906	8	57 914	9	44 041	8	43 831	9	62 796	12

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

Source: Department of Basic Education, 2019.

These statistics clearly show that the supply pipeline into the FAS sector professions is seriously impaired. The continuing low numbers of those who onboard Mathematics and Accounting and the further deteriorating results achieving the required level of mathematics and accounting marks in the NSC are major impediments to supply in the sector.

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

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

As one of the TVET colleges, South West Gauteng TVET states that the purpose of this programme is to equip students to be self-employed or to be in the financial, economics and accounting sector. The college further reveals that this qualification enables graduates to perform the following activities: to perform accounting duties, keep records of wages, salaries, petty cash, Value Added Tax (VAT), reconciliations, prepare financial statements, manage budgets, and analyse finances of a business. The college also state that this qualification prepares graduates for career opportunities in: Accounting – (Private & Public), Banking, Financial Services, Investment Services and Insurance Services.

Most TVET colleges also offer National Accredited Technical Education Diploma (NATED) programmes at NQF levels 4 to 6 in financial management, business management or both. On successful completion of the programmes, graduates obtain either a national certificate or a national diploma. Completion of these programmes equip the graduates for career opportunities such as Financial Management, Credit Management, Bookkeeping, Financial Accounting, Debtors/Creditors and Banking.

Table 17: Enrolment in TVET colleges: 2011 – 2018

Qualification Category	2011	2012	2013	2014	2015	2016	2017	2018	Grand total
NC(V)	124 658	140 575	154 960	166 433	165 459	177 261	142 373	131 212	1 202 931
Report 191 (N1-N6)	222 754	359 624	442 287	486 933	519 464	492 026	510 153	482 175	3 515 416
Grant total	347 412	500 199	597 247	653 366	684 923	669 287	652 526	613 387	4 718 347

Source: Statistics on Post-schools Education & Training in South Africa: 2018.

c) Professional Body qualifications at TVET level

FASSET has registered several learnerships at NQF levels 3 and 4 with SAQA. These learnerships are offered by the professional bodies associated with FASSET. However, most of the learners are based in organisations that don't fall within FAS sector. The learnerships are listed in below Table.

Table 18: Learnerships at TVET level

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

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

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

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

3.3.3 EDUCATION AND TRAINING IN THE WORKPLACE

a) Learnerships

The nature of learnerships are that they require the collaboration of key industry role-players to become successful. The employers in the FAS sector play a crucial role in the successful implementation of learnerships as they provide the workplace experience component which is critical in the formation of entry-level skills. Professional body qualifications are also mostly attained through learnerships, and most of those that are not linked to learnerships require a certain amount of workplace experience. The role of employers is therefore to provide both the workplace exposure and mentorship that are needed by learners during their studies and graduates when entering the labour market as interns.

The readiness of employers to take on learners is a critical element in the successful implementations of learnerships. The contributing factors include employers' knowledge of learnerships in general and of the availability, and quality, of specific learnerships; the employers' knowledge of and perspectives on the possible benefits associated with learnerships; their perceptions of the administrative processes involved in learnerships; and their perceptions of the inputs that they, as workplace training providers, would have to contribute. Coupled with this is the perception that those learners who have not exited the traditional qualification achievement route i.e. Universities, do not meet the required standard. This is specifically the case of TVET Qualifications.

In certain components of the sector such as accounting and auditing firms, learnerships have become institutionalised and employers actively participate in the development of the learners who are registered with them. Companies also depend on the services provided by and the work done by the learners. In these aspects of the sector learner shortages creates a serious skills shortage. It is also important to note that this does not happen in all parts of the sector. For instance, in the service areas e.g. the financial market sub-sector, much work is still needed to engage employers in learnerships.

b) Work-Integrated Learning

Work Integrated Learning (WIL) refers to the workplace experience components of certain qualifications. These qualifications range from National Diplomas conferred by the TVET colleges, the qualifications offered by the Universities of Technology (UoT) to the Quality Council for Trades and Occupations (QCTO) qualifications. WIL also refer to the work experience required for professional registration, for example the candidacy programmes in the engineering field. In these cases, the work experience is structured according to specific requirements. WIL is supposed to provide students with the opportunity to acquire all the competencies and skills that they would need to be successful in the labour market.

Professional registration such as the candidacy programmes in the field of engineering may also require work experience through WIL. In such instances, there is a specific requirement to structure in work experience. If WIL leads to formal SPOI qualifications, the training is eligible for grants from the SETAs and for points on the B-BBEE scorecards.

In the FAS sector there are graduate development programmes that are offered by employers and are similar to the formal WIL programmes, and they are not linked to specific qualifications. Such programmes do not qualify for financial support through the system of levy-grants and do not count in terms of BBBEE codes. It is of importance for employers to substitute these programmes for learnerships. Employers should be motivated by the incentives associated with learnerships to train more unemployed learners and to train beyond their own needs. This could in turn, support the transformation of the sector.

c) Short Courses

A compulsory requirement to retain a professional body membership in the FAS sector is that employed professionals undergo CPD and earn CPD points. CPD plays an important part of skills formation in the sector. CPD centres on life-long learning with a view to ensuring that all professionals are kept abreast of all factors impacting on their industry. Most of the professional bodies are actively involved in the provision of CPD and/or in the accreditation of providers who offer CPD. Organisations in the sector also provide in-service training to their employees. The Annual Training Reports (ATR) that are submitted to FASSET by employers indicate that about half of the employees receive a particular kind of training.

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

3.3.4 SUPPLY PROBLEMS EXPERIENCED IN THE SECTOR

Some of the supply problems highlighted in the report on skills supply and demand in South Africa include, country's slow economic growth in 2018 and 2019, which is forecasted to continue in the medium term (World Bank, 2019). An additional challenge surrounding skills development is the country's high rate of unemployment, especially among youth, with the majority of new entrants into the labour market who are unemployed ranging between 15 and 34 in age. All of this will be amplified by the impact of COVID-19.

The high numbers of unemployed people and NEETs are symptomatic of the imbalances that exist between the demand for and the supply of skills and suggest an important role for the CET sub-sector in particular. CET colleges are intended to cater mainly for youths and adults who did not complete their schooling and therefore do not qualify to study at HEIs.

The causes of these supply problems are multiple, complex and rooted all along the skills formation pipeline. These challenges were validated in and through the FAS Sector stakeholder engagement workshop. They are summarised as follows:

Table 19: Key challenges in skills formation in FASSET's sector

Key point in pipeline		Key Challenges
Basic Education	School	Low number of Maths passes
		Poor or in some cases no career guidance
		Accounting not a prerequisite for entry into qualifications
TVET Level	TVET Colleges	No alignment of curriculum/syllabus to new industry practice
		Poor lecturer capacity i.e. no practical work experience
		Limited access to, or availability of, Work placements (required for the N Diploma)
	Professional body qualifications	The high demand for FAS qualifications outside FASSET's scope
		Lack of available work experience for completion of qualifications
HEI Level	Students-First degrees and diplomas	Lack of or inadequate funding of fees and living expenses (particularly those that are unable to access NSFAS bursaries)
		Low throughput rates
		Inadequate number of suitably qualified academic staff
		Qualifications are theory based & lack WIL component
		Focus on building CA's versus other pivotal occupations
	Students-Post graduate degrees	Limited and inadequate funding for fees and living expenses
		Low pass rate on CTA
		Inadequate number of suitably qualified academic staff
	Professional body qualifications	Insufficient number of learner progress to professional status
		Specific challenges facing black graduates seeking entry to professions. Transformation remains slower than required
		Drop-out from learnerships before completion
Workplace	Job seekers	Graduates unable to find employment, because employers do not view them as "work ready"
		Academic qualifications only provide theory and insufficient practical exposure
	Ownership of firms	Vast majority of companies owned by Whites. Transformation in terms of ownership remains slow
		Perception around quality of transformed candidates produced through TVET stream versus traditional university

Key point in pipeline		Key Challenges
	Employees	Scarcities remain in certain occupations
		Accessibility into certain qualifications within FAS sector still a challenge

a) Lack of career-guidance interventions

A key supply challenge is that of black people entering the FAS sector. This is noted across occupations as listed in the '*Transformation in the FASSET Sector report (2020, p. 54*. There is lack of sufficient career-guidance interventions targeting students at Grade 8-9 at rural and peri-urban areas. Learners are not exposed to the FAS Sector as an employment sector of choice and this impacts negatively on the creation of a more demographically representative pipeline. This feedback was noted as part of the FAS sector stakeholder engagements.

b) Obsolete Curricula

One of the key challenges cited by industry is the quality of learners produced at TVET and HEI's, entering the FAS sector. The current curricula and syllabi used is outdated and has not kept up with both local and global FAS Sector methods and trends. This supply challenge is noted to be the result of the siloed approach to curriculum development; however, this can be corrected through more robust partnership programmes which include TVET Colleges, HEIs, SETA, professional bodies and industry.

c) Lack of skilled staff at TVET and HEIs

According to the results of FASSET's sector survey of 2017, both the universities and TVET colleges have challenges in the quality of lecturing staff. The survey reveals that challenges experienced by some universities revolve around the ability to attract and retain suitably qualified expertise particularly Chartered Accountants. Qualified Chartered Accountants mostly prefer to pursue opportunities in other organisations, rather than take up a job of lecturing at a university. This issue could be related to lower than expected salaries for academics and the better career opportunities available in the broader economy, caused by a shortage of accountants.

In TVET colleges, the challenges relate to retaining qualified and experienced lecturers. As the result of competition from other organisation, being employed at a TVET college is seen as a downgrade by most graduates. The quality of lecturing in both Higher Education and TVET institutions is mostly affected by the inability of the lecturers to integrate theory and practice. Some institutions have reported that most of their lecturing staff lack practical work experience and this limits their ability to integrate theory into practice. The lack of available soft-skills training and research skills prior to the appointment of lecturers also affects the quality of these lecturers.

d) Lack of Work-Integrated Learning Programmes at HEI Level

As at 2018, the work-integrated learning component within traditional university qualifications is no longer a prerequisite for graduation. This change has in effect resulted in the production of a skills supply pipeline who have the theoretical knowledge but lack practical work-

place experience. In addition to this, learners within the TVET College system have experienced challenges with access to suitable workplace for the completion of the 18-month workplace learning programme.

e) The impact of COVID-19 on supply

The COVID-19 pandemic and the subsequent lockdown of all sectors and institutions has had a significant impact on the continuity of both basic and higher education. The shutdown of all educational institutions has seen PSET institutions rush to prepare to adopt remote and more online methods. While the adoption of online learning is an important step in terms of embracing 4IR and the technological age, the pace at which the change has been offered has created a shift from the actual need for change (the pandemic) to uncertainty/confusion regarding the change.

This uncertainty is further compounded by the delayed readiness of PSET institutions to deploy online learning due to factors such as a lack of the requisite infrastructure (online learning platforms), the availability of skilled and knowledgeable staff to manage and implement the learning and the lack of available financial resources to holistically implement online learning.

From a student perspective, while many students are “internet savvy” and participate in the digital age, access to online platforms remains a challenge. The factors creating this challenge are driven by vast differences in the socio-economic inequalities and extreme poverty levels faced by students. These factors include the lack of infrastructure within rural areas and the surrounds, the lack of access to smart phones and digital devices and the lack of financial resources to purchase airtime or data. The impact of these overall challenges result in the delayed rollout of learning and thus the delayed production of the skills and occupations required for the sector.

3.4 SECTORAL PRIORITY OCCUPATIONS AND INTERVENTIONS LIST

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

3.4.1 DESCRIPTION AND METHODS OF THE SPOI LIST

Employers were asked to indicate the sectoral priority occupations that require interventions for the 2020 calendar year as part of their WSP/ATR submissions. Only organisations with more than 50 employees were required to list SPOI training in relation to occupations, while the rest only needed to indicate the training to be undertaken. Due to this reason, the SPOI list consists of sectoral priority training according to occupations submitted by those employers with more than 50 employees. The list was verified during the primary data collection phase in focus group discussions and through provincial workshops following the SSP draft submission. Finally, the SPOI list and the scarce skills (or HTFV) were discussed and approved at FASSET’s Board Strategic Session where planning for the following year’s programmes are discussed. The Board signed off on the final draft SSP on the 31st August 2020.

3.4.2 INTERVENTIONS IN THE SPOI LIST

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

Envisaged outcomes from the identified interventions

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

3.4.3 SPOI LIST PRIORITY LISTING

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

SAICA-accredited undergraduate qualifications in the sector leads to becoming a Chartered Accountant (CA), followed by the completion of a SAICA-accredited post-graduate Certificate in the Theory of Accounting (CTA) programme or NQF level 8 equivalent. Since 2001, the majority of all completed FASSET learnerships were for the CA: Auditing qualification, which is administered by SAICA and which forms part of the CA learning pathway.

Other learnerships in the sector include the TVET Certificate: Debt Recovery (NQF level 4), the National Certificate: Business Administration Services (NQF level 2), the Post Graduate Diploma: Professional Accountant in Practice (NQF level 8) and the Certificate: Public Sector Accounting (NQF level 4).

The table below lists the occupations in the SPOI list identified as occupations that require training and are ranked by priority. The list provides the training interventions that are best suited to provide the skills required in the identified occupations. The training interventions consists of the educational qualifications that are generally required in the sector and for the specific occupations as well as the learnerships used in the sector.

Table 20: Sectoral Priority Occupations and Interventions list, 2020

SETA Name	Period	Occupation Code	Occupation	Specialisation/alternative title	Intervention Planned by the SETA	NQF Level	NQF Aligned Y/N	Quantity Needed	Quantity to be supported by SETA
FASSET	2021/22	241104	External Auditor	Forensic Auditor / Investigator	Bursaries	7 & 8	Y	1 038	250
					Learnerships	7 & 8	Y		100
					Bridging Programmes	7 & 8	Y		200
					HET Graduate Work Experience Programme	7 & 8	N		200
					Learner Employment Grant	7 & 8	N		100
					Professional Body Qualifications and Designations	7 & 8	Y		20
FASSET	2021/22	121101	Finance Manager		Bursaries Professional Body Qualifications and Designations	6, 7 & 8	Y	26	20
FASSET	2021/22	251101	ICT Systems Analyst		Bursaries	7	Y	38	10
					Learnerships	5, 6 & 7	Y		5
					Bridging Programmes	7	Y		620
FASSET	2021/22	252101	Database Designer and Administrator	Database Administrator	Bursaries	6, 7 & 8	Y	2 072	500
					Bridging Programmes	6, 7 & 8	Y		350
					HET Graduate Work Experience Programme	6, 7 & 8	N		450
					Learner Employment Grant	6, 7 & 8	N		75
FASSET	2021/22	241107	Financial Accountant	Company Accountant	Bursaries	7 & 8	Y	213	50
					Bridging Programmes	7 & 8	Y		50
					HET Graduate Work Experience Programme	6, 7 & 8	N		50
FASSET	2021/22				Bursaries	6, 7 & 8	Y	7	2

SETA Name	Period	Occupation Code	Occupation	Specialisation/alternative title	Intervention Planned by the SETA	NQF Level	NQF Aligned Y/N	Quantity Needed	Quantity to be supported by SETA
		242208			Learnerships	6, 7 & 8	Y		3
			Organisational Risk Manager	Risk Compliance Manager	Bridging Programmes	6, 7 & 8	Y		5
					Learner Employment Grant	6, 7 & 8	N		5
					Professional Body Qualifications and Designations	6, 7 & 8	Y		7
FASSET	2021/22	241103	Tax Professional	Tax Analyst	Bursaries	6, 7 & 8	Y	99	25
					Learnerships	6, 7 & 8	Y		30
					Bridging Programmes	6, 7 & 8	Y		20
					HET Graduate Work Experience Programme	6, 7 & 8	N		20
					Learner Employment Grant	6, 7 & 8	N		50
FASSET	2021/22	251201	Software Developer	Software Designer	Bursaries	3, 4, 5 & 6	Y	102	25
					Learnerships	3, 4, 5 & 6	Y		30
					NSC Work Experience Programme	3, 4, 5 & 6	N		35
					TVET Work-Based Experience	3, 4, 5 & 6	N		20
					Professional Body Qualifications and Designations	3, 4, 5 & 6	Y		85
FASSET	2021/22	241301	Financial Investment Advisor	Financial Agent	Bursaries	6, 7 & 8	Y	51	100
					Learnerships	6, 7 & 8	Y		50
					Bridging Programmes	6, 7 & 8	Y		80
					HET Graduate Work Experience Programme	6, 7 & 8	N		120
FASSET	2021/22	241101	Accountant		Bursaries	6, 7 & 8	Y	187	250

SETA Name	Period	Occupation Code	Occupation	Specialisation/alternative title	Intervention Planned by the SETA	NQF Level	NQF Aligned Y/N	Quantity Needed	Quantity to be supported by SETA
					Learnerships	7 & 8	Y		100
					Bridging Programmes	6, 7 & 8	Y		200
					HET Graduate Work Experience Programme	6, 7 & 8	N		200
					Learner Employment Grant	N/A	N		100
					Professional Body Qualifications and Designations	5, 6, 7 & 8	Y		20

Source: FASSET data system 2020.

3.5 CONCLUSION

This chapter discussed the occupational shortages and skills gaps in the FAS sector. There appears to be a persistent mismatch of skills supplied and demanded in the sector. This is largely attributed to an undynamic learning and training structure in post-school education. Industry calls for a long-term vision with targeted training that will deliver the right skills into labour market. In addition, employees in the sector must be continuously upskilled and employers must embrace advanced technology and the 4IR to boost productivity and efficiency. Most of the evidence presented in the chapter resonated with the skills change drivers in Chapter Two.

CHAPTER 4: SECTOR PARTNERSHIPS

4.1 INTRODUCTION

This chapter presents and analyses partnerships that FASSET has entered into with an objective to advance its mandate. It assesses the impact of sector partnerships on the overall mandate of FASSET and the objectives as outlined by the NDP and NSDP. For the purposes of this chapter, a FASSET partnership is defined as a collaborative arrangement where two or more parties agree work together to advance their mutual goals within a specific period of time.

Partnerships should be mutually beneficial with emphasis on the creation of adequate supply of skills to meet the immediate and forecasted skills demands within the sector. Notwithstanding the inherent partnership between FASSET and the sector, this chapter also outlines FASSET's partnerships with its delivery implementation partners, namely; TVET colleges, HEIs, professional bodies, government and labour to promote the responsiveness of education and training to industry needs and changing trends.

4.2 EXISTING PARTNERSHIPS

The current partnerships are noted in terms of their effectiveness, challenges experienced and suggested measures to improve the partnerships. The matrix indicating the type of partnerships, partners, objectives and impact are listed in the table below:

Table 21: Existing Partnerships Matrix

NSDP Outcomes	Name of Programme	Name of institution/ partner organisation	Objectives of partnership	Duration	Impact on Beneficiaries (Value-add)	Impact on Partners & Sector (Value-add)
Outcome 1: Identify and increase production of occupations in high demand	Academic Support Programme	University of South Africa University of Free State University of Western Cape University of Fort Hare	To promote academic excellence in FASSET related degree programmes at HEI's and increase throughput rate for specific qualifications associated with Scarce Skills in the sector.	Ongoing	Learners: The students at risk of failing exams and progressing in their courses are provided with extra lessons to make up for their gaps in curriculum knowledge or understanding to complete.	Retention of learners on qualifications through improved qualification through-put. Bigger pool of competent graduates to enter the labour market with the prospect of professional membership.

NSDP Outcomes	Name of Programme	Name of institution/ partner organisation	Objectives of partnership	Duration	Impact on Beneficiaries (Value-add)	Impact on Partners & Sector (Value-add)
Outcome 2: Linking education and the workplace	Comprehensive Bursary Scheme Partnerships	University of Johannesburg, UFS (Bloemfontein & Qwaqwa), University of Pretoria, University of Western Cape, UCT College of Accounting, University of Fort Hare, Rhodes University, CPUT, Wits University, Northwest University and NSFAS	To increase throughput rate at HEIs for specific qualifications associated with occupations in high demand in the sector	Ongoing	To bridge student funding gaps, thereby allowing an increased number of students to enrol for qualifications associated with FASSET occupations in high demand.	Retention of learners on qualifications through improved qualification through-put. Bigger pool of students entering the FAS sector for occupations in high demand.
Outcome 3: Improving the level of skills in the South African workforce	TVET Work-Based Experience programme partnerships	Government Mpumalanga Provincial Treasury and Limpopo Economic Development Agency Associations and Professional Bodies ACCA, National Accounting Practice Network, South African Sugar Association, Vukani Makhosikazi Large Audit Firms PricewaterhouseCoopers, KPMG, SNG, Ernst and Young, Other employers 10 small employers	Provide Nated - N6 students with the required workplace experience to complete their qualifications.	Ongoing	Students gain exposure to the workplace and thus get to practically apply their skills and meet the qualification achievement requirement.	Renewed, sustainable positive partnerships between TVET Colleges and Industry. Theoretically and practically trained pool of prospective employees who are able to join industry and add value to organisations. TVET programmes more aligned/relevant to industry needs as result of partner feedback Large pool of mid-level graduates with real work experience
Outcome 4: Increase access to occupationally directed programmes						
Outcome 5: Support the growth of the public college system	Professional Body Designation Programme	South African Institute of Tax Professionals (SAIT), Association of Certified Chartered Accountants (ACCA), South African Institute of Chartered Accountants (SAICA), University of Pretoria and SAIBA	The professional body designation programme is a PIVOTAL programme designed to assist learners to pass the regulatory board exams that provide access to full professional status.	Ongoing	Through this intervention, students are funded for various programmes/interventions to assist them with passing the required board exams.	Increased pool of professionally registered people within the FAS sectors in critical skills occupations. The increase on the number of workers with professional designation or status in the sector
Outcome 6: Skills development support for entrepreneurship and cooperative development	Youth Employment Services	Youth Employment Services, Industry and FASSET	To assist unemployed graduates that need work experience in order to improve their employability within the sector	Ongoing	Exposure to the world of work and the building of skills required to become employable	Greater pool of skilled and experienced graduates to enter the FAS world of work and improving the relevance of youth development services.
	Basic Education Maths and Accounting:	Department of Basic Education & FASSET	To assist unemployed learners to enhance their mathematics and accounting results at National Senior Certificate	Ongoing	Learners improve their mathematics and accounting achievement score to gain entry into	Widen the pool of prospective professionals entering the HEI's with a view to qualifying in scarce skills occupations and creating a pipeline.

NSDP Outcomes	Name of Programme	Name of institution/ partner organisation	Objectives of partnership	Duration	Impact on Beneficiaries (Value-add)	Impact on Partners & Sector (Value-add)
	Bridge-In programme at High Schools		level for entry into higher education		FAS related qualifications and programmes.	
	APC & ITC Repeat Programme	SAIPA and FASSET	Offers support to those learners who are struggling with completion of Board Exams to become qualified chartered accounts. Programme supports students who have previously paid for their studies but failed and cannot afford to pay again.	Ongoing	Students have access to opportunities to qualify as chartered accounts and become of the supply into the sector.	Greater pool of qualified chartered accountants to close existing skills deficit within the sector. Increase the supply of qualified CA's into the sector.

4.2.1 PARTNERSHIP SUCCESS FACTORS AND CHALLENGES

In this section we review the overall impact of the partnerships in terms of the key success factors and challenges encountered throughout the implementation.

Table 22: Success and Challenges Matrix

Name of Programme	Success	Challenge
Academic Support Programme	Project assists with creation of scarce skills across industries while addressing the outcomes of the NSDP.	Funding challenges as programme funding only lasts for only 1 year. The sustainability of the project is compromised as the programme losing competent tutors as a result of a short-term contract.
Comprehensive Bursary Scheme Partnerships	There has been a greater inclusion of learners from universities across the country rather than only within the urban areas. The academic support offered includes extra classes during the school holidays. There has also been a greater through-put of learners in the bursary coupled with an economic impact where learners are able to cater for their families through the allowance.	There has been disparity in terms of the structure of the learning programmes and the allowances paid to learners. The implementation review identified this, and mitigation actions are underway with standardisation across all programmes.
TVET Work-Based Experience programme partnerships	Piloted with employers and has proven successful. In the past employers only recognized graduates coming out of HEI's. The success of the programme at the Big 5 company level has resulted in a broader adoption of the programme.	Lack of available of workplace mentors in some companies results in a lower uptake of learners. There has also been a lack of understanding of what is required in terms of offering workplace learning.
Professional Body Designation Programme	Greater pool of qualified chartered accountants to close existing skills deficit.	Poor attendance by learners as the classes are run in the evenings and weekdays. These impacts on the learner performance thus the rate of completion has been low.
Youth Employment Services	There has been a great uptake of the programme from industry. This is validated by the requests for new DG window through which companies can participate.	Not all learners who have been hosted have been active as a result COVID-19 and the subsequent lockdown. Tools of trade for working from home have also not been available.

Name of Programme	Success	Challenge
Basic Education Maths and Accounting: Bridge-In programme at High Schools	The implementation has commenced; however, it has been delayed as a result of the COVID-19 pandemic. The key success factors will be measured and assessed post-lockdown.	COVID-19
APC & ITC Repeat Programme	Greater pool of qualified chartered accountants to close existing skills deficit.	Poor attendance by learners as the classes are run in the evenings and weekdays. These impacts on the learner performance thus the rate of completion has been low.

4.3 PLANNED PARTNERSHIPS

Guided by the SETA's strategic focus for the next five years and the achievement of the NSDP Outcomes, FASSET has identified the need to develop new programmes. The new programmes are aimed at assisting the FASSET to deliver its mandate and address transformational issues within the sector. New programmes require new partnerships, these have been outlined in the table below.

Table 23: Planned partnerships

NSDP Outcomes	Name of institution/ partner organisation	Gaps that the partnership will be addressing	Objectives of partnership	Impact on Beneficiaries (Value -add)	Impact on Partners & Sector (Value-add)
Outcome 1: Identify and increase production of occupations in high demand Outcome 2: Linking education and the workplace	TVET Colleges: Lecturer Development	TVET college lecturers tend to have the educational qualifications but lack the practical work experience which would enable them to provide holistic facilitation of learning in the classroom.	To expose TVET College lecturers to practical experience of industry, enhance their knowledge of the FAS sector, improve teaching practice and ability, and facilitate knowledge transfer.	Lecturers improve their skills, knowledge and competence and overall improve the quality of learning given to students.	Reduces the need to retrain existing TVET College students and need to be placed in the sector. Improves the quality of students available for WIL programmes. TVET colleges professionalism and acceptance to industry, elevated. TVET colleges become providers of choice in their area of operation.
Outcome 3: Improving the level of skills in the South African workforce Outcome 4: Increase access to occupationally directed programmes	Community TVET Colleges	The community education and training sector remains undeveloped and lacking in financial resources to advance needed training. In a country with high unemployment CET sector has a role to play in skills development.	To assist unemployed learners seeking employment or business opportunities in the FAS sector to obtain knowledge and skills which contribute to their ability to become economically active.	Grant students who want to enter the FAS sector the opportunity for exposure and access to the sector.	Widen the pool of prospective professionals entering the HEI's with a view to qualifying in scarce skills occupations and creating a pipeline. TVET colleges professionalism and acceptance to industry, elevated. TVET colleges become providers of choice in their area of operation.
Outcome 5: Support the growth of the	Department of Small Business Development (SEDA, SEFA, NYDA, NEF): Small	Small businesses often find it difficult to access education and training opportunities due to the complexity of application processes for grant.	To simplify processes and assist small businesses gain access to skills development initiatives to support their business	Access to FAS opportunities for business growth and development as well as personal development within the sector	Pool of competent, skilled and knowledgeable small businesses who can form part of the FAS services delivery value chain.

NSDP Outcomes	Name of institution/ partner organisation	Gaps that the partnership will be addressing	Objectives of partnership	Impact on Beneficiaries (Value -add)	Impact on Partners & Sector (Value-add)
public college system Outcome 6: Skills development support for entrepreneurship and cooperative development	Business Development Programme				
	Government Departments & SOE's: Public Sector Programme	Finance and accounting skills are lacking in the public sector which makes the building of a capable state difficult to achieve and hampers the fight against corruption.	To address the shortage of finance and accounting skills within the public sector with a view to building public services financial management capacity	Building of specialist skills required to operate within the Financial Services public sector.	Pool of FAS sector Public sector specialists with a reduction in qualified audits and improved compliance to National Treasury Regulation.
	FASSET & Employer Work Readiness Programme	Provide graduates with soft and technical skills required to integrate into the world of work. Providing industry with graduates who are ready to actively participate in the workplace.	To develop a FAS Sector approved Work Readiness Programme which can be rolled out across all FAS sector sub-sectors.	Graduates receive skills and competencies prior to the work placement and can focus on learning skills linked to their field of study in the workplace.	In terms of industry impact, there is a greater pool of skilled, knowledgeable and competent prospective employees who are able to meet the immediate demands of their role and the employer.
	FASSET & MICT SETA: 4IR Readiness Programme	There is a slow adoption of technology and systems in the FAS sector. The impact of COVID-19 clearly indicates and compounds this.	The programme will focus on the provision of IT and systems skills through joint DG allocations by both FASSET & MICT SETA. This will promote adoption of systems technology across all FAS sectors.	The upskilling of beneficiaries on critical skills required to navigate and participate in business in the digital age and operate remotely while comply with set regulations for the sector.	The partnership of this nature will ensure the joint achievement of the NSDP goals for both FASSET and MICT SETA. Industry impact includes prospective global growth and reach as a result of the virtual nature of technology based- service solutions. greater growth potential. The programme also addresses skills gaps identified as part of the SPOI list.

4.4 CONCLUSION

Partnerships are crucial for the overall implementation and achievement of the NDP 2030 and NSDP goals. They ensure cooperation and participation of all parties who have a vested interest in the achievement of their noted goals. Through its long-standing partnerships with professional bodies, TVET colleges and universities, FASSET has been able to build a skills pipeline through its interventions. While access to the FAS Sector still remains a challenge in terms of the entry requirements, the current partner programmes such as the Academic Support Programme are successfully addressing the skills gaps noted for the achievement of qualifications.

In terms of lessons learnt and best practice from Sector Partnerships, HEI's and professional bodies with similar implementation projects have been grouped together to share best practice, challenges, success and mitigations. This has assisted in greater retention of learners on programmes as well as the handling of challenges with programme implementation across the board.

CHAPTER 5: MONITORING AND EVALUATION

5.1 INTRODUCTION

The aim of this chapter is to state the approach that FASSET uses for Monitoring and Evaluation (M&E). Also, to determine the extent to which the SETA achieved the strategic priorities outlined in the relevant financial period. FASSET's SSP priorities along with skills development policy alignment towards the attainment of the organisation's strategic objectives is outlined too.

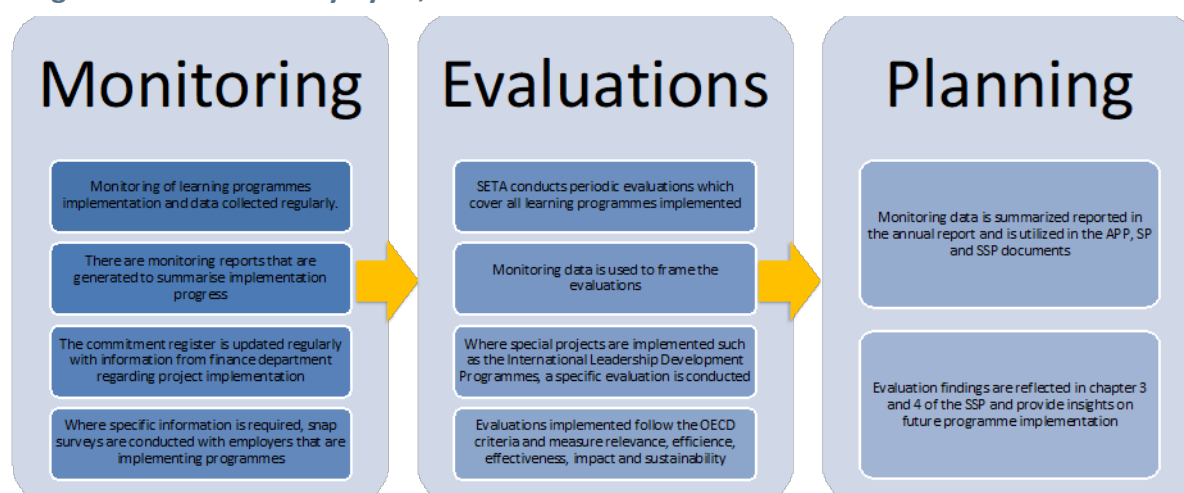
5.2 APPROACH TO MONITORING AND EVALUATION

FASSET's approach to monitoring and evaluation (M&E) is project-based. There is presently no designated M&E department in the organisation and activities are monitored with the use of internal information and a projects team that provides monitoring feedback on a quarterly and annual basis.

In line with South Africa's government wide monitoring and evaluation (GWM&E) system, FASSET developed and adopted an M&E Framework following Results-Based Management (RBE) approach, which is informed by the provisions of the organisation's five-year Strategic Plan (SP); the five-year SSP; and the Annual Performance Plan (APP). The documents are aligned to the NSDP, which outlines national strategy on skills development. These four important documents are at the core of the planning, monitoring, reporting and evaluation cycle of FASSET.

The focus of the FASSET M&E Framework is on the performance and impact of FASSET and its implementation partners. Progress towards the achievement of FASSET sector strategic objectives is measured against set targets and milestones as outlined in the annual reports and the APP. Performance information is essential to focus the attention of the public and oversight bodies like DHET, on whether public institutions like FASSET are delivering value, by comparing their performance against their budgets and service delivery plans, and to alert managers to areas where corrective measures are required. In addition, the availability of performance information allows managers to follow results-based management approaches in service delivery. The diagram below illustrates the accountability process FASSET follows to track performance.

Diagram 1 Accountability Cycle, Documents and Performance Information



5.3 SECTOR SKILLS PLANNING

Measuring the impact of education and training interventions is of importance to FASSET. This work needs to continue in the planning period covered by this SSP.

Specifically, the SETA:

- Commissions data collection of learning programmes implemented;
- Generates monitoring reports to summarise implementation progress;
- Updates the commitment register regularly with information from the finance department regarding project implementation;
- Conducts snap surveys with employers that are implementing programmes, when specific information is required;
- Conducts periodic evaluations which cover all learning programmes and special projects implemented, using monitoring data to frame the evaluations; and
- Ensures that all evaluations implemented follows and measures relevance, efficiency, effectiveness, impact and sustainability.

Increased monitoring and evaluation of projects enables the FASSET staff to identify pockets of excellence and high performing projects as well as those requiring intervention in the current financial period. It also enables FASSET to identify projects that need additional assistance from the FASSET team. This ensures that projects remained on track and performed in line with agreed deliverables. In line with this, FASSET's strategic skills priorities fall within the following four most important skills issues:

- The need for a long-term and holistic view of the skills pipeline;
- Ensuring that new entrants reach professional status;
- Strengthening the capacity of the TVET Colleges and improving the absorption of TVET learners in the labour market; and
- Supporting the population group transformation of the sector (APP, 2020).

These skills issues provide the framework in which FASSET's performance is measured, and underscores which performance indicators are monitored and evaluated. Accordingly, the performance framework and standards that SETAs need to prescribe to are determined by Theory of Change that guides the overall M&E in SETA environments and includes:

1. High-level INPUT goal:	A responsive, aligned and effectively functioning skills eco-system.
2. High-level OUT-COME goal:	Learners representative of society will benefit from diverse opportunities for skills development.
3. IMPACT goal:	A transformed, employable, skilled and capable workforce that is participating in the economy and contributing to society.

Source: DHET, 2020.

FASSET's 13 strategic goals, as outlined in its annual reports, collectively aim 1) to increase the flow of new finance and accounting entrants to employment; 2) to develop and grow the skills required in the sector; and 3) to facilitate transformation of the FAS sector. The strategic

goals are also what FASSET delivers against NSDP objectives, as per the service level agreements (SLA) and APP signed with DHET every year.

FASSET's bursary scheme, work-based learning programmes and professional body designation qualifications give the best evaluation results. The sector trends and transformation report give the biggest results in terms of planning. Together these programmes and results inform FASSET's programme planning for following year/s.

Moreover, FASSET's guiding policy framework, as referenced in Chapter 2 section 2.4, are geared towards the employability and employment of young and previously disadvantaged individuals. The policies are also aimed at transforming the composition of the South African labour market to reflect equitably national demographics. This includes increasing access to education and training in priority occupations and scarce skills for Black Africans, females and people with disabilities in the FAS sector. Skill development initiatives in line with policy and legislation imperatives should lead to the adequate and appropriate level of skills for eligible individuals towards economic growth, employment creation and social development.

According to FASSET's Monitoring and Evaluation report (2020), the organisation works towards achieving policy imperatives by implementing, measuring and evaluating learning programme interventions to increase the throughput eligible individuals in the sector. Programme interventions include, inter alia, funding and support through learnership, bursaries, professional qualifications, grants, lifelong learning, academic support programmes, TVET work-based experience, and career awareness at learner level in scarce skills areas.

5.3.1 ALIGNMENT OF SSP PRIORITIES WITH APP AND SP

The table below describes the alignment between skills priority actions (or strategic goals outlined above*) with those outlined in the FASSET's Annual Performance Plan and Strategic Plan.

Table 24: Link between programmes, strategic objectives and strategic goals

Programme	Strategic Objective	Strategic goal no.
Programme 1: Administration	<ol style="list-style-type: none"> 1. To ensure efficient and effective organisational support (Finance, SCM, HR, IT, Communications) capabilities and operations 2. To establish and maintain enabling, integrated core and supporting systems 3. To ensure a capacitated, capable workforce, empowered by an enabling culture 	1
Programme 2: Skills planning	<ol style="list-style-type: none"> 4. To determine appropriate skills interventions; informed by relevant research 	2
Programme 3: Learning programmes	<ol style="list-style-type: none"> 5. To enable and enhance skills development in and for the FAS sector, in partnership with relevant stakeholders 6. To promote FAS sector as a preferred career choice for new entrants into the labour market 7. To enable transformation of the finance and accounting profession and sector through targeted funding of skills interventions 	2, 3, 4

Programme	Strategic Objective	Strategic goal no.
	8. 8. To ensure value and impact of the SETA's funded interventions, while ensuring compliance	
Programme 4: Quality assurance	9. To support the professional organisations to align their qualifications to the new dispensation, while ensuring quality	4

Source: APP, 2020.

Due to the diverse nature of FASSET projects, each project has a tailor-made project M&E plan to best suit the operational, data collection and reporting needs of the project. Emphasis is given to reporting needs of FASSET's key stakeholders to ensure that accountability data is readily available. For all the projects that are implemented by external partners, clear definition of processes will be provided in the form of terms of reference and SLAs.

5.4 PLAN OF ACTION

In terms of ongoing M&E processes, FASSET is in the process of establishing an M&E unit with a manager and team dedicated to the function. The existing M&E framework is being reviewed so that it aligns with the mandated M&E focus for SETAs. FASSET's M&E processes will have to be institutionalised, capacity must be established, and the roles for the function in the organisation will have to be clarified. Moreover, FASSET will prioritise report needs of associated key stakeholders to ensure accountability and reporting data is readily available. FASSET, in adopting a constructive M&E approach, will continue to ensure that its strategic priorities and goals are achieved.

Strategic skills priorities will be achieved through focused implementation of the APP, constant monitoring and reporting, and well as taking corrective action where required. The implementation stage involves delivery of the interventions, where activities, outputs, and outcomes are monitored and progress towards the achievement of objectives begins to be assessed. The evaluation stage involves the measurement of the intervention's outcomes and impact. Qualitative and quantitative analysis methods can be used depending on the nature of the project and the evaluation questions being asked by key stakeholders.

5.5 CONCLUSION

The government wide M&E system has fostered a results-based management approach which enables management within the FASSET organisation to align processes, products, and services to contribute to the achievement of objectives. The M&E approach being developed by FASSET aims to provide a coherent framework for strategic planning and management by improving reporting and accountability. This is demonstrated by consistent improvement in performance and achieving results as a central orientation of the NSDP.

CHAPTER 6: SETA STRATEGIC SKILLS PRIORITY ACTIONS

6.1 INTRODUCTION

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

6.2 FINDINGS FROM PREVIOUS CHAPTERS

This section outlines the key findings from the preceding chapters. It should be stated that the tools, data sources and literature used to compile this SSP Update is heavily influenced by the initial outbreak of the pandemic and subsequent lockdown measures. Therefore, the information may appear distorted when interpreted at later stages. The current data and literature on the economy does not reflect the full measure of the economy and labour, although useful, the data is not at its strongest as many changes are expected to unfold in coming months (Rasool, 2020). This SSP Update, at the time of writing, attempts to provide valuable insight given the circumstances and uncertainty.

6.2.1 Findings from Chapter 1

Chapter 1 explored the elements that influence the economic performance of the sector. The chapter revealed that the sector is highly impacted by the macroeconomic performance of the national economy. The sector's performance at the end of 2019 (Q4) was the strongest out of all the sectors, with a growth rate of 2.7%, while South Africa's actual GDP for 2019 in Q4 was -1.4%, which means the Finance, Real Estate, and Business services sector is able to sustain relative growth in a weak economy (7 of the 10 sectors contracted in Q4). At the end of 2019, the economy was in a technical recession.

At the end of Q1 in 2020, the economy was essentially put on hold due to the global outbreak of the Coronavirus (COVID-19). The economic shock had dire consequences almost immediately as large segments of the economy had to temporarily close down and the world of work underwent a major shift. Majority of the population, that were able to, worked from home, while many had to stop working entirely. For the FAS sector, work from home was viable and the sector managed to be only moderately impacted by the lockdown measures legislated to curb the spread of the virus. Despite its continued positive economic growth throughout the years, the sector will have to demonstrate resilience following the major disruption caused by the COVID-19 pandemic.

The impact of the pandemic on the sector's skills planning is not fully determined. However, industry suggests a new set of skills will be required to survive in the coming months and beyond the pandemic with the 4IR and other key skills change drivers identified (as seen in Chapter 2). Soft skills seem to take precedent over technical skills during the pandemic, including self-management skills, virtual communication skills, decision-making skills, emotional intelligence, and self-awareness skills to name a few.

Moreover, the SDL payment holiday, a COVID-19 government relief scheme, will require that organisations consider skills development as more than just a tick box exercise in the aftermath of the pandemic. Industry asserts that there is real value in advancing skills of personnel,

and that this is more evident during the lockdown. The onus therefore should be on companies to ensure skills development initiatives continue independent from government.

In terms of the general composition of the sector as of 2019/20. The FAS sector consists of 32 951 employers, a total of 8 426 (26%) organisations paid the SDL in this period. The current workforce consists of approximately 165 053 employees. The Accounting, Bookkeeping, Auditing and Tax services sub-sector recorded the largest proportion of workers in the sector with 37%, followed by the Business and Management consulting services sub-sector with a share of 21% of employees in the sector. The most employees are located in metropolitan provinces. Black employees constitute the largest proportion of employees in the sector, and it is predominantly female.

6.2.2 Findings from Chapter 2

Chapter 2 examined the macro and micro factors that influence the skills development space. These factors are considered skills change drivers and includes the COVID-19 pandemic, economic factors that arose as a result of the pandemic, technology and the 4IR, globalisation and changes in the regulation and governance. The chapter revealed that skills change drivers are interlinked and reinforce one another to shape the skills development landscape. It is important to understand the relationship they present for opportunities and challenges that influence skills supply and demand in the sector.

To summarise, the pandemic has accelerated the advent of the adoption of advanced technology and 4IR in the world of work. These changes are seen as disruptors in the business environment and they force the development of traditional models into ones that are more current, flexible and dynamic. Modern day talent (millennials and Gen Z generation) are influenced by these disruptions too, and require work environments, conditions and structures that are conducive to changing needs. The change drivers identified are pushing the sector to rapidly evolve and drive change throughout the industry to accommodate such changes, the pandemic has brought about these changes more abruptly than expected in South Africa.

As a result, industry foresees that many of the business and work practices adopted during the pandemic will remain and become the new norm. Therefore, new type of skills sets, and job types will be required going forward.

Some of the key skills issues that emerged from findings in Chapter 2 are centred around technology-facing occupations and skills in the future. Industry maintains that many of the occupations in the sector will still be relevant but they must adopt tech-savvy capabilities, data analytics awareness and utilisation to support decision-making, and that the senior and mid-level roles must become advisory in nature. Strategic thinking, critical thinking and integrative thinking skills will be required to further this agenda. The FAS sector is seen as traditional and that roles are constrained to technical ability, but the future of work requires that professionals become aware of broader issues and acquire broad-based skills. Risk management, ethics and compliance related roles will emerge as dominant in the sector due to the change drivers. As far as learning and training, work integrated learning will need to be adopted in the future to increase the pace of the skills pipeline for the sector. Digital and electronic learning will become more acceptable too.

In terms of regulatory practices, traditional requirements will become more relaxed, performance management and governance must change to accommodate the changing structure

of business and work. Moreover, organisations in the FAS sector hold vast quantities of consumer data and issues around data security will become crucial to hedge against cyber-crime and data fraud. Particularly as practices and standards are affected by globalisation, the 4IR, and unpredictable disruptions. There are also opportunities to use digital data as currency to develop innovative solutions, analysis and decision-making for the sector. Mastery of IT knowledge and tools will be the competitive advantage organisations need to survive in the future.

6.2.3 Findings from Chapter 3

Chapter 3 identified and described the prevalent occupational shortages, skills gaps and sectoral priority occupations. In the 2021/22 Update, these skills and occupations are closely tied to the events of the pandemic and related change drivers. The chapter is comprehensive and offers a lot of information.

There appears to be a persistent mismatch of skills supplied and demanded in the sector. This is largely attributed to an undynamic learning and training structure in post-school education. The learning, qualification and certification pipeline is also said to be lengthy and hinders the rapid supply of skills into the FAS labour force. This impacts the required transformation in the sector, with respect to age, gender, race and disability at mid to senior level management since the uptake and transition of required work experience is longer than other industries.

Moreover, industry calls for a long-term vision with targeted training that will deliver the right skills into labour market. In addition, employees in the sector must be continuously upskilled and employers must embrace advanced technology and the 4IR to boost productivity and efficiency. Most of the evidence presented in the chapter resonates with the skills change drivers in Chapter Two. The industry will require more specialist skills in various occupations that are related to IT, advanced technology and the digital domain of 4IR. Organisations not only have to build this capability and infrastructure, but they need to upskill and re-skill personnel on a continuous basis to stay relevant. Based on the skills needs identified, there is a strong and consistent need for modern-day specialisation in programmes at tertiary level too.

Entry level employees are said to lack work-readiness, professionalism, adaptability to the work environment. Industry thus suggests that the advent of 4IR will improve the instructional design of learning and training to better equip learners with work-readiness. The future FAS workforce must exhibit advanced skills sets as well as technical ability and credentials. Innovation, solution-driven thinking, entrepreneurial thinking, critical thinking, negotiation skills and virtual communication and interpersonal skills are becoming more essential.

6.2.4 Findings from Chapter 4

Chapter 4 notes that the formation of a sustainable skills pipeline is a responsibility FASSET shares with many other role players, including Government, the post-school education and training system, professional bodies and employers. Sector partnerships thus play a crucial role in the advancement of the FASSET skills development imperatives which impact on the sector, the achievement of the NSDP 2030 and NDP 2030 and holistically the economy.

While partnership have been entered into the address skills development and supply challenges into the sector, there are growing skills supply challenges which include transfor-

mation, quality of the pipeline and the relevance of academic curricula to the workplace outcomes. The industry recommended partnership takes cognisance of this and are a clear indication of industries willingness to partner with FASSET to ensure that quality of the pipeline for the sector.

6.2.5 Findings from Chapter 5

Chapter 5 revealed although FASSET does not have a dedicated M&E unit at present, they meet their annual targets as per service level agreements (SLAs) with DHET. However, the need exists to develop and strengthen monitoring and evaluation efforts of the organisation.

Moreover, FASSET's planning is to a very large extent influenced by national policies and strategies, especially the NDP, the NSDP and the White Paper for Post-School Education and Training. Consideration is also given to the requirements of the SIPs and employment equity and related developmental imperatives. The outcomes of FASSET's strategic goals and how these align to SSP priorities and strategic and performance plans are outlined in the chapter.

FASSET's strategic skills priorities address the need for a long-term and holistic view of the skills pipeline, to ensure that new entrants into the sector reach professional status, to strengthen the capacity of TVET colleges as well as to increase the absorption of such learners in the FAS labour force. FASSET also strives to support national transformation imperatives in its skills development initiatives for the sector.

6.3 SKILLS PRIORITY ACTIONS

Considering the analysis presented in the preceding chapters, particularly Chapter 2 and 3, which discusses the key skills change drivers and the priority occupations identified by employers in WSP/ATR submissions after the occurrence of the pandemic and lockdown measures. The following skills priority actions are recommended:

6.3.1 Increasing responsiveness of skills planning to change drivers

The COVID-19 pandemic and the sudden advent of 4IR in South Africa, necessitates an intensified response to skills needs and skills planning for the sector. The change drivers, occupational shortages and identified future skills reinforce the idea that the skills development landscape will undergo a drastic shift. FASSET needs to prepare for a more dynamic supply and demand of the labour market, including technology-facing occupations and skills in the future. Developing new and enhancing existing qualifications and training in line with key skills change drivers is of increasing importance.

6.3.2 Increasing the flow of new Finance and Accounting entrants into employment

FASSET's first overarching priority is to ensure a steady increase in the flow of new finance and accountancy entrants to the sector and into the financial divisions in organisations in the rest of the economy. This increase should be large enough to provide for the systematic eradication of the skills shortages that are currently experienced, for current economic climate, and for to replace existing and emerging demands in the sector.

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

FASSET's overall priority is to ensure that all employees in the sector have access to quality education and training. This education and training should be linked to business, development, and skills development objectives. Focus should be shifted to future skills to ensure the sector stays relevant and competitive. Work integrated learning is of critical importance and should be a focus of FASSET and its partnerships.

6.3.4 Facilitating transformation and inclusivity of the FAS sector workforce

FASSET, professional bodies associated with FASSET and educational institutions have for many years engaged in initiatives to ensure that skewed demographics is transformed to be reflective of the South African population. Transformation imperatives must be accelerated through sincere sector engagements to address the shortfalls and lag in achieving transformation and bridging ongoing disparities.

Taking into consideration the above recommended actions. The table below outlines the specific and key skills development priorities to be addressed. The skills development priorities specifically target transformation groups including Black Africans, Coloureds in the Western Cape, Black females and people with disabilities.

Table 25: Skills development priorities (aligned to NSDP objectives) to increase the flow of new entrants to the labour market

Priority	Level of skill
Skills development priorities (aligned to NSDP objectives) to increase the flow of new entrants to the labour market	
Increasing the flow of new finance and accounting entrants to employment	Middle level skills
Developing work readiness of entrants in higher education level	High level skill
Increasing the number of learners who qualify in professional body learnerships	High level skill
Increasing the retention, work readiness and employment absorption of learners on learnerships and through internships	High level skill
Skills development priorities to develop and maintain the skills base of the current workforce	
Support upskilling and re-skilling of employees in current workforce	Mid and high-level skill
Ensuring that employees receive training (short courses and skills programmes)	Mid and high-level skill
Skills development priorities to facilitate transformation in the FASSET sector	
Supporting the number of Black graduates into employment	High level skill
Increasing the number of Black learners who qualify on professional body learnerships	High level skill
Increasing the retention, work readiness and employment absorption of Black learners	Mid and high-level skill
Developing the Black female leader development programme	High level skill

6.4 CONCLUSION

This chapter outlined, in broad terms, the key findings from each chapter and the skills development priorities for the Financial and Accounting Services sector for the period covered by this SSP Update. These priorities will guide FASSET's funding strategies and activities.

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