

# Revised Strategic Plan 2020-2025



## Strategic Plan 2020-2025



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

ENABLING SKILLS DEVELOPMENT IN THE BANKING AND ALTERNATIVE BANKING SECTOR



INVESTORS  
IN PEOPLE

## List of Acronyms

AB	Alternative Banking
CBDA	Co-operative Bank Development Agency
DG	Discretionary Grants
DHET	Department of Higher Education and Training
ERRP	Economic Reconstruction and Recovery Plan
GM	General Manager
HEI	Higher Education Institutions
ICT	Information and Communication Technology
JV	Joint Venture
MFI/s	Micro Finance Institution/s
MFSA	MicroFinance South Africa
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTSF	Medium-Term Strategic Framework
MTEF	Medium-Term Expenditure Framework
NSDP	National Skills Development Plan
OD	Organisational Development
PIVOTAL	Professional, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trade and Occupations
SCM	Supply Chain Management
SETA	Sector Education and Training Authority
SETMIS	Sector Education and Training Management Information
SMEs	Small and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WSP	Workplace Skills Plan

## FOREWORD BY THE MINISTER



The mandate of the Sector Education and Training Authorities is derived, in the main from the Skills Development Act 97 of 1998 as amended, which amongst others, directs SETAs to develop Sector Skills plans (SSPs). In their Sector Skills Plans, SETAs must reflect and incorporate government priorities, especially those that address our priority developmental goals, that of tackling the triple challenges of poverty, unemployment, and inequalities. The SSPs are intended to ensure that skills are not a constraint to the economic development of our country.

The mandate of the SETAs must be understood within our vision of the post-school education and training system of having an integrated, coordinated, and articulated PSET system for improved economic participation and the social development of youth and adults. Critical to this vision is our challenge of addressing the plight of the youth that are Not in Education, Employment, or Training (NEET), which is standing at over 3.3 million in the third quarter of 2023.

The launch of the National Plan for Post-School Education and Training on 7 September 2023, signaled our government's commitment towards achieving an improved, transformed, expanded, responsive, and articulated Post-School Education and Training (PSET). Our National Plan for Post-School Education and Training (NPPSET) is our roadmap for implementing the vision of the White Paper for Post-School Education and Training (WP-PSET). It will continue to guide our SETA system strategy and planning instruments as it is framed within the broader goals and priorities of the National Development Plan (NDP), which foregrounds the national efforts to address the triple challenges of unemployment, inequality, and poverty. Important, to note, is that it remains our overarching policy instrument and a blueprint for guiding planning in our post-school system. It will be proper for everyone to have access to the National Plan for Post-School Education and Training. It aligns and integrates the work that is already underway and provides a policy framework for major transformative changes the government wants to bring about, across the post-school system and its nexus with society and the economy.

The White Paper for Post-School Education and Training (WPPSET) envisages the post-school education and training system as an important institutional mechanism that must be responsive to the needs of society. Critical to this, are our transformational and developmental imperatives which include amongst others: class, gender, race, geography, and youth, which must be reflected at all material times in our SETA interventions. The Ministry of Higher Education, Science, and Innovation is among the leading ministries for the 2019–2024 Medium Term Strategic Framework (MTSF) Priority 3: Education, Skills, and Health, and the following medium-term outcomes have been identified:

- An integrated and coordinated PSET system.
- Expanded access to PSET opportunities.
- Improved success and efficiency of the PSET system.
- Improved quality of PSET provisioning.
- A responsive PSET system

The President launched the Economic Reconstruction and Recovery Plan (ERRP) in October 2020 pointing out to skills development, science, and innovation as enablers in driving South Africa's economic reconstruction and recovery, but also key in sustaining it. In support of this initiative, the Department working with social partners at the National Economic Development and Labour Council (NEDLAC) & the National Skills Authority, in the main developed the Skills

Strategy to support the government's efforts to mitigate the impact of COVID-19 global health pandemic and the initiatives towards economic and social recovery.

The Economic Reconstruction and Recovery Plan Skills Strategy (ERRP SS) aims to support the Economic Reconstruction and Recovery Plan (ERRP), ensuring that it is not compromised by skills shortages. It is born out of the urgency for a well-coordinated strategy of skills development to support both the management of the COVID-19 global health pandemic and economic and social recovery. President Ramaphosa captured our determination to reset the South African economy when he said: "We are determined not merely to return our economy to where it was before the coronavirus, but to forge a new economy in a new global reality." As stated in the ERRP, South Africa is now on the threshold of an important opportunity to imaginatively, and with a unity of purpose, reshape its economic landscape.

The ERRP SS is located within the broader skills planning arsenal of the Post-School Education and Training (PSET) system, which promotes the use of labour market intelligence (including future work scenarios) to inform PSET provisioning. The Department of Higher Education and Training has identified skills needs in the form of the List of Occupations in High Demand, the Priority Skills List, and the Critical Skills List (which it prepared on behalf of the Department of Home Affairs). The SETAs will continue to play a critical role in the implementation of the Skills Strategy to support the Economic Reconstruction and Recovery Plan.

The National Skills Development Plan (NSDP) 2030 remains at the centre in directing how the skills development levy will be disbursed up to 31 March 2030. For this reason, the Sector Education and Training Authorities (SETAs) have been re-established until 2030, in alignment with the National Development Plan to ensure that the SETAs focus on skills required for our socio-economic development. For the financial year, we aim to expand the participation of young people in skills development programs as well as workplace-based learning opportunities. We have surpassed the State of the Nation Address (SoNA) 10,000 Technical and Vocational Education and Training (TVET) target placements in 2022 leading to setting a target for 2023 of 20,000 TVET placements.

For the 2024/25 financial year, the entire SETA system has set itself the following targets, as part of expanding post-school opportunities:

- 190 000 workplace-based learning (WBL) opportunities;
- 150 000 learners registered in skills development programs;
- 36 375 learners entering artisanal programs;
- 26 500 learners passing artisanal trades;
- 53 000 learners completing learnerships;
- 11 000 learners completing internships; and
- 128 000 learners completing skills programs.

The SETA will enter into the Service Level Agreement with the Director-General of the Department and commit that 25% of all targets be achieved on a quarterly basis, with 100% achievement in the last quarter of the financial year. Whilst the TVET placement must be achieved at 100% by the end of December 2024.

The SETA Annual Performance Plan (APP) provides a clear commitment to the delivery of our skills development priorities and targets for implementation during the 2023/24 financial year.

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**Dr. BE Nzimande, MP**  
**Executive Authority of Higher Education, Science and Innovation**

## FOREWORD BY BOARD CHAIRPERSON

Geopolitical tensions and the Russian-Ukraine War are “another blow to a global economy already suffering from COVID-19, climate change, increasing inflation, (disrupted) supply chains, and heightening cybersecurity risks” as observed by Adam Tooze, a columnist at Foreign Policy and director of the European Institute at Columbia University. He further notes, that these events have “brought increased financial stability risks through (their) impact on virtually all aspects of economic activity and financing conditions”, with bank profitability weakened while the risks of asset quality materialisation, rising corporate defaults and tightened financing conditions are heightened.

In South Africa, the economic environment is further impacted by continued load-shedding from the national power utility, Eskom. The impact of power cuts has become a concern in the financial services sector, leading to banks finding alternative solutions to limit the impact on clients and their businesses. Load shedding has cut growth prospects for 2023 by two percentage points and has made it difficult for the central bank to forecast and manage inflation, potentially adding 0.5% to overall inflation.

COVID-19 has spread throughout the world at an unprecedented speed and has affected all sectors. As countries seek to recover, some of the more long-term economic, business, environmental, societal and technological challenges and opportunities are beginning to become visible. The COVID-19 crisis has revealed the urgent need to shape a better world. As economies restart, there is a possibility to ensure greater societal equality and sustainability. South Africa’s Economic Reconstruction and Recovery Plan (ERRP) is a direct response to the COVID-19 crisis. To ensure positive outcomes from the crisis, the immediate and longer-term emerging risks must be identified and managed effectively. The BANKSETA 2020-2025 Strategic Plan (SP) heeds to the ERRP as a response to the Covid-19 crisis.

The key objective of the strategic plan is to outline the strategic priorities of the BANKSETA in accordance with its mandate as defined in the Skills Development Act and all associated national imperatives. It demonstrates the integration of the BANKSETA’s primary responsibilities (sustained by the sound financial management of levy funds, human resources and internal business processes), the specific strategic objectives aligned to the skills priorities indicated in the sector skills plan (SSP) and National Skills Development Plan (NSDP) objectives as well as the management of performance thereof (inclusive of monitoring and evaluation).

The strategic plan covers a five-year period (from 2020/21 to 2024/25). It is acknowledged that the current SETA license period is until March 2030. Strategic Plans identify strategically important outcomes, goals and objectives against which the institutions’ medium-term results can be measured and its impact evaluated. Annual Performance Plans identify the output indicators and targets that the institution will seek to achieve in the upcoming financial year. BANKSETA adopts a results-based planning model aligned to the Balanced Scorecard Methodology that involves the articulation of strategic choices in light of past performance and includes information on how it intends to deliver on its priorities and achieve associated results. BANKSETA’s focus is on achieving outcomes, implementing output measurement, learning from past experiences, benchmarking best practice, and reporting on performance.

The BANKSETA recognises the need to be proactive in developing a clear skill planning strategy to determine how skills development interventions cohesively respond to the current and future needs of the sector as determined by the SSP and to manage the risks it might face. In the development of the strategy, the BANKSETA was also cognisant of aligning governance and organisational capacity to meet the SETA needs as well as balancing the priorities from a national and sectoral basis with the priorities prevalent in the economy.

As part of its strategic planning process, BANKSETA seeks to ensure accurate alignment of the Sector Skills Plan, Strategic Plan and Annual Performance Plan encapsulated in the development of a Strategy Alignment Matrix. The programmes in support of the strategies are

outlined within the 2024/2025 Annual Performance Plan. Further to the programmes in the Annual Performance Plan, the BANKSETA has compiled a formal research strategy to support the organisational strategy. Strategic planning is also supported by continuously engaging with our stakeholder base to ensure a collaborative approach as outlined in the BANKSETA Stakeholder Engagement Plan.



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**Nosipho Mia Makhanya**  
**BANKSETA Board Chairperson**

## Chief Executive Officer Statement

In South Africa, the impact of power cuts has become a concern in the financial services sector, leading to banks finding alternative solutions to limit the impact on clients and their businesses. The continued load-shedding from the national power utility, Eskom has impacted heavily on the economic environment.

The COVID-19 pandemic has affected the entire globe and continues to alter life as we know it. South Africa has been severely affected socially and economically by the COVID-19 crisis. We have witnessed a high death rate of COVID-19 related cases countrywide. We have also witnessed the closure of businesses resulting in a high rate of unemployment.

As a direct response to the COVID-19 crisis, the South African government introduced an Economic Reconstruction and Recovery Plan (ERRP). South Africa's ERRP builds on our comprehensive health response to restore economic activity and rebuild the economy in a manner that ensures sustainability, resilience, and inclusiveness.

The BANKSETA 2020-2025 Strategic Plan (SP) heeds to the ERRP as a response to the Covid-19 crisis. The Strategic Plan outlines the strategic direction and priorities of the BANKSETA per its mandate as defined in the Skills Development Act and all associated national imperatives. Strategic Plan demonstrates the integration of the BANKSETA's primary responsibilities in its endeavour to progressively realise the objectives of the National Skills Development Plan (NSDP). The strategic plan covers a five-year period (from 2020/21 to 2024/25) even though the current SETA license period is until March 2030.

Strategic Plans identify strategically important outcomes, goals and objectives against which the institutions' medium-term results can be measured and its impact evaluated. Annual Performance Plans identify the output indicators and targets that the institution will seek to achieve in the upcoming financial year.

The BANKSETA recognises the need to be proactive in developing a clear skill planning strategy to determine how skills development interventions cohesively respond to the current and future needs of the sector as determined by the SSP and to manage the risks it might face. In the development of the strategy, the BANKSETA was also cognisant of aligning governance and organisational capacity to meet the SETA needs as well as balancing the priorities from a national and sectoral basis with the priorities prevalent in the economy.

BANKSETA ensures accurate alignment of the Sector Skills Plan, Strategic Plan and Annual Performance Plan in the development of a Strategy. The programmes in support of the strategies are outlined within the 2024/2025 Annual Performance Plan. Further to the programmes in the Annual Performance Plan, the BANKSETA has compiled a formal research strategy to support the organisational strategy. Strategic planning is also supported by continuously engaging with our stakeholder base to ensure a collaborative approach as outlined in the BANKSETA Stakeholder Engagement Plan.

With a positive team and a constructive Board, we do not doubt that we shall achieve our strategic objectives as articulated in the Strategic Plan.



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**Eubert Mashabane Mr.**  
**Chief Executive Officer**

## Official sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the Management of BANKSETA under the guidance of the BANKSETA Board
- Takes into account all relevant policies, legislation and other mandates for which the BANKSETA is responsible
- Accurately reflects the Impact, Outcomes and Outputs which the BANKSETA will endeavour to achieve over the period 2024/2025.



**Vuyani Ntanjana**  
*Head: Strategy and Research*  
(Representing Head of Planning)

Signature: \_\_\_\_\_



**Christine Fritz**  
*GM: Operations*

Signature: \_\_\_\_\_

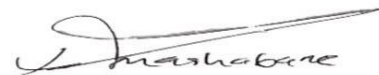
**Beaula Dziruni**  
*Chief Financial Officer*

Signature: \_\_\_\_\_



**Eubert Mashabane**  
*Chief Executive Officer*

Signature: \_\_\_\_\_



**Nosipho Mia Makhanya**  
*BANKSETA Board (Chairperson)*

Signature: \_\_\_\_\_



Approved by:

**Dr Blade Nzimande**  
*Executive Authority*

Signature: \_\_\_\_\_



## Contents

List of Acronyms.....	2
FOREWORD BY THE MINISTER .....	3
FOREWORD BY BOARD CHAIRPERSON.....	5
Chief Executive Officer Statement.....	7
Official sign-off .....	8
1. Constitutional Mandate.....	10
2. Legislative and Policy Mandates.....	10
3. Institutional Policies and Strategies over the Five-Year Planning Period .....	14
Part B: Our Strategic Focus.....	15
4. The BANKSETA Vision.....	15
5. BANKSETA Mission .....	15
6. Values .....	15
7. Situational Analysis .....	16
7.1 External Environment.....	20
7.2 Internal Environment.....	38
7.2.1 Financial Environment.....	43
7.3 Description of the Strategic Planning Process.....	51
Part C: Measuring Our Performance .....	54
8. Institutional Performance Information .....	54
8.1 Measuring Impact .....	54
8.2 Measuring Outcomes.....	54
8.3 Explanation of Planned Performance Over the Five-Year Planning Period .....	58
9. Key Risks .....	62
10. BANKSETA's Response to the District Development Model .....	65
11. Public Entities .....	66

## Part A: Our Mandate

The Banking Sector Education and Training Authority (BANKSETA) is a statutory body established through the Skills Development Act of 1998 as amended by the Skills Development Act, 26 of 2011 to enable its stakeholders to advance the national and global position of the banking and alternative banking sector. In terms of the Skills Development Act, No 97 of 1998 as amended by the Skills Development Act, within the National Skills Development Plan (NSDP) framework; BANKSETA is mandated to develop skills in the banking and alternative banking sector. It does so by:

- Encouraging employers in its sector to develop an active learning environment in the workplace.
- Providing employees with opportunities to acquire new skills/progress their careers
- Increasing levels of investment in workplace education and training.
- Promoting transformation as guided by the NSDP equity targets of 85% Black, 54% Female and 4% disabled.

Ultimately this means that work-seekers find employment, retrenched workers re-enter the labour market and employers find qualified employees in a fair and equitable framework

### 1. Constitutional Mandate

The mandate of the BANKSETA is informed by the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).

Constitutional applicability is based on the following sections:

- Section 22: Freedom of trade, occupation and profession  
Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law.

- Section 29: Education

Everyone has the right to-

- 1) a basic education, including adult basic education; and
- 2) further education, which the state, through reasonable measures, must make progressively available and accessible

### 2. Legislative and Policy Mandates

The BANKSETA is established in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) and operates within the following legislative and policy mandates:

Legislation/ policy/ regulation	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
Skill Development Act Development Act 97 of 1998, (Act No. 97 of 1998)	Provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce;	The BANKSETA implements skills development programmes that equip the banking and alternative banking sector with relevant and appropriate skills and this is in line with the SDA.
Skills Development Levies Act, 1999 (Act No 09 of 1999)	Provides for the imposition of a skills development levy, and for matters connected therewith.	The BANKSETA uses the levies to fund skills development programmes as per the SDLA
South African Qualifications Authority Act, 1995 (Act No 58 of 1995)	Provides for the development and implementation of a National Qualifications Framework and for this purpose to establish the South African Qualifications Authority.	The BANKSETA makes sure that all qualifications funded are compliant with the SAQAA

Legislation/ policy/ regulation	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
The National Qualifications Framework Act, (Act No. 67 of 2008)	Provide for the responsibilities of the Minister of Higher Education and Training; to provide for the South African Qualifications Authority; to provide for Quality Councils; to provide for transitional arrangements; to repeal the South African Qualifications Authority Act, 1995	The BANKSETA makes sure that all qualifications funded are compliant with the NQFA.
Employment Equity Act, 1998 (Act No 55, 1998)	<ul style="list-style-type: none"> <li>a. Promoting equal opportunity and fair treatment through the elimination of unfair discrimination.</li> <li>b. Implementing positive measures (affirmative action) to ensure the equitable representation of black people, women and the disabled at all levels in the workplace.</li> </ul>	The BANKSETA, through the Human Resources Policy, makes sure that it promotes equal opportunities, addresses the affirmative action prescripts and eliminate unfair discrimination.
Public Finance Management Act (Act No 29 of 1999)	Ensures that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government	The BANKSETA, through its Governance Structures and Policies, make sure that it complies with PFMA.
Preferential Procurement Policy Framework (Act No. 5 of 2000)	This provision sets out basic principles and the regulations thereof and it provides detailed Supply Chain Management guidelines that shall be followed by all state institutions.	The BANKSETA, through its Governance Structures, Policies and Bid Committees like the Bid Specification Committee (BSC), Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) make sure that it complies with SCM Policy
Policy Framework for the Government-wide Monitoring and Evaluation System	This is an overarching policy framework for monitoring and evaluation in the South African Government.	The BANKSETA funded the development of the Monitoring and Evaluation Framework for SETAs. At the moment, BANKSETA is busy developing its M&E system.
Broad-Based Black Economic Empowerment (Act No. 53 of 2003)	Promotes the participation of previously disadvantaged individuals within the landscape of the South African economy.	The BANKSETA, through its Governance Structures, Policies and Bid Committees like the Bid Specification Committee (BSC), Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC)

Legislation/ policy/ regulation	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
		make sure that it complies with SCM Policy.

### Strategy and Policy Mandate

The BANKSETA also derives its skills development mandate from the following national strategies and policies:

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
National Development Plan (NDP)	The National Development Plan commonly known (NDP), is a plan to unite South Africans, unleash the energies of its citizens, grow an inclusive economy, build capabilities, and enhance the capability of the state and leaders working together to solve complex problems.	All the BANKSETA strategies and plans are aligned NDA all our programmes are aligned to national priorities intending to strengthen the country's economy
Economic Reconstruction and Recovery Plan (ERRP).	South Africa's ERRP builds on our comprehensive health response to restore economic activity and rebuild the economy in a manner that ensures sustainability, resilience and inclusiveness.	The BANKSETA introduced 3-Year Internship Programme as a part of employment creation for economic recovery. It also strengthens the Entrepreneurship and Rural Development Programmes for job creation purposes.
Presidential Employment Stimulus	This approach recognises that there is no shortage of work to be done to address current social challenges or to improve the quality of life in communities. The intention is to create a new instrument able to support the considerable creativity, initiative and institutional capabilities that exist in the wider society to engage people in such work.	The BANKSETA introduced 3-Year Internship Programme as a part of employment creation for economic recovery. It also strengthens the Entrepreneurship and Rural Development Programmes for job creation purposes.
White Paper for Post-School Education and Training	A post-school education and training system that is responsive to the needs of individual citizens, employers in both public and private sectors, as well as broader societal and developmental objectives.	<p><b>Expanded access to PSET opportunities</b></p> <ul style="list-style-type: none"> <li>To provide a diverse students population with access to a comprehensive and multifaceted range of PSET opportunities</li> <li>Bursaries for Lecturer development Programme</li> </ul> <p><b>Improved efficiency and success of the PSET system:</b></p> <ul style="list-style-type: none"> <li>Bursaries for Masters and PhD</li> <li>Learnerships and Internships Programmes</li> </ul>

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
		<p><b>Improved quality of PSET provision:</b></p> <ul style="list-style-type: none"> <li>• Bursaries for Lecturer development Programme</li> </ul> <p><b>A responsive PSET system:</b></p> <ul style="list-style-type: none"> <li>• All qualifications programmes and curricula are in line with the SSP</li> </ul>
National Skills Development Plan (NSDP)	The NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development. The plan derives from the broader plan of government, namely the NDP, which aims to put in place the framework whereby, we 'build the capabilities of our citizens to make our future work'.	All the BANKSETA outcomes are aligned to the objectives and outcomes of the NSDP
New Growth Path	This framework reflects the government's commitment to prioritising employment creation in all economic policies. It identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner while attaining South Africa's developmental agenda.	All the BANKSETA programmes are aligned to New Growth Path as they are focussing on skills meant for employment opportunities
National Skills Accord	<p>The National Skills Accord is based on the following commitments:</p> <ul style="list-style-type: none"> <li>• To expand the level of training using existing facilities more fully</li> <li>• To make internship and placement opportunities available within workplaces.</li> <li>• To set guidelines of ratios of trainees: artisans as well as across the technical vocations, in order to improve the level of training</li> <li>• To improve the funding of training and the use of funds available for training and incentives on companies to train</li> </ul>	All the BANKSETA programmes are aligned to National Skills Accord as they are focussing on skills meant for employment opportunities and these include internship and learnership programmes

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
	<ul style="list-style-type: none"> <li>• To set annual targets for training in state-owned enterprises</li> <li>• To improve SETA governance and financial management as well as stakeholder involvement</li> <li>• To align training to the New Growth Path and improve Sector Skills Plans</li> <li>• To improve the role and performance of TVET Colleges</li> </ul>	
7 priorities to take South Africa forward	Education, skills and health;	All the BANKSETA educations and skills programmes are aligned to the 7 Priorities to take South Africa forward and these include internship and learnership programmes

### Relevant Court Rulings: Business Unity South Africa vs Minister of Higher Education and Training Court Judgement

Regulations published in the Government Gazette, No.35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters was updated by NT Circular 15 2017 which outlined the judgement of the Labour Appeals Court on Forfeiture on Uncommitted Surpluses and Mandatory Grants that set aside the Regulation 3(12) which pertained to uncommitted surpluses being forfeited and submitted to the NSF. Regulation 4(4) which pertains to mandatory grants is still in force and set at 20%.

### 3. Institutional Policies and Strategies over the Five-Year Planning Period

For the 2020-2025 the BANKSETA implementation will be guided by the following policies and strategies:

- National Development Plan
- National Skills Development Plan
- National Skills Accord

## Part B: Our Strategic Focus

The BANKSETA strategic focus is on the following:

- The identification of priority skills in the sector through a credible skill planning process
- The distribution of mandatory grants to qualifying registered companies
- The distribution and management of discretionary grants that will benefit the sector at large as well as beneficiaries within the sector
- The implementation of quality assurance processes that will enhance and ensure quality provision of training that falls within the scope of the BANKSETA
- Supporting the implementation of applicable national strategic objectives as identified in the National Skills Development Plan (NSDP).

### 4. The BANKSETA Vision

BANKSETA is recognized as a centre of excellence and innovation for skills development in the banking and alternative banking sector.

### 5. BANKSETA Mission

To facilitate skills development through partnerships and enable stakeholders to advance the national and global position of the banking and alternative banking sector.

### 6. Values

The BANKSETA has adopted the following values which form the basis of its operations and functions:

- Respect
- Integrity
- Collaboration
- Professionalism
- Accountability
- Diversity

## 7. Situational Analysis

The scope of coverage of the BANKSETA, as approved and set out in the Government Gazette Notice No. 265 of 20 March 2000 and the SETA re-establishment scope for the period 2020 – 2030 is as follows:

- Central Banking;
- Other Monetary Intermediation;
- Activities of holding companies;
- Trusts, funds and similar financial institutions;
- Financial leasing;
- Other credit granting and micro-lending;
- Other financial service activities, except insurance and pension funding activities

### Environmental challenges associated with BANKSETA Performance

#### Covid-19

Power cuts by Eskom has become a concern in the financial services sector, leading to banks finding alternative solutions to limit the impact on clients and their businesses. The continued load-shedding from the national power utility, Eskom has impacted heavily on the economic environment. Although the South Government lifted all Covid-19 restrictions in 2022, many countries still seek to recover, some of the more long-term economic, business, environmental, societal and technological challenges and opportunities are just beginning to become visible. The COVID-19 crisis has revealed the urgent need to shape a better world. As economies restart, there is a possibility to ensure greater societal equality and sustainability become part of the recovery. To ensure positive outcomes from the crisis, the immediate and longer-term emerging risks must be identified and managed effectively. The BANKSETA as an organisation has included responses to Covid-19 to its strategic plan.

#### Fourth Industrial Revolution (4IR)

According to the World Economic Forum (WEF), the Fourth Industrial Revolution is changing the way we live, work and think. It is bringing with it the rapid advancement of technologies, especially those related to advanced robotics, artificial intelligence, and machine learning. As technology becomes invisible it shapes the lives of young adults and workers across the globe, erasing borders and allowing people to work from anywhere. Work is no longer a place you go and requires interdisciplinary thinkers that can be creative, think critically and solve problems as they arise. These are just some of the top 10 skills the World Economic Forum has identified as being essential for success over the next decade. The 4th industrial revolution is here to stay.

#### The Skills Gap

As the need for the future skills economy evolves to become more interdisciplinary with critical soft skills becoming essential, organisations will need to adopt a new approach to learning. The public sector needs to consider how to better prepare students for future work integration based on skills of the future today.

Higher education and organisations both need to prepare the next generation for the mindset of lifelong learning. Lifelong learning can take many forms including attending events such as conferences, team workshops, innovation challenges, as well as taking skills courses and certifications.

This shift also needs to take into account how we assess a prospective employee's qualifications. No longer is a degree sufficient, now the future employer will recognise the individual's portfolio of work, which may include start-up pitches, code projects or creative designs that can take on many forms from data visualizations to illustrations.



## What happens with employment?

The characteristics of the fourth Industrial Revolution are destined to bring about different impacts on employment, which are no longer confined to one industry, but all industries. At the same time, a lot of jobs will disappear, but there will be a lot of new job requirements. It is expected that more than 65% of children entering primary school today will end up working in completely new jobs that currently do not exist when they enter the workplace 15 years from now. With the changes brought by social media, digital publications and e-commerce, the most in-demand occupations did not exist 10 or even five years ago. According to the Future of Employment report, around 47 per cent of total US employment is in the high-risk category. People may be more concerned about what types of jobs are at high risk? What jobs will be safe in the future?

## Retrenchments by banks in South Africa

Major banks in South Africa have been retrenching employees due to the closure of branches. Banks have attributed their retrenchment process to the emergence of the Fourth Industrial Revolution (4IR).

Surprisingly, the major drivers of the retrenchment at the banks are digitalisation and automation which are key elements of the 3<sup>rd</sup> Industrial Revolution. Therefore, there is an argument that states that banks are using the 4IR as a scapegoat.

This argument further states that banks have been aware for years, if not decades, of the digitisation trends in the banking industry around the world and how those impact certain jobs. As such, through a partnership with organised labour, employers could have prepared their employees for this long before it was necessary to retrench staff.

Sensitizing their staff in time could have facilitated exploring various re-skilling opportunities and in some cases, the employees could have made alternative plans and preparations being fully aware that their jobs are soon to be redundant.

## Implications of retrenchment to the BANKSETA and mitigation mechanisms

The Retrenchment of employees by banks has serious implications for the BANKSETA as this may have serious implications on the amount of levy BANKSETA receives from the employers. As a mechanism to deal with this challenge, BANKSETA has adequately resourced the Reskilling Programme with a particular focus on retrenched employees.

## Implementation of the BANKSETA's Research Agenda (2021 to 2024) for Robust Sector Skills Plan (SSP) (Please refer to Programme 2 of the APP for the research outputs)

No	Title of Research Project <sup>1</sup>	Purpose of research	Name of Service Provider/ Research Partner	Start Date (month & year)	Anticipated Completion Date (month & year)	Current Status
1.	Skills analysis of FinTech and how they contribute to skills gaps in the banking sector	To analyse the skills of FinTech and how they contribute to the skills gaps in the broader banking	Cape Peninsula University of Technology	01 April 2021	31 March 2024	In progress: Data collection underway
2.	Barriers to skills development contribution	To assist in the transformation of the banking	Cape Peninsula University of Technology	01 April 2021	31 March 2024	In progress: First draft report presented to

<sup>1</sup> In cases where there is a Research Programme, please list all the individual research projects.

<b>N o</b>	<b>Title of Research Project<sup>1</sup></b>	<b>Purpose of research</b>	<b>Name of Service Provider/ Research Partner</b>	<b>Start Date (month &amp; year)</b>	<b>Anticipated Completion Date (month &amp; year)</b>	<b>Current Status</b>
	to transformation of the banking sector	and alternative banking sector				the BANKSETA
3.	Skills needs of financial cooperatives and community led savings organisations :	To establish how the BANKSETA can create a system that is more responsive to the current skills need of the sector	BANKSETA -Nelson Mandela University Research Partnership	01 April 2021	31 March 2025	In progress: Research Policy Brief presented to the BANKSETA
4.	Emerging and new occupations in the banking and alternative banking sectors	To determine the extent of the demand and the training needs.	Mzabalazo Advisory Services	01 April 2022	31 March 2024	In progress: First draft report presented to the BANKSETA
5.	New Management Development models for the banking and alternative banking sector	To identify skills that would equip the managers and executives of the banking and alternative banking sector with skills that fit the current demands.	Mzabalazo Advisory Services	01 April 2022	31 March 2024	In progress: First draft report presented to the BANKSETA
6.	Skills implications for the banking sector and skills development	To establish how banks could lend its local transaction data analytics and insights to help city planners plan and run services.	Mzabalazo Advisory Services	01 April 2022	31 March 2024	In progress: First draft report presented to the BANKSETA
7.	Regulatory analysis of the banking and microfinance and skills implications	To determine the extent of regulation and its implications in the banking and micro-finance sector.	Melatrend Management Consulting	01 April 2022	31 March 2024	In progress: First draft report presented to the BANKSETA

No	Title of Research Project <sup>1</sup>	Purpose of research	Name of Service Provider/ Research Partner	Start Date (month & year)	Anticipated Completion Date (month & year)	Current Status
	What are the skills need for Cooperatives and Regulation of Micro-finance					
8.	The future of work and new models for youth skills development in the banking sector	To determine the impact of robots, automation, and artificial intelligence as they perform more tasks and create massive disruption of jobs. To what extent will the wider array of education and skills-building programs will be created to meet new demands?	Melatrend Management Consulting	01 April 2022	31 March 2024	In progress: First draft report presented to the BANKSETA
9.	Investigating the value of professional designations within the banking sector.	To investigate the value of a professional designation within banking	Wits Commercial Enterprise (Pty) Ltd	01 April 2022	31 March 2024	In progress: At data collection phase
10.	The implications of drastic changes brought by COVID 19 to the workplace and skills development.	To analyse the implications of COVID 19 to the banking and alternative banking sector and skills development	Redflank Solutions (Pty) Ltd	01 April 2022	31 March 2024	Completed
11.	Meeting the demand of new skills through qualifications within the banking sector.	To explore how new qualifications in the banking sector can be made available within a short timeframe and the	Melatrend Management Consulting	01 April 2022	31 March 2024	In progress: First draft report presented to the BANKSETA

No	Title of Research Project <sup>1</sup>	Purpose of research	Name of Service Provider/ Research Partner	Start Date (month & year)	Anticipated Completion Date (month & year)	Current Status
		recognition of informal learning				
12.	Constraints in the SETA funding model and possible mitigating strategies	To establish to what extent are the current funding opportunities constrained by current legislative frameworks and requirements.	University of Venda	01 April 2022	31 March 2024	In progress: At data collection phase

## 7.1 External Environment

The Banking sector forms part of the financial services sector and is classified by Statistics South Africa as part of the “financial and business services” industry. The Financial Services sector consists of all entities that manage money in some way or form. Generally, it consists of the following institutions: Banks, Insurers, Asset Managers, Stock Brokerages, Credit Unions, Micro-financiers and any other private or public sector companies capable of extending credit or other financing activities. The banking sector as a sub-set of the financial services sector consists of banking, credit unions, cooperative financial institutions and micro-financiers. Financial Services refers to the economic activities undertaken by such entities, which fundamentally encompass the access to funding/finance or the creation of wealth for consumption purposes or further economic productivity. Banking, Savings, Investment, Insurance and Financing assist individuals to consume, save, mitigate risk and accumulate credit while enabling companies to start-up, expand and improve competitiveness both locally and internationally. Financial Services is therefore fundamental to economic development and growth and holds a linear relationship. The Financial Services sector may be categorised into three primary subsectors:

- Banking and Credit Services (Banks, Mutual Banks, Credit Unions, Microfinance institutions, etc.);
- Insurance (Long-term and Short-term Insurers covering a variety of risks); and
- Investment and Related Services (Exchanges, Security Broking companies, Asset Managers, etc.).

Banking constitutes a key component of the financial services system and the economy, as a whole. The Banking system is a key driver of the South African economy as it facilitates the liquidity (amount of capital available for investment and spending) required by households and firms for consumption and future investment. The credit and loans extended by financial institutions to the economy imply that households do not have to save up in order to make large purchases, while companies can also start hiring and making capital expenditures now, in anticipation of future demand and expansion. The banking sector can be separated into banking and non-banking services.

BANKSETA’s mandate is limited to all employers who fall within the scope of the following Standard Industrial Classification Codes:

**Table 1: SIC Code Classification**

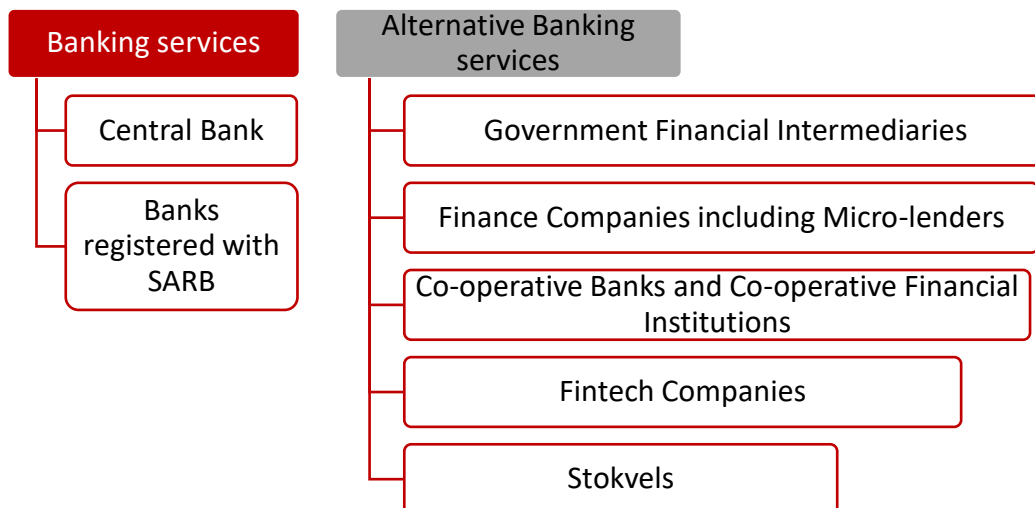
Code	Type	Description
81110	Monetary Intermediation	This class includes taking deposits which are used for clearance between financial institutions, supervising banking operations, holding the country's exchange reserves, and issuing and managing the country's currency and acting as banker to the Government
81121	Discount Houses and Commercial and Other Banking	This group includes the monetary intermediation of monetary institutions other than the central bank. Included are the activities of discount houses, commercial banks, merchant banks, general banks.
81122	Building Society Activities	This class includes the monetary intermediation of monetary institutions other than the central bank, activities of discount houses, commercial banks, merchant banks and general banks
81910	Lease Financing	This class includes activities of leasing where the term approximately covers the expected life of the asset and the lessee acquires in essence all the benefits of its use and takes all the risks associated with its ownership. The asset may or may not eventually be transferred.
81920	Other credit granting	This group includes financial intermediation primarily concerned with making loans by institutions not involved in monetary intermediation, including the granting of consumer credit, the provision of long-term finance to the industry, and money lending outside the banking system. The granting of credit for house purchases by specialised institutions that do not also take deposits is included in this subgroup.
81990	Other Financial Intermediation N.E.C	This group includes other financial intermediation primarily concerned with distributing funds other than by making loans. This includes investment in securities (e.g. shares, bonds, bills, unit trust units, etc.) including dealing for own account by securities dealers, investment in property where this is carried out primarily for other financial intermediaries (e.g. property unit trusts) and writing swaps, options and other hedging arrangements. Activities of financial holding companies are included.
83101	Securities Dealings by Banks	This group includes dealing in financial markets on behalf of others (e.g. stock broking) and related activities specifically by banks

**Source: BANKSETA SSP 2024/2025**

The monetary authority consists of the Reserve Bank which is the central bank of South Africa, governed in terms of the South African Reserve Bank Act 90 of 1989, as amended, and its subsidiary, the Corporation for Public Deposits, governed in terms of the Corporation for Public Deposits Act 46 of 1984. For the purposes of implementing skills development interventions,

the BANKSETA adopts the following sub-sector categorisation within its scope of levy-paying employers according to SARS.

**Figure 1: Sub-Sectors in Banking**



The functions of the BANKSETA under the Skills Development Act as outlined in its Constitution include the following:

- Develop a sector skills plan within the framework of the National Skills Development Plan for the BANKSETA;
- Implement the sector skills plan by:
  - approving workplace skills plans;
  - establishing learning programmes;
  - allocating grants in the prescribed manner to employers, education and training providers and employees; and
  - monitoring education and training in the sector.
- Promote workplace-based learning by:
  - identifying workplaces for practical work experience;
  - support the development of learning materials;
  - improving the facilitation of learning; and
  - assisting in the conclusion of learning programme agreements.
- Disburse the skills development levies in the banking and alternative banking sector in terms of the Act and the Skills Development Levies Act;
- Liaise with the National Skills Authority as well as other SETAs
- Report to the Director-General on the implementation of its sector skills plan and its income and expenditure;
- Liaise with employment services of the Department of Labour and any educational body established in terms of educational laws of South Africa to improve the quality of information about employment opportunities; and between education and training providers and the labour market.
- Appoint office bearers and staff necessary for the performance of its functions;
- Facilitate the involvement of the relevant government departments in the activities of the Authority to:
  - address the competency requirements for social delivery;
  - address the learning needs of the most vulnerable segments of the sector;
  - promote training SMEs to enable them to qualify for public contracts.
- Perform any other duties imposed by the Act or any other function not specifically mentioned, to fulfil the objectives of the BANKSETA and the Act;

- Notwithstanding the above functions and objectives, the Authority must at all times give effect to the purposes of the Act, being:
  - to develop the skills of the South African workforce;
  - to increase the levels of investment in education and training in the labour market and to improve the return on that investment;
  - to encourage employers:
    - to use the workplace as an active learning environment;
    - to provide employees with opportunities to acquire new skills;
    - to provide opportunities for new entrants to the labour market to gain work experience; and
  - to encourage workers to participate in learning programmes and other training programmes;
- to improve the prospects of persons previously disadvantaged by discrimination and to redress those disadvantages through training and education; to ensure the quality of education and training in and for the workplace;
- to provide and regulate employment services;
- to assist:
  - work-seekers to find work;
  - retrenched workers to re-enter the labour market;
  - employers to find qualified employees.
- to forge links with stakeholders and bodies in the banking sector;
- account for the effective and efficient use of public monies received from levies collected from employers, in line with the provisions of the Public Finance Management Act; and
- Report to the Minister through the Director-General of the Department on matters related to the BANKSETA.

### 7.1.1 Key Role-players (Service Providers)

#### (a) Central Bank

In South Africa, the South African Reserve Bank (SARB) plays the role of the central bank. It fulfils both the functions of a monetary authority as well as a regulatory body. The central bank, among other things, issues banknotes and coins, conducts monetary policy, provides credit to banks, manages South Africa's foreign exchange reserves, supervises and regulates the banking sector, and acts as the lender of last resort to the banking system. The Corporation for Public Deposits accepts call deposits from the public sector and invests the funds in short-term money market instruments, including Treasury bills.

#### (b) Banks

A bank is a public company (Limited) registered as a bank in terms of the Banks Act 94 of 1990. The business of a bank is the solicitation and advertising for, and the acceptance of, deposits from the general public on a regular basis and the utilisation of deposits accepted. Banks are classified as follows:

- South African Registered Banks: Locally Controlled
- South African Registered Banks: Foreign Controlled
- South African Registered Mutual Banks: A mutual bank is a juristic person that is registered as a mutual bank in terms of the Mutual Banks Act 124 of 1993.
- South African Branches of Foreign banks

The core banking services offered by most banks include:

- Retail banking services for individual clients in their personal capacity from current accounts, credit cards, personal loans, home loans, vehicle finance and savings and investments
- Business banking services assist businesses with business current accounts, business credit cards, business loans, tailored products and services, business relationship management, small business support including mentorship and network outreach
- Corporate banking supports large-scale organisations both locally and abroad with a range of banking services

### **(c) Government Financial Intermediaries**

This classification includes any subsidiary or entity under the ownership or control of public entities that are engaged in financial intermediation. This classification includes any subsidiary or entity under the ownership or control of the national, provincial or local government that is engaged in financial intermediation. The Public Investment Corporation (PIC) as an example invests funds on behalf of public sector entities, including the Government Employees Pension Fund.

### **(d) Finance Companies including Micro-lenders**

Finance companies are companies established in terms of the Companies Act 71 of 2008, with the specific purpose of obtaining funds in the form of loans, debentures or notes, and with the sole objective of lending or investing these funds again in the form of mortgage loans, hire-purchase and leasing finance. Microlenders (if incorporated) are included in this category.

### **(e) Co-Operative Banks and Co-operative Financial Institutions (CFIs)**

Co-operative banks are member-owned banks based on the co-operative principles of voluntary and open membership, democratic member control, member's economic participation, autonomy and independence, education, information and training, co-operation between co-operatives and concern for the community. The Prudential Authority is responsible for the supervision of all registered co-operative banks, whilst the CBDA is responsible for the training needs of the sector. The Co-operative Banks Act as amended by the Financial Services Regulatory Act 2017 provides that a "co-operative financial institution" means a co-operative that takes deposits and chooses to identify itself by use of the name Financial Co-operative, Financial Services Co-operative, Credit Union or Savings and Credit Co-operative.

### **(f) Fintech Companies**

Financial technology companies, also known as FinTechs are companies that use new technology and innovation with available resources in order to compete in the marketplace of traditional financial institutions and intermediaries in the delivery of financial services. Financial technology companies consist of both start-ups and established financial and technology companies trying to replace or enhance the usage of financial services.

### **(g) Stokvels and Savings Clubs**

Exemption Notice No. 2173 allows informal member-based groups to pool funds and utilise the funds for the benefit of their members on the condition that a common bond exists between members within the group, relying on self-imposed regulation to protect the interests of their members. The focus of this exemption notice is on stokvels, CFIs, and employee savings clubs. Such deposit-taking institutions must be affiliated with the National Stokvel Association of South



Africa (NASASA), being the self-regulating body of the deposit-taking financial institutions operating under this exemption notice. NASASA represents the interests of the stokvels movement in South Africa.

### 7.1.2 Key Role-players Groupings

Role-players in the banking sector fall into one of the following groups: Regulatory, Employers, Associations, Professional Bodies and Trade Unions. All the BANKSETA Programmes are informed by what is emerging in the sector through the Sector Skills Plan Research. BANKSETA has to adhere to the DHET SLA in terms of its operations. Through the Governance Structures, the BANKSETA has to assess its financial position and implement programmes that are within its means from a financial perspective. The majority of programmes implemented by the BANKSETA are informed by the sector. The table below reflects the role each of these organisations plays in the banking sector.

**Table 2: Role-player Groupings (Including other key stakeholders)**

Groups	Key Role-players	Role they play
<b>Monetary Authority and Regulatory</b>	South African Reserve Bank	SARB is the central bank of South Africa. It is an organ of statute established by the SARB Act, and its mandate and independence are entrenched in the Constitution of the Republic of South Africa, 1996. In terms of its constitutional mandate, the Bank is required to protect the value of the currency in the interest of balanced and sustainable economic growth in South Africa. Price stability is a critical element of the foundation of an economy, contributing to economic growth, development and employment creation. The achievement of price stability is defined by the government setting an inflation target that serves as a yardstick against which price stability is measured. The achievement of price stability is underpinned by the stability of the entire financial system.
<b>Regulatory</b>	Financial Services Conduct Authority (FSCA)	The FSCA is tasked with protecting financial customers through supervising market conduct.
<b>Regulatory</b>	National Credit Regulator	The NCR is responsible for regulating the South African credit industry, including the registration of credit providers, credit bureaux and debt counsellors. It is responsible for enforcing compliance with the National Credit Act and is focused on developing an accessible credit market to meet and promote the needs of people who are marginalised, especially economically.
<b>Regulatory</b>	Co-operative Banks Development Agency	The CBDA is responsible for the training and support of co-operative banks and co-operative financial institutions
<b>Associations - Banking</b>	Banking Association of South Africa (BASA)	BASA is an industry body representing all registered banks in South Africa. It is the mandated representative of the sector and represents the industry through lobbying, engagement with stakeholders and political influence.

Groups	Key Role-players	Role they play
		<p>BASA is the mandated representative of the banking sector and addresses industry issues through:</p> <ul style="list-style-type: none"> <li>• Lobbying and advocacy</li> <li>• Policy influence</li> <li>• Guiding transformation in the sector</li> <li>• Acting as a catalyst for constructive and sustainable change in the sector</li> <li>• Research and development</li> <li>• Engagement with critical stakeholders</li> </ul>
<b>Associations - Banking</b>	South African Banking Risk Information Centre (SABRIC)	SABRIC is a Non-Profit Company formed by the four major banks to assist the Banking and Cash in transit companies combat organised bank-related crimes. It serves as a financial crime risk information centre.
<b>Alternative Banking - Associations</b>	MicroFinance South Africa	MFSA is a representative body of registered and legal Microfinance Credit Providers in South Africa. MFSA represents almost 1700 Microfinance offices registered with the NCR and the majority of significant Service Providers in the Sector.
<b>Alternative Banking - Associations</b>	DMASA/AMFISA	A non-profit organisation that supports the development of Microfinance institutions in South Africa.
<b>Alternative Banking - Associations</b>	National Stokvel Association of South Africa (NASASA)	NASASA represents the interests of the stokvels movement in South Africa.
<b>Professional Bodies</b>	Various	Professional Bodies provide members with professional designations, networking, educational, training and information opportunities.
<b>Trade Unions</b>	The South African Society of Bank Officials (SASBO)	SASBO is the Trade Union for the banking sector. The Finance Union represents employees in all the major banks and hence serves as the voice of labour within the finance sector.

Source: BANKSETA SSP 2024/2025

### 7.1.3 Drivers of Change in the Banking Sector

The fourth industrial revolution is at the heart of five key drivers of change impacting the banking sector. The five major change drivers are Covid-19, Digitalisation and Technology; Changing Customer Expectations; Regulation, Risk and Cybercrime and Disruptors in banking.

## COVID-19

### Effects on employers and employees

The challenges brought about by COVID-19 meant that the sector had to quickly adopt the technological plans that were considered somewhat still far in the future for South Africa. The March 2022 PwC Report on analysis of South African major banks revealed that while 2020 began with a brief period of normality, the COVID-19 pandemic dominated the entirety of 2021. Learnings from navigating the extreme uncertainty during earlier phases of the pandemic - coupled with shifts to new ways of working and delivering financial services - aided the major

banks' abilities to navigate 2021 with a focus on stability, innovation and digitally led operational excellence.

Against more supportive conditions, the major banks delivered strong results on the back of a rebound in economic activity, increased client engagement levels and gains made through the execution of their digitally centric strategies. Employers have realised that remote work has benefits for both the employer and employees. The benefits for employees include quality time with family, increased employee morale, savings on fuel and commuting time. As a result, employers in the banking sector have embraced this benefit and some of the bigger banks have implemented a combination of remote work and office for their employees. Despite these benefits, employers also understand that there are households that may not be suitable for remote work and that employees who find themselves in this situation should also be catered for in the planning process.

## **Digitalisation and Technology**

Digital banking is the incorporation of new and developing technologies throughout the financial services sector to provide enhanced customer services and experiences effectively and efficiently. Digitalisation in banking is driven by three major factors: Technology push, customer experience and economic benefits. Customers' adaptation to the digital environment, forces banks to relook their products and services. Digital technology is rapidly influencing the way customers engage in banking activities.

'Digital' is a collective term which refers to an integrated and collaborative platform that allows consumers, suppliers and organisations to transact using various electronic devices or technologies. It brings together emerging technologies which include social media, cloud, analytics and mobile to provide a cost-effective and convenient distribution channel for consumers to use. The use of technology to better interpret the complex and evolving needs of customers so as to better engage with them is an area that the banks are expected to continue to invest in with a view to strengthening their capabilities through smarter and deeper use of predictive data analytics and better harnessing the wealth of information that already exists within their systems.

Technological innovation is revolutionising the banking industry. There is no getting away from the fact that banks are under threat unless they can keep pace with technology. Some of these innovations are great for banks. Cloud computing, for example, can reduce costs and promote low-cost innovation. But some advances disrupt banking in a big way, like crypto-currency, which skips banks in the payment process. The four technological advances that are changing the face of banking, for better or for worse are social media, mobile banking, cloud technology and crypto-currency.

Banks traditionally operated in silo channels, with different business areas operating independently of each other. The introduction of open banking will see a new way of banking emerge. It will allow the industry to innovate and enhance customer service, and help new entrants (fintechs) to gain a share of new financial products and services. Large banks have built their technology and data around individual products and channels, and are beholden to legacy systems. To overcome this, banks must invest in technological capabilities and incorporate the right architecture to respond quickly and drive an agile culture throughout the business. In South Africa, there are reports that some banks have reduced headcount and closed some of their branches this largely being influenced by the deployment of new technologies.

## **Changing Customer Expectations**

In his article, 'Technology: Hunting the Big Four' (2019), Mark Brown argues that the global banking industry is evolving in response to economic pressures, digital innovation and most importantly the changing way their customers use banking and financial services. While their platforms are changing, banks remain relevant. Referring to Bill Gates's famous comment in which he stated, "We need banking not banks", Mark Brown suggested that Bill Gates should rather have said: "We need efficient, digital banking platforms that focus on clients, not expensive bureaucracies focused on products."

Today's connected consumers have embraced technology to such an extent that it has become an extension of them. The influence of mobile technology, social media, rising customer experience and service expectations and lower switching costs for customers to take their business elsewhere has dramatically changed the competitive landscape for banks. With ready access to information, the influence of online retail experiences and the adoption of new technologies, customer expectations are rapidly changing. This is driving a shift in the market and forcing organisations to develop new interaction models that deliver deeper personalised service and improved customer care.

Banks need to put the customer at the heart of the design process and take new products to market quickly. They also need to be more attuned to their customers' needs, determine how they can better engage with their clients, know the products they want and predict what's needed rather than wait and react. This means embracing social media, giving customers more ways to interact with the business, rethinking traditional marketing tactics and mastering analytics. Tech-savvy customers are increasingly seeking a user experience that aligns with their individual needs.

Central to a bank's success in the digital economy is, therefore, the data they accumulate about customers and intelligent ways of processing it. Data is only useful if banks can use it effectively. Banks must ensure they have easily accessible, high-quality data. It is not about the volume of data but its application that will make banks successful. By gathering meaningful insights, they can create audience segmentation and deliver innovative, customised products in a way that appeals to customers. Banks need to reach a point where they understand the needs of the customer, without taking any direct feedback.

## **Regulatory Changes, Risk and Cybercrime**

The 2019 Deloitte Report on Banking and Capital Markets Outlook cites a growing divergence in global regulatory standards. With such a dynamic regulatory landscape, banks should buckle down and make compliance modernisation a priority focusing particularly on making regulatory systems already in place more efficient for business strategy. Throughout all compliance efforts, banks should prioritise soundness and safety. Regulatory divergence seems to be encouraging experimentation by fintechs and welcoming them to the fold. The OCC announced in July 2018 that it would begin accepting fintech bank charter applications. South Africa is also following the same path and the following regulatory bodies play a critical role in South Africa's regulatory system.

### **(a) The South African Reserve Bank**

The South African Reserve Bank is the central bank of the Republic of South Africa. The primary purpose of the Bank is to achieve and maintain price stability in the interest of balanced and

sustainable economic growth in South Africa. The primary function of the Reserve Bank is to protect the value of South Africa's currency. In discharging this role, it takes responsibility for:

- Ensuring that the South African money, banking and financial system as a whole is sound, meets the requirements of the community and keeps abreast of international developments;
- Assisting the South African government, as well as other members of the economic community of southern Africa, with data relevant to the formulation and implementation of macroeconomic policy; and
- Informing the South African community and all stakeholders abroad about monetary policy and the South African economic situation.

### **(b) Co-operative Banks Development Agency (CBDA)**

The Co-operative Banks Development Agency was established to regulate, promote and develop co-operative banking, including deposit-taking and lending co-operatives

The institution was created for the following tasks:

- To register, regulate and supervise co-operative banks
- To promote, register and regulate representative bodies
- To facilitate, promote and fund education and training to enhance the work of co-operative financial institutions
- To accredit and regulate support organisations
- To provide liquidity support to registered co-operative banks through loans or grants, and
- To manage a deposit insurance fund

### **(c) National Credit Regulator**

The National Credit Regulator (NCR) was established as the regulator under the National Credit Act No. 34 of 2005 (The Act) and is responsible for the regulation of the South African credit industry. It is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and ensuring the enforcement of the Act. The Act requires the Regulator to promote the development of an accessible credit market, particularly to address the needs of historically disadvantaged persons, low-income persons, and remote, isolated or low-density communities. The NCR is also tasked with the registration of credit providers, credit bureaux and debt counsellors; and with the enforcement of compliance with the Act.

### **(d) The Financial Sector Conduct Authority (FSCA)**

The FSCA is the market conduct regulator of financial institutions that provide financial products and financial services, financial institutions that are licensed in terms of a financial sector law, including banks, insurers, retirement funds and administrators, and market infrastructures. The FSCA is responsible for market conduct regulation and supervision. FSCA aims to enhance and support the efficiency and integrity of financial markets and to protect financial customers by promoting their fair treatment by financial institutions, as well as providing financial customers with financial education. The FSCA will further assist in maintaining financial stability.

## **Disruptors in Banking**

Mark Brown (2019) revealed that new competitors in the banking sector have generally begun by targeting niche markets. More recently, competition has evolved from traditional competitors to Fintech disruptors to “big tech” disruptors. These disruptors are revolutionising the banking experience for clients and, if traditional players do not respond, they will continue to capture

more of the banking value chain. Many Fintech players have found it difficult to scale up and are increasingly partnering with traditional banks. But “big tech” disruptors have both the financial muscle and ability to grow, presenting a greater threat to traditional banks that do not embrace change and innovation.

#### **7.1.4 Implications for Skills Planning**

The key skills change drivers have very serious implications for the skills demand. Drivers of change mean that the skills demanded will also change.

*Digitisation and technology* - The implications for skills planning are that the skills that will be in demand will be for high skills in computing technology, software development, artificial intelligence, robotics, etc. There will be a need for reskilling employees to meet the changes brought about by digitisation and technology.

*Changing Customer Expectations* - The implications for skills will focus on the appropriate ways to deal with customer queries and challenges. Customers are changing their expectations of banks and banking services and employees who work with customers must possess skills to communicate effectively with customers and resolve their queries in the shortest possible time.

*Regulatory changes, risk and cyber-crime* - The implications for skills planning is a greater focus on the new regulatory framework for prudential and conduct authorities, cyber security as a risk that all banks must address by ensuring they have the appropriate skills to manage these risks.

*Disruptors in banking* The implications for skills planning is that agility skills and skills to develop a multi-disciplinary employee is important. It is also important to develop skills for the fintechs within the banking sector in order for them to provide effective service to the banks.

The change drivers listed above indicate that a change in the occupational landscape is emerging. Many new occupations with a strong technological flair like data management, data analytics and data scientists are emerging in the sector. In addition, the soft skills required are changing to include skills like agility, innovation, creativity, problem-solving, etc. Career fit seems to be the focus in terms of the skills needed in the banking sector where re-skilling and upskilling for new job roles is currently underway.

Based on the change drivers and national priorities, BANKSETA identifies the following as the five key skills change drivers for the 2024/25 period:

- Covid-19 Economic Reconstruction and Recovery Plan
- Technology, Digitisation and Innovation
- Regulation, Compliance and Risk Management
- Management and Leadership Development
- Core banking products/services

#### **7.1.5 Performance Environment**

The South African economy is estimated to have grown by 2% in 2022. This growth though significant, the economy is just 0,3% better than it was in 2019 before COVID-19. Some of the sectors are yet to recover to the pre-pandemic levels. Construction sector remains 23,1% lower than it was in 2019, this sector started to decline even before COVID-19. Mining and quarrying also remains lower than it was in 2019 by 8,1%. The other sectors that are still lower than the

pre-pandemic levels include Manufacturing; Electricity, Gas and Water; Transport, Storage and Communication as well as Trade, Catering and Accommodation.

**FIGURE 2: Historical yearly GDP Percentage Growth**



**Source: Statistics SA 2023**

The banking and alternative banking is part of the finance sector, this sector grew by 3,9% in 2022 and was the main contributor to the overall GDP growth of 2%. The finance sector continued to grow despite the challenges of COVID-19 that the country has endured recently. Transport, Storage and Communication sector performed better than all the other sectors in 2022 as it grew by 8,6%. The Transport, Storage and Communication was followed by the Finance sector which grew by 3,9%. The sector remained resilient during 2020 and 2021 when most the other sectors of economy were declining.

The current power crisis is expected to continue to put the economy under pressure in 2023 and beyond. The SARB has projected that the current rolling blackouts will cut the 2023 GDP growth by 2 percentage points. As a result, the International Monetary Fund (IMF) has slashed the economic growth forecast for South Africa to a meagre 0,1% in March compared to the 1,2% in the January update. The SARB has also revised the growth forecasts this year (2023) to 0,2% in its March 2023 update. This is in addition to the economic slowdown observed globally mainly due to the conflict between Russia and Ukraine, and pull back on lending by international banks as a result of failure of the three mid-sized banks in the United States and Zurich-based Credit Suisse.

The number of banking entities in South Africa stands at 40, these include 18 registered banks, 4 mutual banks, 5 co-operative banks and 13 branches of foreign banks. There are also 29 local representative offices of foreign banks in the country. The 18 registered banks include Tyme Bank, Discovery Bank and Bank Zero that were recently registered. The banking industry is dominated by the four big banks as over 83% of the industry deposits are held by these banks (Absa, Standard bank, FirstRand bank and Nedbank). On the other hand, Capitec continues to attract more clients and has surpassed the big banks with a total of over 16 million clients, but still holds only 2% of the total industry deposit.

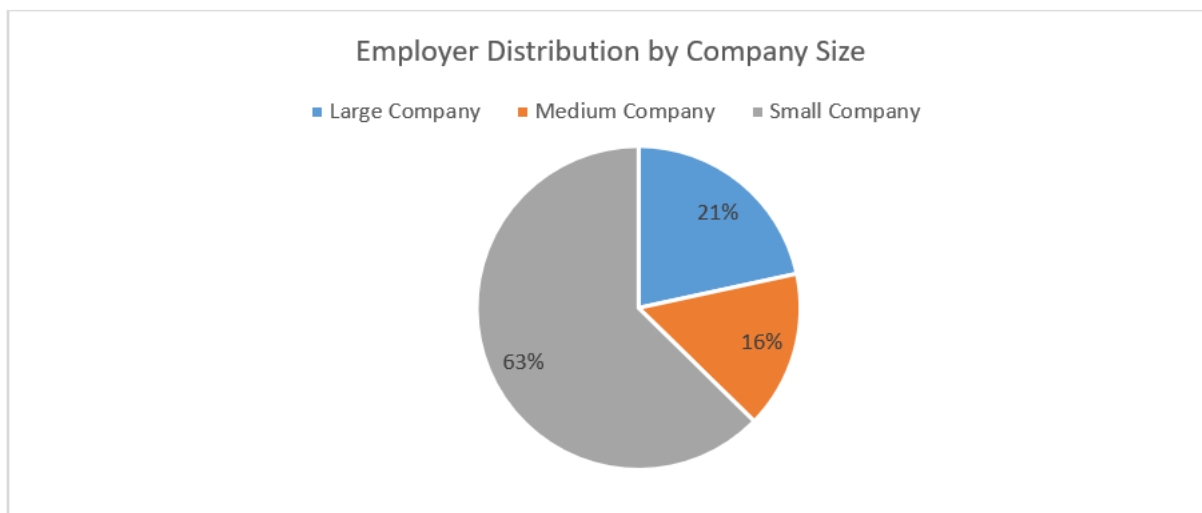
## Employer Profile

In this section, we describe the number of businesses that are represented within the sector and its sub-sectors including an analysis of small, medium and large businesses. Because of the large number of unregistered employers, it is difficult to provide a full picture of the banking sector. The data provided is for those employers who are registered with BANKSETA.

According to the SARS Levy data, over 700 companies pay skills levy to the BANKSETA. The analysis below is based on the companies that submitted their WSP data for 2023. BANKSETA received workplace skills plans from 323 companies made up of 202 small companies (both levy

paying and non-levy paying), 51 medium companies and 70 large companies. Small companies contribute around 63% of employers in the sector. These small companies are made up of 60% levy paying and 40% non-levy payers. Figure 3 shows the proportion of employers by company size in the banking and alternative sector.

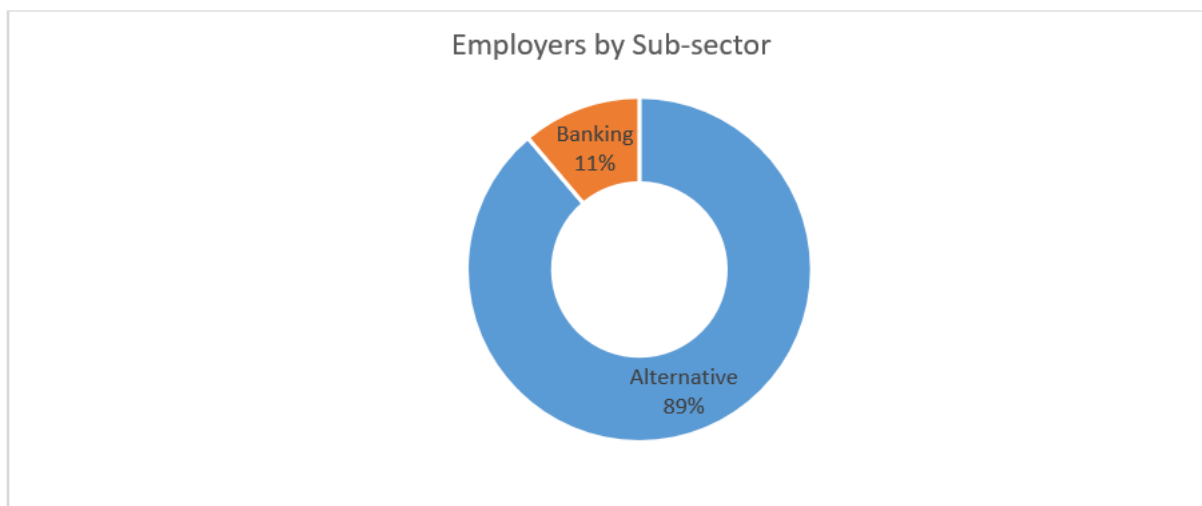
**FIGURE 3: EMPLOYER DISTRIBUTION BY COMPANY SIZE**



Source: *BANKSETA WSP 2023*

Figure 4 below shows the distribution of employers in banking and alternative banking sub-sectors. It is evident that most employers are in the alternative banking sub-sector (an estimated 89% of the employers). This is mainly because alternative banking is dominated by a large number of small employers (levy payers and non-levy payers).

**FIGURE 4: EMPLOYERS BY SUB-SECTOR**

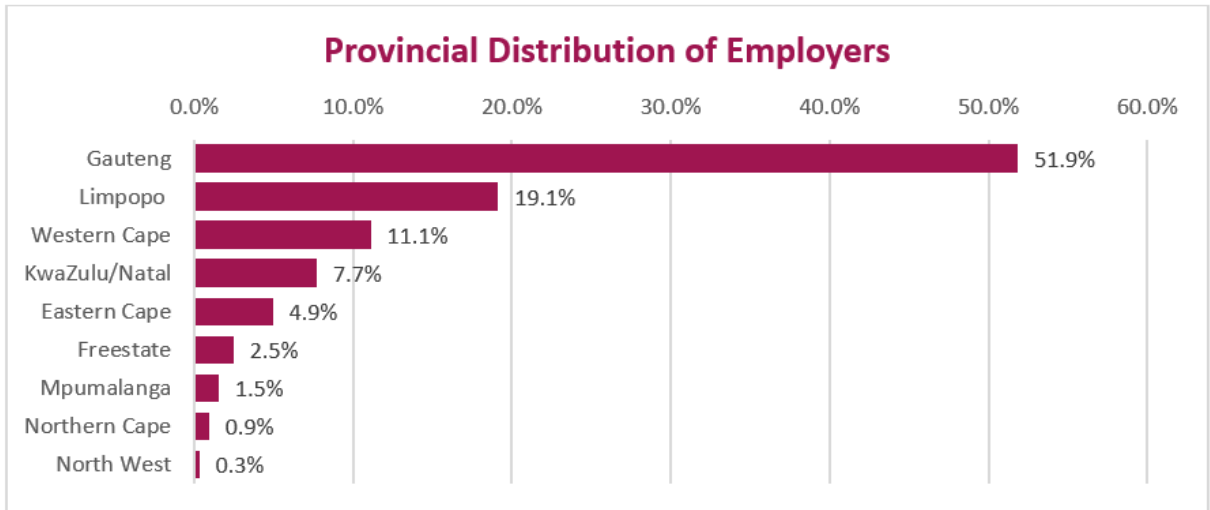


Source: *BANKSETA WSP 2023*

In terms of the geographic distribution of employers across the nine provinces, Figure 5 shows that most employers are based in Gauteng, which is 43% of the total employers, 27% are in Limpopo while and 11% are based in the Eastern Cape. The province with the least number of employers is the Northern Cape and North West, each at 1% of employers.



**FIGURE 5: PROVINCIAL DISTRIBUTION OF EMPLOYERS**



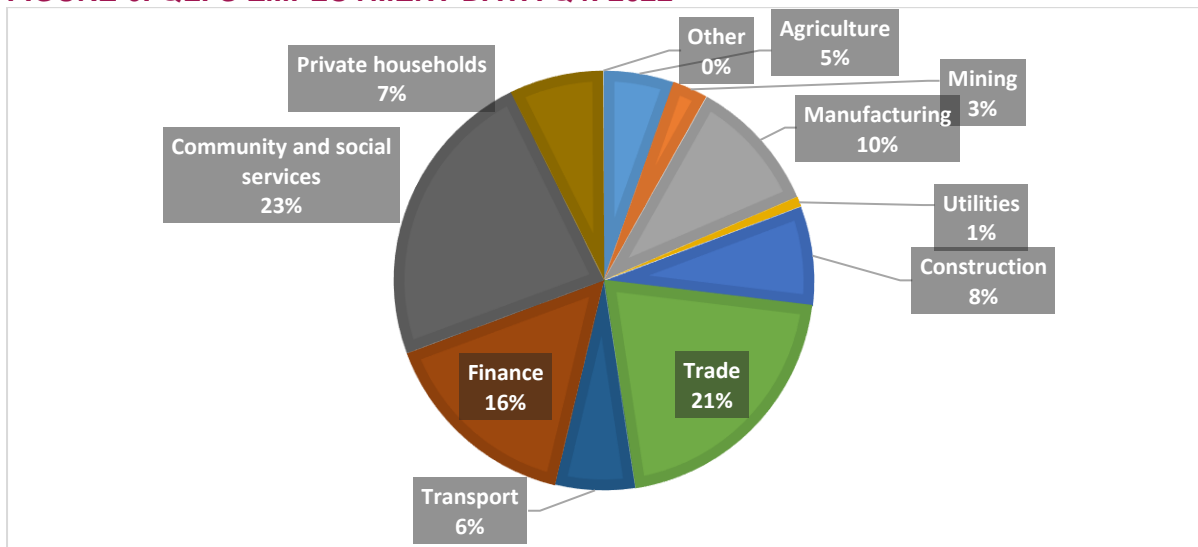
Source: BANKSETA WSP 2021

The proportion of employers in Gauteng grew from 43% in 2022 to 51,9% in 2023. Western Cape has also experienced significant growth with the percentage of employers growing from 7% to 11%. The percentage of employers in Limpopo has dropped from around 27% in the previous year to 19,1% in 2023. Declines were also recorded in the Eastern Cape, down from 11% to only 4,9%. It should be noted that the provinces that experienced a decline in 2023 are mainly made up of small employers. This should be expected since the number of WSP submissions from small employers in 2023 was down 37% compared to last year.

### Labour Market Profile

In terms of employment on a national scale, the finance sector employed just over 2,5 million people as reported in the 2022 Q4 Quarterly Labour Force Survey (QLFS). The chart below shows that this is about 16% of the total number of persons employed nationally. Community and Social Services employs most of the workforce at 23%, followed by Trade at 21%.

**FIGURE 6: QLFS EMPLOYMENT DATA Q4: 2022**



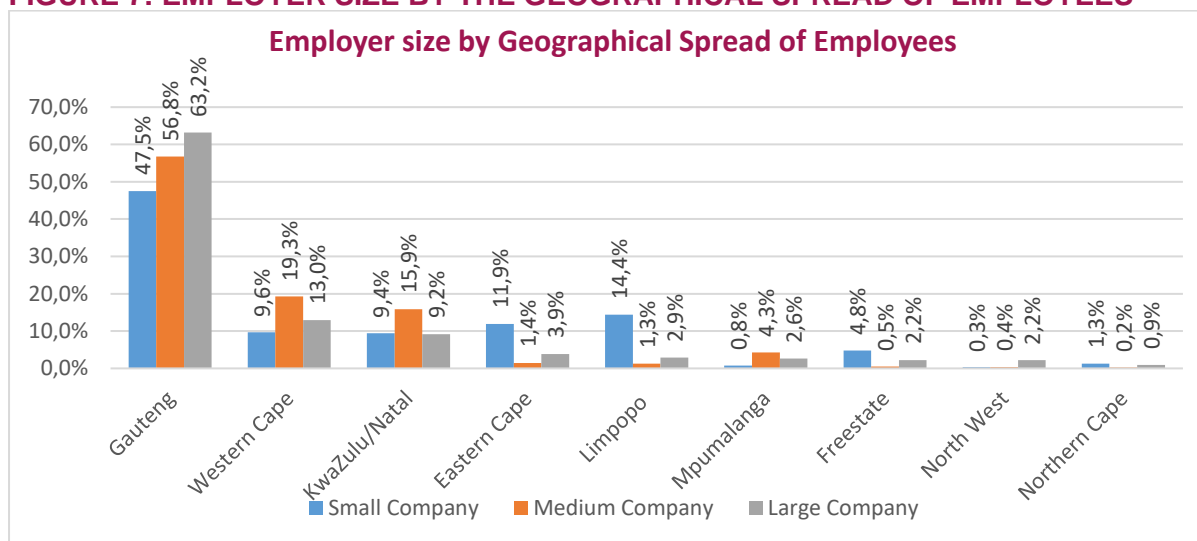
Source: Stats SA QLFS Q4 2022

Profiling of employment in the banking and alternative banking sector requires an analysis of the geographical spread of employees. As expected, the majority of employees are in Gauteng which is in line with geography of employers. This is particularly true for large companies (63%), medium (57%) and small (46%) which generally would consist of a high concentration of employees in the head offices located in the large cities of Gauteng.

Other provinces representing significant shares of employees are the Western Cape and KwaZulu-Natal provinces, with branch offices most likely concentrated around the large cities of

Cape Town and Durban respectively. It is clear that a more even geographic spread occurs for smaller enterprises, as these companies often do not have a number of branches, but rather operate as single office companies located close to the local customer base they serve. This is evidenced by the significant shares of employees reported for small companies located in Limpopo (14%). This may be attributed to the fact that BANKSETA has a regional office in Limpopo which made it easier for small companies to submit their WSPs. The 2023 WSP data shows that the percentage of employees for small employers in KZN dropped by more than half, from 12% in the previous year to only 5,5%. This is in line with the earlier observation regarding the decline in the number of employers in that province.

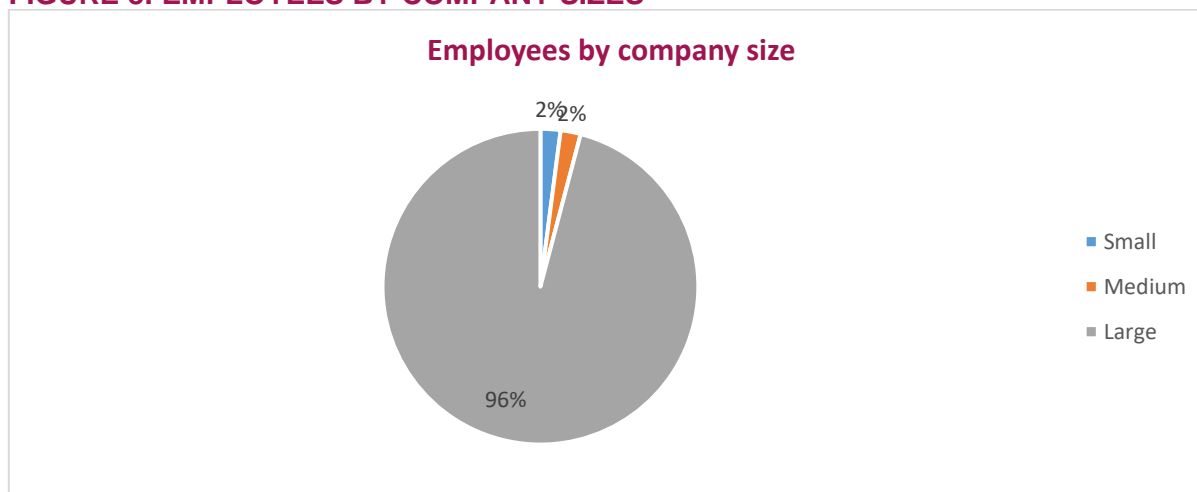
**FIGURE 7: EMPLOYER SIZE BY THE GEOGRAPHICAL SPREAD OF EMPLOYEES**



Source: BANKSETA WSP 2023

The workplace skills plans (WSP) data received for the year 2022 reflects that the sector currently employs about 188 565 down by 4% compared to the previous year (2021). Large employers employ more than 96% of the labour force. While medium and smaller companies employ only 4% of the labour force combined.

**FIGURE 8: EMPLOYEES BY COMPANY SIZES**



Source: BANKSETA WSP 2023

Table 3 shows the profile of employees in the sector by gender and equity for the different employer categories. The table shows that about 55% of the employees are Africans, followed by Whites at 18% of the employees.

**TABLE 3: EMPLOYMENT BY EMPLOYER COMPANY SIZE, EQUITY AND GENDER**

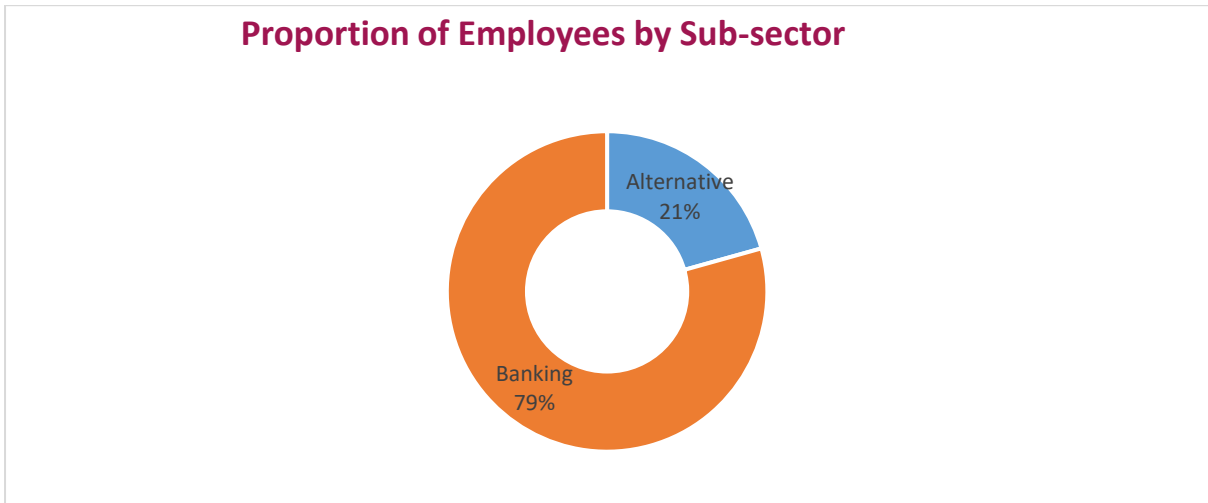
Employer Size	Equity and Gender										Total
	MA	MC	MI	MW	MO	FA	FC	FI	FW	FO	
Large	43 741	9 254	8 267	13 569	964	66 685	17 426	10 101	15 144	683	<b>185 834</b>

<b>Medium</b>	826	273	264	465	59	1673	470	316	466	88	<b>4 900</b>
<b>Small</b>	542	100	93	466	24	1134	227	139	549	13	<b>3 287</b>
<b>Total</b>	<b>45 109</b>	<b>9 627</b>	<b>8 624</b>	<b>14 500</b>	<b>1 047</b>	<b>69 492</b>	<b>18 123</b>	<b>10 556</b>	<b>16 159</b>	<b>784</b>	<b>194 021</b>
<b>%</b>	<b>23,3%</b>	<b>5,0%</b>	<b>4,4%</b>	<b>7,5%</b>	<b>0,5%</b>	<b>35,8%</b>	<b>9,3%</b>	<b>5,4%</b>	<b>8,3%</b>	<b>0,4%</b>	<b>100,0%</b>

Source: BANKSETA WSP 2023

The information by sub-sector shows that although the majority of the employers are in alternative banking, the banking sub-sector employs about 79% of the employees in the sector. This can be seen in Figure 9 below. This shows that the alternative banking sub-sector is only a fraction of the overall banking sector and employs about 37 000 people.

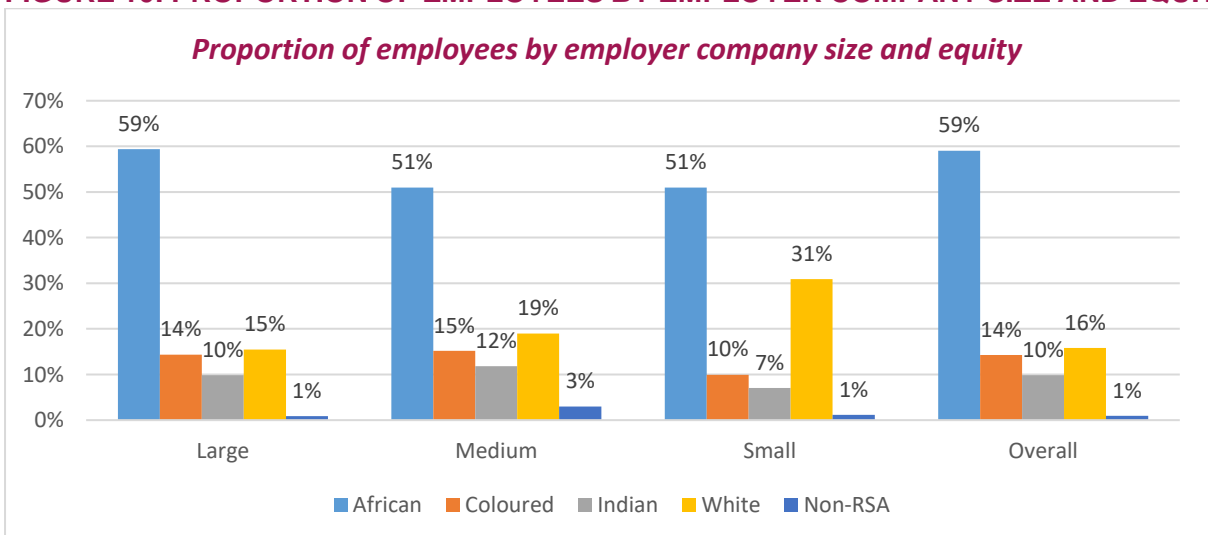
**FIGURE 9: PROPORTION OF EMPLOYEES BY SUB-SECTOR**



Source: BANKSETA WSP 2023

The percentage of African employees has increased by 3 percentage points to 59% compared to the previous year. The same increase was also evident in large companies. Medium companies also showed an improvement in the percentage of African employees from 49% to 51% in 2023. In contrast, the percentage of African employees has declined significantly in small companies. The percentage went down from 64% in 2022 to 51% in 2023. This is in line with the observed decline in small companies in the rural provinces of Limpopo and Eastern Cape.

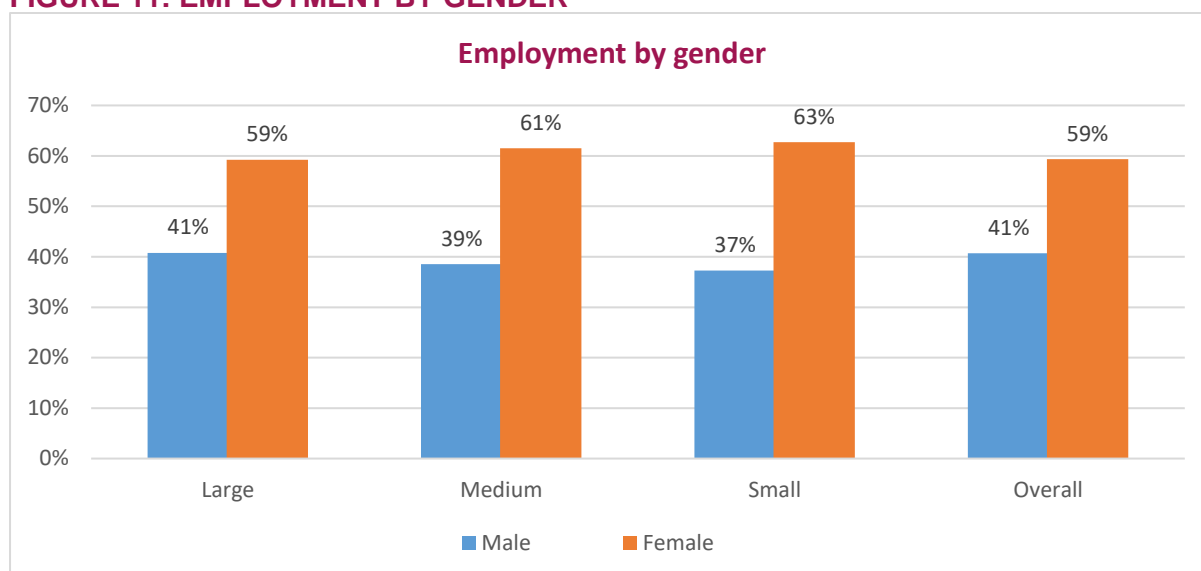
**FIGURE 10: PROPORTION OF EMPLOYEES BY EMPLOYER COMPANY SIZE AND EQUITY**



Source: BANKSETA WSP 2022

Figure 10 shows that the loss in the percentage of African employees in small companies was directly associated the increase of White employees which grew from 23% in 2022 to 31% in 2023. White employees have declined in large and medium companies to 15% and 19% respectively.at 22%.

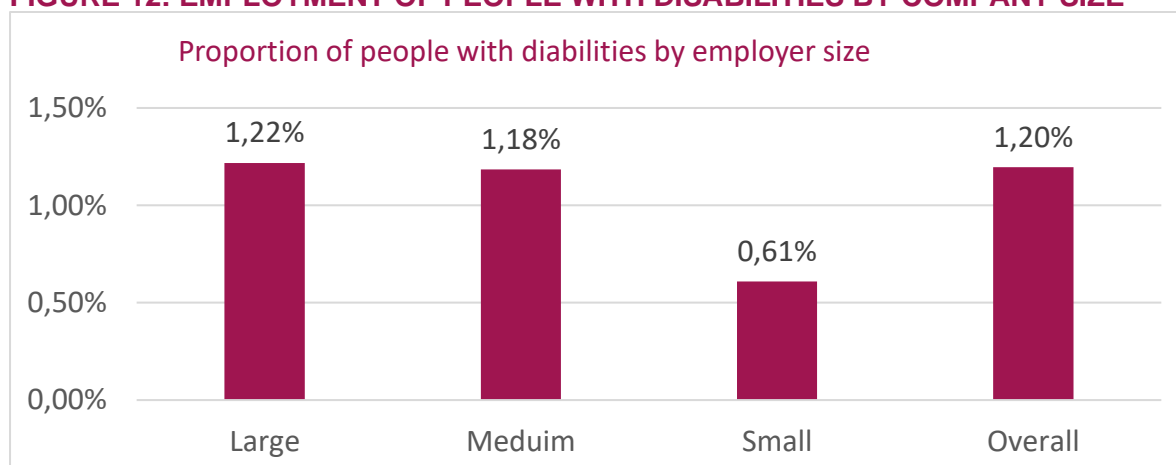
**FIGURE 11: EMPLOYMENT BY GENDER**



Source: BANKSETA WSP 2022

Small companies reported significant levels of transformation with 63% of people employed being females, while medium and large companies reported that 61% and 59 employed females respectively. This brings the proportion of females employed by all companies to 59% and 41% males employed by all companies..

**FIGURE 12: EMPLOYMENT OF PEOPLE WITH DISABILITIES BY COMPANY SIZE**



Source: BANKSETA WSP 2023

Figure 12 depicts the employment status of people with disabilities by companies of different sizes. The figure for the overall employment of people living with disabilities stands at 1,20%. Large companies employ 1,22% of the people living with disabilities, followed by medium companies which employ 1.18%. Small companies employ 0,61%.

### Employment by Occupational Group

An analysis of employment by broad occupational groups is reflected in Table 4. Approximately 60 017 (30,9%) employees are in clerical support, and this is slightly lower than the 65 824 reported in 2022. Professionals also comprise a large number of employees at approximately 43 027 (22,2%). The sector also employs a large number of managers with a total of 42 468 (21,9%) that cuts across the racial groups. The statistics depict that 39 453 technicians and associate professionals are employed by the sector. The majority of people employed in the

services and sales workers are African males and females. Please see Table 4 and Figure 13 on employment by occupational groups.

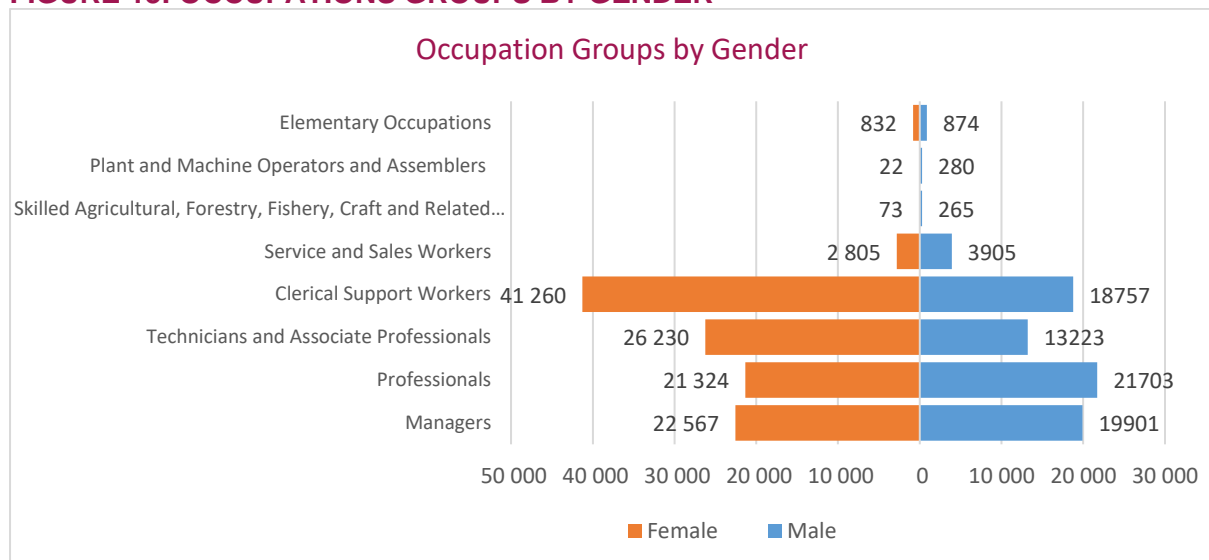
**TABLE 4: EMPLOYMENT BY OCCUPATIONAL GROUPS**

Major OFO Groups	Equity					Total	%
	African	Coloured	Indian	White	Non-RSA		
Managers	19 572	5 476	5 869	10 924	627	42 468	21,9%
Professionals	21 575	5 281	5 499	10 023	649	43 027	22,2%
Technicians and Associate Professionals	23 874	6 513	3 617	5 131	318	39 453	20,3%
Clerical Support Workers	42 066	9 657	3 941	4 152	201	60 017	30,9%
Service and Sales Workers	5 442	698	217	347	6	6 710	3,5%
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	214	47	24	35	18	338	0,2%
Plant and Machine Operators and Assemblers	243	21	2	33	3	302	0,2%
Elementary Occupations	1 615	58	11	14	8	1 706	0,9%
<b>Total</b>	<b>114 601</b>	<b>27 751</b>	<b>19 180</b>	<b>30 659</b>	<b>1 830</b>	<b>194 021</b>	<b>100,0%</b>
%	59,1%	14,3%	9,9%	15,8%	0,9%	100,0%	

Source: BANKSETA WSP 2023

Figure 13 illustrates the major occupational groups from a demographic perspective. Principle 3 of the National Development Plan (that is, advancing an equitable and integrated system) puts emphasis on contributing towards transformational and developmental imperatives such as gender, race, class, youth, disability and geographic location. Despite the improvements gained in the 2023 data where the percentage of Africans in the sector improved to 59%, levels of transformation are still low. For instance, the occupational category of managers depicts Africans at 46% while Whites are at 26% out of the entire occupation population of managers. Although this is quite an improvement compared to 2020 and 2021, this still requires further attention considering that out of the 194 021 employed in the sector, 114 601 are Africans.

**FIGURE 13: OCCUPATIONS GROUPS BY GENDER**



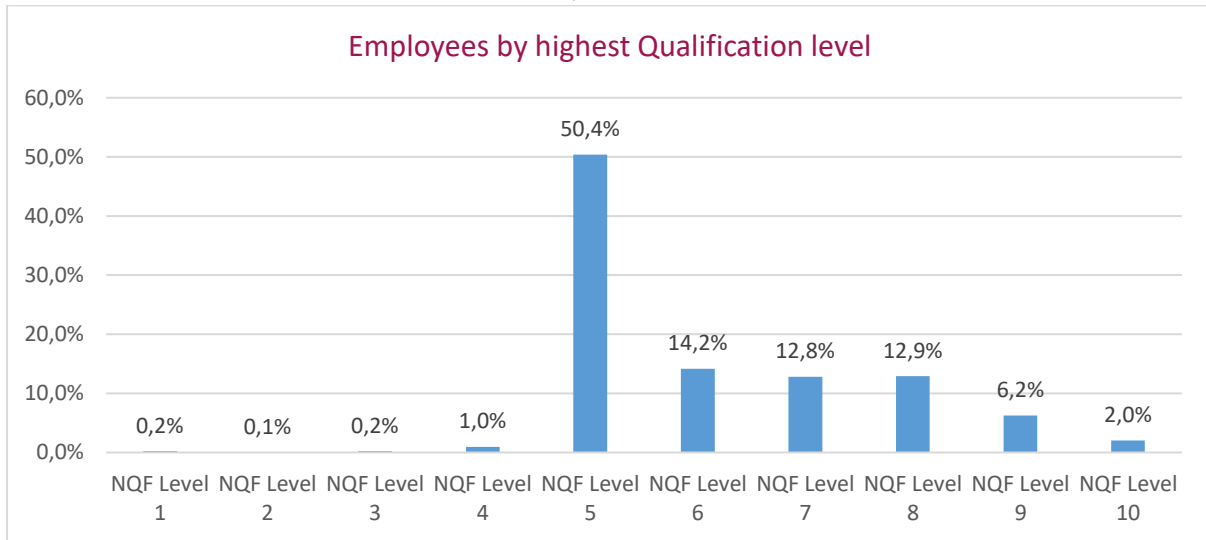
Source: BANKSETA WSP 2023

Out of the 115 113 (59%) women employed by the sector, 22 567 (12%) women across racial groups are in managerial positions, seven percentage points less than in 2022. Out of the 22 567 women in managerial positions, only 10 721 (46%) are African women, the other 54% cuts across the other races. The data depicts that the sector employed 40% males.

### Education Levels of Employees

The figure below shows the educational levels of the employees in the sector. The majority of employees have an NQF Level 5 qualification. This category includes people with higher certificates and advanced national (vocational) certificates. The number of employees with qualifications at NQF Level 4 and below stands at 1,5%. It is also interesting to notice that more than 48% of the employees have at least an NQF Level 6 qualification.

**FIGURE 14: EMPLOYEES BY HIGHEST QUALIFICATION LEVEL**



Source: BANKSETA WSP 2023

## 7.2 Internal Environment

BANKSETA is located in Centurion in Gauteng with a regional footprint in Limpopo, Eastern Cape and Free State. It comprises the following core divisions: Strategy and Research; Finance incorporating Supply Chain Management and Internal Audit, Governance, Corporate Services incorporating Communications, Information Technology and Human Resources and the Operations Division that focuses primarily on the disbursement of discretionary grants and the Quality Assurance of training service provision. The BANKSETA Board provides strategic direction and guidance to the Executive Management team.

In March 2020 when the country was placed under a hard lockdown due to COVID-19, the BANKSETA employees started working mainly from home. This also coincided with the relocation of the head office to the current location. A committee was established to ensure that BANKSETA adheres to the COVID-19 regulations and limits the transmission of the virus in the office. The BANKSETA ICT systems have been migrated to the cloud platform. The COVID-19 restrictions have since been eased and eventually lifted. The BANKSETA has continued with a hybrid working model whereby staff work most days in office and some days remotely. Most of our stakeholders have also embraced hybrid working models. All our projects have provisions for hybrid delivery.

### (a) Service Level Agreement with DHET

On an annual basis, BANKSETA negotiates a set of targets and deliverables to be agreed on with DHET. The Service Level Agreement forms the foundation for the development of the Annual Performance Plan as most activities within the SETA are aimed at meeting/exceeding the targets set. The targets provide the benchmark for planning whilst the skills development needs/demands provide guidance in terms of the interventions/programmes/qualifications forming the basis for the PIVOTAL programmes. On a quarterly basis as mandated by the DHET, BANKSETA reports on the progress made towards the achievement of the targets set. The BANKSETA will evaluate the entire strategy in 2025 to measure the extent to which the SLA targets have been met.

### (b) Governance

Board members are appointed in terms of the BANKSETA Constitution, in line with the Skills Development Act (Act No. 97 of 1998) (and the Standard Constitution of SETA Regulations, Section 13 (1) of Skills Development Amendment Act, Act 26 of 2011). The Board represents organised labour, organised employers, and relevant community organisations as approved by the Minister. Organised labour and employers are equally represented on the Board. All members of the Board are bound by the BANKSETA Code of Conduct. All Board members are aware of their fiduciary responsibilities and the need for fair, transparent and accountable decisions and actions. The Board monitors BANKSETA's strategic objectives. Currently, there are four Board committees in place to assist the Board in discharging its governance obligations. These committees are the Audit and Risk Committee, the Finance and Remuneration Committee, Executive Committee and Governance and Strategy Committee which assists in the oversight and monitoring of BANKSETA operations, strategic planning and constitution requirements. The Risk Management Committee is also a sub-committee of the Audit and Risk Committee and monitors the performance of risk management.

### **(c) Establishment of Committees**

In addition to Board Committees, several advisory committees exist to provide expert advice on various aspects to support the delivery mandate. Sector Skills Planning is supported by the Skills Planning Committee comprising of senior managers from the various employer organisations and provides human resource development expertise to inform skills planning. The Skills Development Sub-Committee comprises of Skills Development Facilitators/Managers who serve as a link with the various employer organisations and advises on skills development interventions to meet the demands of occupational shortages and skills gaps. Various ad-hoc project-specific committees which are term specific are formed to guide the operational delivery of projects. These committees also play a key role in advising on the value of the interventions and whether they should be changed, continued, etc.

### **(d) Stakeholder Engagement and Partnerships**

The Stakeholder Engagement Strategy provides a detailed guideline on engagements with various stakeholders who influence the strategic and operational mandate of BANKSETA. Engagements with stakeholders take place at various levels to ensure the participation of all relevant stakeholders at both strategic decision making and operational levels. Stakeholder input into the strategic planning and skills planning is imperative to ensure alignment of BANKSETA strategies to sectoral needs. On an annual basis, a stakeholder engagement plan is developed and reported quarterly. The annual stakeholder satisfaction survey is conducted to evaluate and to ensure continuous improvement and to identify mechanisms to strengthen stakeholder participation and relations.

### **(e) Balanced Scorecard and Performance Management**

To assist in strategy execution, BANKSETA has introduced a Balanced Score Card, which is directly linked to the approved strategy and the annual performance plan. The Balanced Score Card is proving invaluable assistance in ensuring that all resources are mobilised towards achieving the strategic themes and targets set for the year.

The Balanced Score Card has a dashboard consisting of four key themes and specific measures to map progress. The themes are as follows:

- Stakeholder Perspective: A professional centre of excellence for skills development in the banking and alternative banking industry

- Financial Accountability and Governance Perspective: A cost-effective, well-governed and compliant organisation striving for an optimal return on investment in skills development
- Internal Business Processes Perspective: Seamless, best practice business processes that enable high-quality skills development and credibility
- Learning and Growth Perspective: Performance is driven through a capable and resilient BANKSETA

#### (f) Human Resources

The approved staff complement of the BANKSETA is 64 persons (currently with 2 vacancies) The two vacant positions include that of the, the General Manager: Corporate Services and Regional Specialist.

The recruitment strategy and process ensure that the appropriate expertise is sourced in line with the approved Employment Equity Plan. The table below shows the demographic composition of the BANKSETA employees.

The BANKSETA employs 35 (52%) female and 32 (48%) male employees. The majority of staff members are in skilled-level positions (32 or 48%). Both executive managers at the BANKSETA are female. Currently, there are no employees with disabilities. The BANKSETA plans to achieve a target of 85% black employees by March 2025. The current target for female employees is 52%. BANKSETA management and staff support the principle of lifelong learning and continued professional development by providing opportunities for study and training. This leads to a workforce that is continuously upskilled and capable of advising the sector on skills-related matters. On an annual basis, BANKSETA implements a values assessment survey to measure the extent to which the staff upholds the values of the organisation.

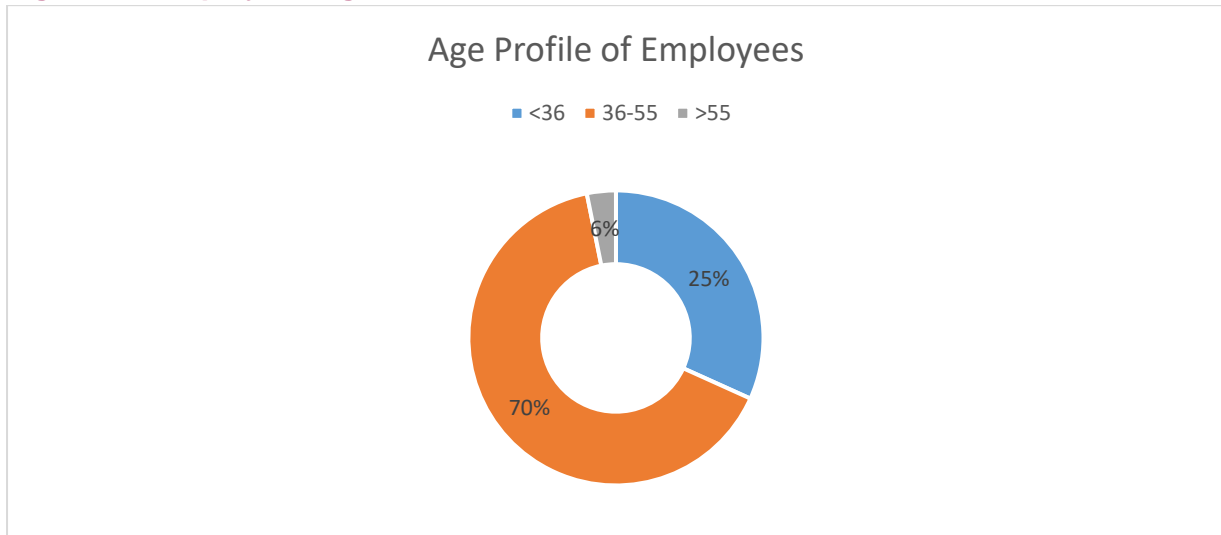
**Table 4: The BANKSETA Employment Equity**

Level	Male				Female				Foreign national		Total		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Female	Male	Male	Female	Total
Senior Management	1	0	0	0	0	0	0	1	1	0	1	2	3
Professionals	7	1	1	0	5	1	0	1	0	1	10	7	17
Skilled	17	0	1	0	13	0	0	1	1	0	18	15	33
Semi-Skilled	3	0	0	0	4	0	0	0	0	0	3	4	7
Unskilled	0	0	0	0	2	0	0	0	0	0	0	2	2
Disabled	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Permanent</b>	<b>28</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>24</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>32</b>	<b>30</b>	<b>62</b>
<b>Total Temporary</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>7</b>	<b>8</b>
<b>Totals</b>	<b>29</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>31</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>33</b>	<b>37</b>	<b>70</b>



The age profile of the BANKSETA employees shows that 25% of the employees are younger than 36 years with the youngest at age 26. Only 6% of the staff complement are older than 55 years.

**Figure 15: Employees Age Profile**



Currently, the BANKSETA does not have employees living with disabilities. The BANKSETA endeavours to advertise new positions giving preference to the most suitable candidates, especially, where applicable, those with disabilities. The lack of disclosure remains the main contributor to the low number of employees living with disabilities at BANKSETA.

### **BANKSETA Gender-Based Violence (GBV) Status Report**

Currently, BANKSETA is using the DHET Gender-Based Violence (GBV) Framework on Post-School Education and Training System to implement the Gender-Based Violence Programme. The BANKSETA Board has approved the implementation of a three-year GBV Pilot Programme at three universities in the Eastern Cape namely, the University of Fort Hare, Rhodes and Walter Sisulu Universities. The objectives of the GBV Programme are as follows:

- **To assist** Post School Education Training and System (PSET) institutions and entities to address the occurrence of GBV
- **To promote** the safety of all students and staff by putting in place comprehensive **prevention programmes** intended to **raise awareness** of policies and services addressing GBV, as well as other measures aimed at preventing incidents of GBV in the PSET environment; and
- To provide for or refer GBV victims to comprehensive, specialised **support and other assistance**.

From an implementation strategy point of view, the project has so far reached the following milestones:

- Inception Meeting between the BANKSETA and the three universities have been held in May 2022
- Report of the status of GBV in the three institutions have been developed
- A theory of change that informs the GBV training for the institutions has been developed
- The training material is being developed and it will be piloted before the end of 2022
- The BANKSETA is also trying to source funds for the launch of the project

### **(g) Internal Business Processes and Systems**

The BANKSETA has several systems to support its operations including a SETA Management Information System (MIS), a Finance Enterprise wide Resource System (ERP), as well as HR

and Payroll System. The SETA Management Information System is a comprehensive system that includes learner management, project management, and employer WSP/ATR management, amongst others. The HR and Payroll system allows the full human resource functions to be managed electronically. The Finance ERP tracks all financial-related transactions. The Knowledge Bank is an online knowledge portal within the BANKSETA website utilised for the dissemination of research and skills planning outputs.

#### **(h) Internal Audit Function**

The mission of the Internal Audit function, in accordance with the Institute of Internal Auditors (IIA), is to provide independent, objective assurance and consulting services designed to add value and improve the operations of BANKSETA. Internal Audit thus assists the BANKSETA to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes, as articulated in its Internal Audit Charter. In doing so, the Internal Audit function adheres to the standards as laid down by the Institute of Internal Auditors for the Professional Practice of Internal Auditing and Code of Ethics.

The BANKSETA has an in-house Internal Audit unit comprising of the Head of Internal Audit, who has overall responsibility for the function and is supported by two Internal Audit specialists, with sufficient knowledge, skills, experience, and professional certifications to carry out the function's responsibilities. To ensure the independence of Internal Audit, the function reports functionally to the Audit & Risk Committee and has full and unrestricted access to the Chairperson of the Audit and Risk Committee, the Board and to the Chief Executive Officer. The Internal Audit unit completed an External Quality Assurance Review in January 2022. The BANKSETA Internal Audit unit received a positive General Conformance rating that confirmed Internal Audits are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics.

#### **(i) Materiality and Significance Framework**

The Accounting Authority has prepared a materiality and significance framework in terms of the PFMA and Treasury Regulations. BANKSETA is of the view that criminal conduct should not be tolerated within the SETA environment and hence any amount resulting from criminal conduct is considered material. In terms of fruitless and wasteful expenditure caused by gross negligence or any other circumstance, BANKSETA has taken a very strong view that fruitless and wasteful expenditure of any kind should not be tolerated within the SETA environment and hence BANKSETA has considered such as material. Based on the materiality and significance framework, BANKSETA has set its materiality and significance amount to 0.25% of total 2022/23 expenditure. The overall materiality level set for 2024/25 financial year is R2,784,885.

#### **(j) ICT Governance**

ICT governance exists to inform and align decision-making for Information and Communication Technology planning, policy and operations in order to meet business objectives, ascertain that risks are managed appropriately and verify that resources are being used responsibly and strategically. ICT Governance continues to feature highly on the agenda within many organisations as Corporate Governance increasingly realises that ICT touches every area of the organisation and contributes as an essential enabler of future business opportunities. ICT Governance comprises of the culture, organisation delivery platforms, policies and practices that

provide this kind of oversight and transparency of ICT. BANKSETA prefers COBIT2019 as the governance framework for effective implementation of ICT Governance, and the organisation's culture and size are also drivers that need to be considered for governance. ICT governance is not an isolated discipline but it is an integral part of overall corporate governance.

The latest DPSA corporate governance of ICT policy framework requires that the institutions at minimum the self-assessment of the monitoring and evaluation as contained the framework. For instance,

a) Financial performance

- i. ICT budget (% ICT budget vs. total departmental budget);
  - ii. ICT capital (% transformational projects vs operational activities);
- and
- iii. ICT spend (% planned vs actual).

(b) Annual customer satisfaction surveys

- i. Executive management satisfaction survey.
- ii. ICT projects (system owners & system users); and
- iii. ICT end-user satisfaction (incident management, call resolution, and quality).

(c) Value management

- i. Project plans and progress reports; and
- ii. Business cases (promise before investment, business case approval by the delegated authority, delivery on the approved business case checking and confirming delivery, and business owner sign-off and delivery acceptance).

The BANKSETA has migrated all its ICT systems to a cloud during the 2023/2024 financial year.

## **(k) Reporting**

BANKSETA ensures that all reporting protocols are strictly adhered to and that all timelines set are met. BANKSETA undertakes quarterly performance reporting to the Department of Higher Education and Training and National Treasury in accordance with SETA performance management requirements. The BANKSETA adheres to the annual compliance calendar requirements and timelines. On an annual basis, the Annual Report is prepared, submitted to the Department of Higher Education, Training, Science and Technology, National Treasury and Parliament before it is tabled at the BANKSETA Annual General Meeting.

## **(l) Monitoring and Evaluation**

BANKSETA monitors and evaluates on two levels: organisational effectiveness and efficiency as well as skills development programme performance. Organisational efficiency relates to the measurement of internal processes whilst the latter relates to the measurement of the impact of skills development interventions using tracking and tracer studies. Monitoring and evaluation at a strategic level measure the impact and outcomes against the achievement of strategic objectives on a 3 – 5-year basis, whilst monitoring and evaluation at an operational level is largely measured annually against the achievement of targets/outputs set.

### **7.2.1 Financial Environment Income**

BANKSETA's operations and targets are driven by the financial resources available to achieve the training needs of the sector.

These resources of income are in three main categories

- a. Skills development levies (SDL) from sector companies paid during the year. This comprises 93,5% of the income of the year.
- b. Reserves – being accumulated funds from prior years. BANKSETA will apply to National Treasury to retain and use in future years for discretionary training programmes
- c. Interest and investment income on investment of surplus funds.

### Skills development Levies (SDL)

There are no changes expected in the funding framework and employers will continue to pay a 1% skills development levy on payrolls exceeding R500 000 per annum. The collection method through which SARS collects the SDL monthly remains unchanged.

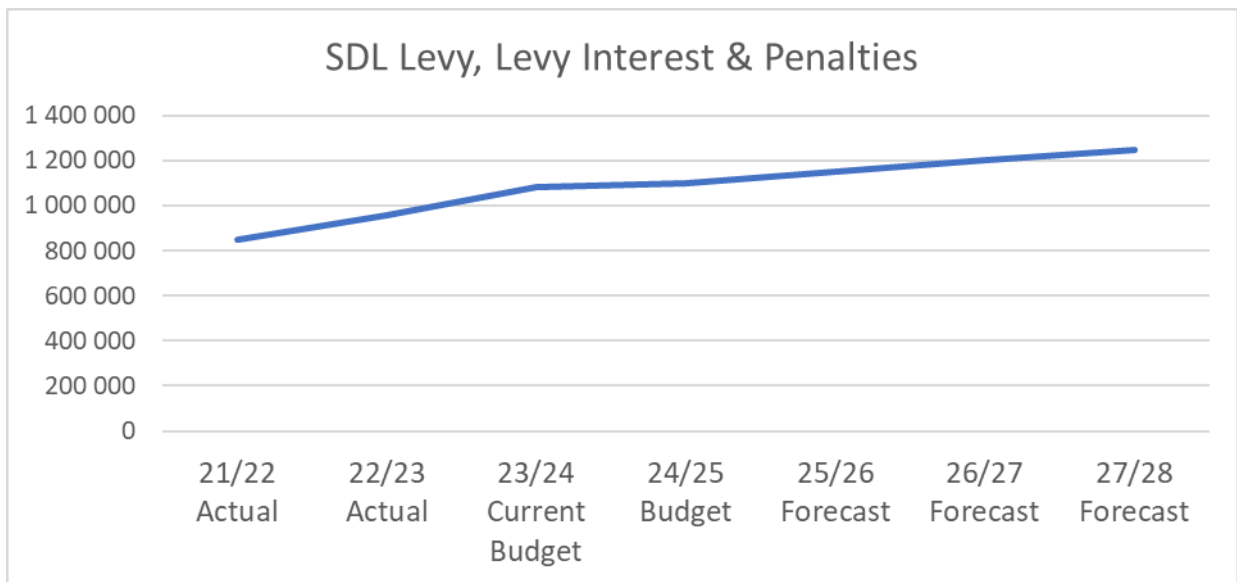
The draft SETA grant regulations proposing a change in the split of the levies is still not finalised and we have no timeline for when the final SETA grant regulations will be gazetted. The existing legislation has therefore been utilised.

The 2023 banking results are very good and BANKSETA has had to revise the 2023/24 levy budget upwards. The BANKSETA has received levies for the first 5 months of 2023/24 at 4% above the revised 2023/24 budget.

The levy increase for 2023/24 has therefore been set at 6% increase in line with actual levy receipts being experienced in 2023/24 year. However, 2023/24 levy budget has an unusual non-cash amount of levies from a levy provision arising in 2020. Therefore the cumulative increase is 2.6%.

The projections as well as the past history are as follows.

Year Ended 31 March (R000s)	21/22 Actual	22/23 Actual	2023/2024 Current Budget	24/25 Budget	25/26 Forecast	26/27 Forecast	27/28 Forecast
SDL Levy Int & penalties	848 243	944 793	1 060 670	1 088 000	1 142 400	1 199 520	1 259 496
Growth %	41,6%	11,4%	12,3%	2,6%	5,0%	4,8%	4,8%



The main drivers to the level of SDL expected from the sector are:

- Financial performance Within the Banking Sector
- Inflation scenario: banking employees normally expect at least a cost-of-living increase based on CPI on their salaries each year in about March. BANKSETA has used an inflation rate of 6.% in the projections.
- Any reduction in sector employment numbers. Currently, the BANKSETA has not budgeted for any reduction in employment.
- BANKSETA has taken the actual levies being received in 2023/24 year as a basis to project 2024/25 levies with a small reduction due to the expected lower profitability expected in the banking sector in 2024/25 due to economic stresses impacting banking clients customers debt collection.

#### **Mandatory Expense**

- The mandatory grants will be based on 20% of levies.
- The courts had ruled that the 20% level was invalid in 2019 and that the Honourable Minister of Higher Education, Science and Innovation, Dr. B.E Nzimande, BUSA, employers and SETAs should work towards an agreed percentage.
- The decision in regard to a new mandatory grants percentage is still pending.
- BANKSETA and all other SETAs have maintained the 20% mandatory grant in the meantime. The SETAs had proposed an increase to 25% in 2023/24 and are awaiting a response.
- DHET has published draft SETA regulations introducing a 15% workplace grant rather than increasing the mandatory grants. The timing of the finalisation of the consultation process and the publishing of the final grant regulations is not yet clear. BANKSETA has therefore budgeted using the existing legislation.
- BANKSETA has budgeted for a 99% mandatory grant claim ratio.

## Administration expense

- The administration budget is set at the maximum legislated amount of 10.5% of SDL.
- BANKSETA has implemented a revised increased staff organogram to address the areas where there were constraints. Most of these have been factored into the administration budget and the rest would need to be funded from the discretionary grants budget.
- The administration expenditure budget was calculated separately for each expense line.
- DHET has issued the letters in regard to the QCTO contribution and this has been taken into account.

## Employee Costs

The BANKSETA has budgeted for a 84-person staff complement in 2024/25. The employee cost budget has been limited to 60% of the budget.

The BANKSETA cannot cater for the full increase in staff as per the OD study outcome and will gradually increase over the following years.

Some operations staff will be catered for under discretionary grants.

Inflationary salary increases have been provided for at 6%. The actual increase is negotiated with the union in January 2024 and therefore may not within the National Treasury limit.

BANKSETA has planned for one small satellite office for 2024/25 to increase its provincial reach. The current leases are until 2030 except for head office where BANKSETA can terminate the lease in 2025 with no penalty. The leases have a 6% increase.

## Capex

The main CAPEX items would be for ICT licences as well for the gradual replacement of office furniture which is over 20 years old.

## ICT Systems

BANKSETA is going out on tender for the finance system.

BANKSETA has signed a five-year contract for the MIS. And HR systems.

BANKSETA will procure a risk and board pack system in 2023/24 which will be used for 5 years.

BANKSETA will continue to spend substantially on ICT security and storage.

## Cost savings measures

- Admin budget was prepared and maintained within the 10.5% legislated limit.
- Wherever possible the BANKSETA reviewed its implementation methods to ensure that costs are minimised, and the economy is exercised at all levels.
- Cost containment measures were applied as per the National Treasury directives.

## Management of financial assets and liabilities

### ii) Management of Financial Assets and Liabilities

The BANKSETA's main assets are cash and cash equivalents being mainly fixed deposits at the CPD and major South African banks. This cash basically represents the funds retained to cover discretionary grant commitments. The BANKSETA has an investment policy which covers how these investments are sought. It covers risk mitigation of such assets. It is envisaged that in 2024/2025 period, cash and cash equivalents will continue to be the main assets. Other assets are other debtors due to non-exchange levy adjustments and sundry prepayments and receivables. All are raised in the normal SETA business.

Liabilities are mainly:

- non-exchange liabilities due to mandatory grant payables which would be settled within the quarter,
- non-exchange liabilities for under R500,000 levy payers
- exchange liabilities due to administration and discretionary grant payables settled within 30 days
- sundry short-term liabilities and staff-related accruals

There is no planned acquisition of any other financial assets or capital transfers. Financial assets, which potentially subject the SETA to the risk of non-performance by counterparties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable. The SETA limits its treasury counterparty exposure by only dealing with well-established financial institutions approved by the National Treasury and the Board. The BANKSETA has an approved investment policy that limits its exposure to any one counterparty. SETA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy-paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counterparty. The SETA's concentration of credit risk is limited to the industry (Banking and Financial Services) in which the SETA operates. Due to the negative economic climate, a number of the BANKSETA's stakeholders' credit status' have been downgraded by international rating agencies. BANKSETA will continue to monitor the effect of these developments on levy income and accounts receivables. The SETA is exposed to a concentration of credit risk, as significant amounts may be owed by SARS and the Department of Higher Education, Science and Technology. This concentration of risk is limited as SARS and the Department of Higher Education, Science and Technology are government entities with a sound reputation.

The SETA has adequate funds to settle all liabilities as they fall due. All creditors are settled within 30 days. The SETA manages liquidity risk through proper management of working

capital, capital expenditure and actual vs forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are maintained.

The BANKSETA has commitments for discretionary grant projects that stretch over the next 3 years. This is in line with the SETA business. The BANKSETA has sufficient reserves to cover these and has applied to the National Treasury to retain those surpluses.

The BANKSETA has a potential contingent liability for mandatory grants should the DHET and the sector agree to increase the mandatory grant percentage and backdate the increase. BANKSETA would not have sufficient reserves to cover such contingent liability but would need to re-order its budgets.

### Overall 2024/25 Budget

Year Ended 31 March (R Thousand)	2020/2021 Actual (4 months SDL holiday)	2021/2022 Actual	2022/2023 Actual	Revised Budget (Revised 27 Oct 2023 After 2022/23 Surplus	2024/2025 Budget	% Increase	2025/2026 Forecast	2026/2027 Forecast
<b>Income</b>								
Mandatory levies - 20%	136 775	199 053	234 024	256 750	272 000	6%	285 600	299 880
Discretionary levies - 49.5%	342 373	500 445	579 348	669 226	673 200	1%	706 860	742 203
Admin levies & QCTO -10.5%	72 410	105 723	122 884	134 794	142 800	6%	149 940	157 437
<b>SDL</b>	<b>551 558</b>	<b>805 221</b>	<b>936 256</b>	<b>1 060 770</b>	<b>1 088 000</b>	<b>3%</b>	<b>1 142 400</b>	<b>1 199 520</b>
SDL Interest & penalties	47 490	43 023	8 537	-	-		-	-
<b>Total SDL, penalties, interest</b>	<b>599 048</b>	<b>848 244</b>	<b>944 793</b>	<b>1 060 770</b>	<b>1 088 000</b>	<b>3%</b>	<b>1 142 400</b>	<b>1 199 520</b>
Investment income	45 023	47 613	75 638	80 000	56 000	-30%	27 500	25 000
other income	48	106	121	120	127	6%	135	140
<b>Total Income</b>	<b>644 119</b>	<b>895 963</b>	<b>1 020 552</b>	<b>1 140 890</b>	<b>1 144 127</b>	<b>0%</b>	<b>1 170 035</b>	<b>1 224 660</b>
<b>Expenditure</b>								
Mandatory Grants	-133 739	-194 101	-228 570	-254 384	-269 280	6%	-282 744	-296 881
Mandatory Claim %	98%	98%	98%	99%	99%		99%	99%
Discretionary Grants	-323 419	-522 670	-786 554	-1 200 000	-832 047	-31%	-837 351	-870 342
Admin Expenditure	-82 730	-80 080	-93 004	-128 570	-135 753	6%	-142 683	-149 744
Admin -QCTO Expenditure	-5 793	-3 951	-5 826	-6 224	-7 047	13%	-7 257	-7 693
<b>Total Expenditure</b>	<b>-545 681</b>	<b>-800 802</b>	<b>-1 113 954</b>	<b>-1 589 178</b>	<b>-1 244 127</b>	<b>-22%</b>	<b>-1 270 035</b>	<b>-1 324 660</b>
<b>Surplus/(Deficit)</b>	<b>98 438</b>	<b>95 161</b>	<b>-93 402</b>	<b>-448 288</b>	<b>-100 000</b>		<b>-100 000</b>	<b>-100 000</b>



Main Administration Line Items									
Year Ended 31 March (R000's)	2020/2021 Actual (4 months SDL holiday)	2021/2022 Actual	2022/2023 Actual	2023/2024 Approved Budget	2024/2025 Budget	% Incr	2025/2026 Forecast	2026/2027 Forecast	2024/2025 Budget
Employee Costs	43 140	47 436	51 836	62 898	67 301		71 339	74 906	78 651
Performance bonus	9 572	7 958	14 239	13 314	13 980		14 679	15 413	16 183
<b>Total Cost of Staff</b>	<b>52 712</b>	<b>55 393</b>	<b>66 075</b>	<b>76 212</b>	<b>81 281</b>	<b>6%</b>	<b>86 018</b>	<b>90 318</b>	<b>94 834</b>
% of Admin Budget	-64%	-69%	-71%	-59%	-60%		-60%	-60%	-60%
Average No of employees	58	59	68	80	84		88	88	88
Building rentals	4 319	3 543	3 965	4 020	4 461	10%	4 729	5 012	5 313
Building Utilities	647	1 032	1 169	1 400	1 550	10%	1 573	1 667	1 767
Audit fees	2 672	4 187	4 501	5 400	5 750	6%	5 480	5 808	6 157
Landlines & Cellphones	960	1 111	823	1 068	1 121	5%	1 856	1 949	2 047
Research	2 590	1 380	-	-	-		-	-	-
capex/depreciation	1 318	1 661	1 338	4 147	5 000	17%	5 500	5 500	6 000
Board fees	3 440	3 480	4 074	4 400	4 620	5%	4 851	4 842	5 084
Outsourced services mainly ICT	6 225	3 317	5 017	18 944	19 200	1%	18 000	19 000	20 000
Marketing and Comms	2 074	651	1 720	3 545	3 722	5%	4 500	4 725	4 961
Travel	179	457	617	1 432	1 500	5%	2 100	2 205	2 315
Other	5 595	3 868	3 705	8 002	7 548	-6%	8 288	8 941	8 914
<b>Total</b>	<b>82 730</b>	<b>80 080</b>	<b>93 004</b>	<b>128 570</b>	<b>135 753</b>	<b>5%</b>	<b>142 894</b>	<b>149 969</b>	<b>157 393</b>

### Discretionary Programmes

There has been no decision in regard to a new mandatory grant and therefore new discretionary grant percentage.

The draft SETA grant regulations published for comment proposed to reduce this to 34%.

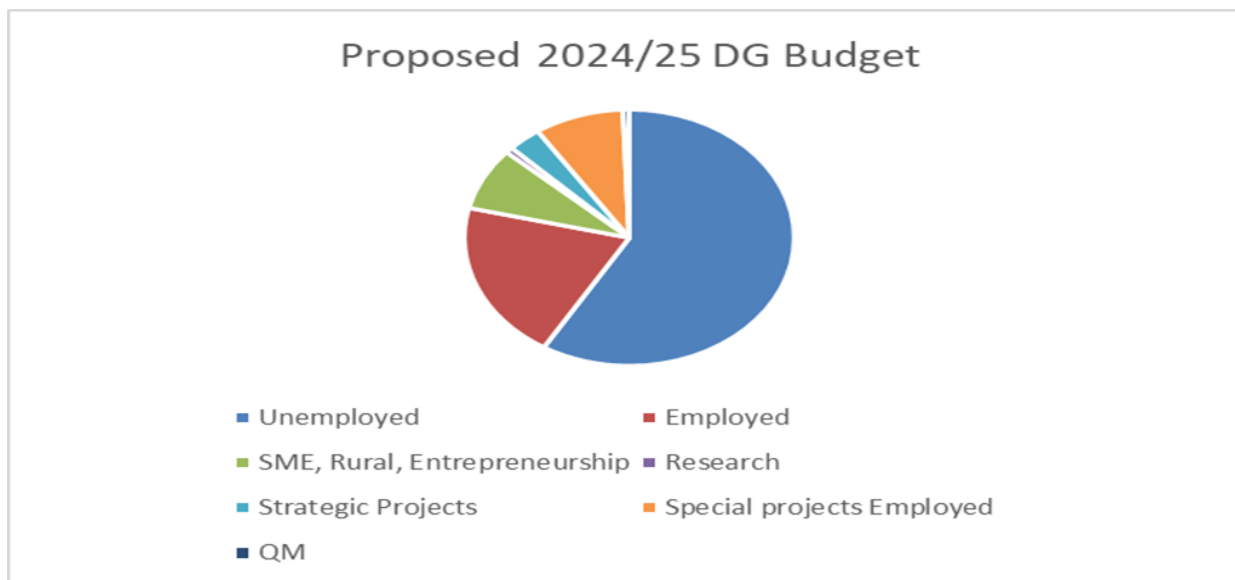
BANKSETA budgeted at the current legislated 49.5% level for discretionary grants as the draft SETA grant regulations are still to be finalised and gazetted.

The discretionary budget is made up of the 49.5% budgeted discretionary levy income plus unspent administration expenditure, budgeted unclaimed mandatory grants and interest received from the investment. The discretionary programme expenditure budget amount will be used to fund programmes in line with NSDP and in line with the BANKSETA strategic plan and annual performance plan. The APP will detail the individual projects to be covered along the main category split shown above. Individual project charters will be tabled at the board showing the number of learners, cost per learner, target, delivery method etc.

These main categories of DG send to be included in the APP as follows:

Category	2024/25 Proposed R000's	2024/25 %	2023/24 Budget R000's	2023/24 %
<b>Unemployed Youth</b>	488,107	58.7%	291,050	42.5%
<b>Employed</b>	167,113	20.1%	243,113	35.5%
<b>Special Projects Employed</b>	72,940	8.8%		

<b>SME, Rural, Entrepreneurship, CFI, DFI (also employed)</b>	65,700	7.9%	68,482	10.0%
<b>Research</b>	6,000	0.7%	13,696	2.0%
<b>Strategic Projects</b>	27,187	3.3%	68,482	10.0%
<b>Quality Management</b>	5,000	0.6%		
<b>Total</b>	<b>832,047</b>	<b>100.0%</b>	<b>684,824</b>	<b>100%</b>



### **BANKSETA Infrastructure Projects**

Direct contribution to the Infrastructure programme is not applicable to the BANKSETA.

### **BANKSETA Spatial Plan**

The BANKSETA Research Chair on Digitalisation and Technology, Durban University of Technology (DUT) was commissioned to conduct research on a Geographical Information System (GIS). A geographic information system is a system designed to capture, store, manipulate, analyse, manage, and present all types of geographical data. The keyword to this technology is Geography – this means that some portion of the data is spatial. In other words, data that is in some way referenced to locations on the earth.

GIS can be used as a tool in both problems solving and decision-making processes, as well as for the visualization of data in a spatial environment. Geospatial data can be analysed to determine (1) the location of features and relationships to other features, (2) where the most and/or least of some feature exists, (3) the density of features in a given space, (4) what is happening inside an area of interest (AOI), (5) what is happening nearby some feature or phenomenon, and (6) and how a specific area has changed over time (and in what way).

GIS can do the following mapping:

- Mapping where things are: GIS is used to map the spatial location of real-world features and visualize the spatial relationships among them.
- Mapping quantities. GIS is used to map quantities, such as where the most and least are, to find places that meet their criteria or to see the relationships between places.

- Mapping densities. Sometimes it is more important to map concentrations, or a quantity normalized by area or total number.
- Finding what is inside. GIS is used to determine what is happening or what features are located inside a specific area/region. We can determine the characteristics of "inside" by creating specific criteria to define an area of interest (AOI).
- Finding what is nearby. GIS can find out what is happening within a set distance of a feature or event by mapping what is nearby using geo-processing tools like BUFFER. The Buffer tool is often used in geo-processing workflows. It is a tool that is particularly sensitive to the coordinate system. Buffer operates in two modes depending on whether the coordinate system is projected (defined by a flat, two-dimensional surface) or geographic (defined by a three-dimensional spherical surface).
- Mapping change. GIS can map the change in a specific geographic area to anticipate future conditions, decide on a course of action, or to evaluate the results of an action or policy.

DUT submitted the GIS data for input to the Remote-net, a BANKSETA Management Information System (MIS) that will be used for planning purposes to address transformational matters.

### **Public-Private Partnership**

Currently, the BANKSETA does not have any Public-Private Partnership as per the definition in the PFMA however, the BANKSETA has planned a number of partnerships for the purpose of delivering on its outcomes. Some of the partnerships include the following:

- Banking Association South Africa
- South African Banking Risk Information Centre
- MicroFinance South Africa
- Co-operative Banks Development Agency
- South African Local Government Association
- TVET Colleges
- Universities and Universities of Technology
- District and local municipalities
- Government and its entities
- SETAs

### **7.3 Description of the Strategic Planning Process**

BANKSETA views Strategic Planning as a process and not an event. The skills planning process undertaken for the development of the Sector Skills Plan forms the foundation for the Strategic Planning activities. A detailed research agenda informs the skills planning process. Research outputs form the structure and content for the development of the Sector Skills Plan. The findings from the skills planning process as reflected in the Sector Skills Plan guide the Strategic Planning Process. An analysis of the change drivers, national priorities and sectoral priorities are key to the development of strategies for BANKSETA. Research is conducted in full consultation with BANKSETA's stakeholder constituency. The consultation takes the form of one-on-one meetings, various committees, focus group workshops and information-sharing sessions.

The Annual Strategic Planning Session held on 3 to 5 August 2023 was an opportunity for BANKSETA management and board to meet and discuss strategic issues, under the guidance of a specialist facilitator with a role to guide discussions and assist in mapping the way forward. This is intended to inform the updates required to the Annual Strategic Plan and the Annual Performance Plan, as required under the Public Finance Management Act, DPME circular no 02

of 2020 Revision and Re-Tabling of the 2020/2025 Strategic Plans and 2022/23 APP in Response to the COVID Pandemic and Special Adjustment Budget, National Treasury Instruction 10 of 2020/21 Revised Framework for Strategic Plans and Annual Performance Plans. The session was led by a Facilitator, thereby, enabling delegates to own the decisions thus concluded.

### **Board as the owner of the strategy**

The strategy is owned by the Board and implemented by Management; hence, strategy value add is achieved when both parties are involved in the process. The Board forms the highest level of authority in the governance of BANKSETA. The Board is constituted of an equal number of employer and employee representatives from the sector; and three Ministerial representatives. Under the guidance and scrutiny of the Board, the CEO strategically aligns resources to achieve the organisation's objectives most efficiently. The four overarching roles and responsibilities of the Board as provided for by the King IV Code of Corporate Governance are as follows:

- Providing strategic direction;
- Approving policies to effectuate strategy
- Providing informed oversight for strategy implementation and performance, and
- Corporate disclosures

## 7.4 Programme Resource Considerations

Year Ended 31 March (R 000's)	2020/2021 Actual (4 months SDL holiday)	2021/2022 Actual	2022/2023 Actual	2023/2024 Budget	2024/2025 Budget	% Incr	2025/2026 Forecast	2026/2027 Forecast
<b>Income</b>								
Mandatory levies - 20%	136 775	199 053	234 024	256 750	272 000	6%	285 600	299 880
Discretionary levies - 49.5%	342 373	500 445	579 348	669 126	673 200	1%	706 860	742 203
Admin levies including QCTO -10.5%	72 410	105 723	122 884	134 794	142 800	6%	149 940	157 437
<b>SDL</b>	<b>551 558</b>	<b>805 221</b>	<b>936 256</b>	<b>1 060 670</b>	<b>1 088 000</b>	<b>3%</b>	<b>1 142 400</b>	<b>1 199 520</b>
SDL Interest & penalties	47 490	43 023	8 537	-	-			
<b>Total SDL, penalties, interest</b>	<b>599 048</b>	<b>848 244</b>	<b>944 793</b>	<b>1 060 670</b>	<b>1 088 000</b>	<b>3%</b>	<b>1 142 400</b>	<b>1 199 520</b>
Investment income	45 023	47 613	75 638	80 000	56 000	-30%	27 500	25 000
other income	48	106	121	120	127	6%	135	140
<b>Total Income</b>	<b>644 119</b>	<b>895 963</b>	<b>1 020 552</b>	<b>1 140 790</b>	<b>1 144 127</b>	<b>0%</b>	<b>1 170 035</b>	<b>1 224 660</b>
<b>Expenditure</b>								
<b>Mandatory Grants Expenditure</b>								
Programme 2 - Mandatory grants	-133 739	-194 101	-228 570	-254 382	-269 280	6%	-282 744	-296 881
<b>Discretionary Grant Expenditure</b>								
Programme 2 : Direct Costs	-3 502	-3 648	-3 800	-4 085	-6 000	47%	-6 300	-6 615
Programme 2 : project Admin Costs	-11	-9	-	-2	-3	50%	-5	-5
<b>Total Programme 2 Cost in DG Exp</b>	<b>-3 513</b>	<b>-3 657</b>	<b>-3 800</b>	<b>-4 087</b>	<b>-6 003</b>	<b>47%</b>	<b>-6 305</b>	<b>-6 620</b>
Programme 3 : Direct Costs	-314 026	-502 728	-757 333	-765 064	-791 683	3%	-794 723	-825 894
Programme 3 : project Admin Costs	-5 258	-16 285	-25 421	-27 963	-29 361	5%	-31 123	-32 368
<b>Total Programme 3 cost in DG Expenditure</b>	<b>-319 284</b>	<b>-519 013</b>	<b>-782 754</b>	<b>-793 027</b>	<b>-821 044</b>	<b>4%</b>	<b>-825 846</b>	<b>-858 262</b>
Programme 4 : Direct Costs	-624	-	-	-4 500	-5 000	11%	-5 200	-5 460
Programme 4 : Project Admin Costs	2	-	-	-	-	#DIV/0!	-	-
<b>Total Programme 4 : DG</b>	<b>-622</b>	<b>-</b>	<b>-</b>	<b>-4 500</b>	<b>-5 000</b>	<b>11%</b>	<b>-5 200</b>	<b>-5 460</b>
<b>Total Discretionary expenditure</b>	<b>-323 419</b>	<b>-522 670</b>	<b>-786 554</b>	<b>-801 614</b>	<b>-832 047</b>	<b>4%</b>	<b>-837 351</b>	<b>-870 342</b>
<b>Administration Costs</b>								
Admin costs for programme 1	-50 406	-46 535	-59 477	-85 391	-89 691	5%	-94 351	-99 040
Admin costs for programme 2	-11 590	-5 640	-3 542	-3 808	-4 250	12%	-4 430	-4 629
Admin costs for programme 3	-18 884	-25 371	-27 274	-35 456	-37 583	6%	-39 462	-41 436
Admin costs for programme 4	-1 850	-2 534	-2 711	-3 915	-4 228	8%	-4 440	-4 639
Admin costs Programme 4 -QCTO Expenditure	-5 793	-3 951	-5 826	-6 224	-7 047	13%	-7 257	-7 693
<b>Total Admin expenditure</b>	<b>-88 523</b>	<b>-84 031</b>	<b>-98 830</b>	<b>-134 794</b>	<b>-142 800</b>	<b>6%</b>	<b>-149 940</b>	<b>-157 437</b>
<b>Total Expenditure</b>	<b>-545 681</b>	<b>-800 802</b>	<b>-1 113 954</b>	<b>-1 190 790</b>	<b>-1 244 127</b>	<b>4%</b>	<b>-1 270 035</b>	<b>-1 324 660</b>
<b>Surplus/(Deficit)</b>	<b>98 438</b>	<b>95 161</b>	<b>-93 402</b>	<b>-50 000</b>	<b>-100 000</b>	<b>100%</b>	<b>-100 000</b>	<b>-100 000</b>

The project admin expenditure budget is lower than 7.5% project management cost allowed as the BANKSETA manages its own projects but allocates all the project staff salaries to admin expenditure. BANKSETA does not allocate any staff salaries to discretionary/project budgets. The project admin budget is made out of marketing, travel, monitoring and evaluation and any learner administration contract cost.

## Part C: Measuring Our Performance

### 8. Institutional Performance Information

#### 8.1 Measuring Impact

<b>Impact statement</b>	Relevant sector skills development interventions that are aligned to identified skills priority actions designed to address occupational shortages and skills gaps
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#### 8.2 Measuring Outcomes

Outcome	Outcome Indicator	Outcome Indicator Baseline <sup>2</sup>	5-year target	Progress towards the target
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Evaluation reports that reflect the achievement of Strategic Plans	Strategic Plan 2015/16 – 2019/2020 Annual Performance Plan 2019/2020 Annual Report 2019/20	Production of BANKSETA strategic and annual plans, quarterly performance reports and annual performance reports	BANKSETA has produced an annual strategic plan for 2020-2025 which is reviewed annually as well as annual plans, quarterly performance reports and annual performance reports as required
	Audit outcome	Clean audit outcome on financial management and unqualified on non-financial management (AOP)	Clean audit outcome	For the 2020/2021 and the 2021/2022-year BANKSETA retained its unqualified audit opinion. In the 2022/2023 financial year a misstatement of discretionary grant accruals

<sup>2</sup> The baselines for the outcomes were determined based on the aligned objectives of the 2015-2020 Strategic Plan and the outcomes of the revised Strategic Plan

Outcome	Outcome Indicator	Outcome Indicator Baseline <sup>2</sup>	5-year target	Progress towards the target
				led to a qualified audit opinion.
A credible sector skills planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	Percentage of Mandatory Grants Claimed	95%	Approve employer WSP/ATR submissions to ensure 96% mandatory grants expense compared to mandatory levy	For the past three years of the five-year strategy, BANKSETA maintained a minimum of 95% of mandatory grants which increased to 98% in the 2022/2023 year.
	Number of research reports completed	N/A	30	All research reports are made available on the BANKSETA Website. Skills development interventions are in alignment with research findings
	Approved SSP, SP and APP	SP, APP and SSP approved by DHET	Development of BANKSETA SSP, SP and APP that meets the requirements of DHET as well as alignment of skills development programmes to the needs identified in the SPP	BANKSETA's SSP, SP and APP meets the requirements of DHET as well as alignment of skills development programmes to the needs identified in the SPP

Outcome	Outcome Indicator	Outcome Indicator Baseline <sup>2</sup>	5-year target	Progress towards the target
Linking education to the workplace	Number of learners completing the programme successfully	636	Number of enrolments: 5300 Number of completion: 3180 Women: 54% Black: 85% Youth: 90% Disabled: 4%	At the end of the third year of the 5-year strategy, the number of enrolments totalled 4815 and completions totalled 2433. Targets for Women and black have been met but the disabled remains not met yet.
Increase access to occupationally directed programmes	Average number of MOAs signed with TVET, UoTs and HEI	49	49	At the end of the third year of the 5-year strategy BANKSETA has signed 220 MoAs with TVETS, UoTs and HEIs
Support career development services	Number of career awareness workshops conducted	27	135	Five career awareness workshops were conducted with 241 career development practitioners attending.
Improving the level of skills in the banking and alternative banking Workforce	Number of workers completing the programme successfully	2023	10115 Women: 54% Black: 85% Disabled: 4%	After the end of the third year of the 5-year strategy, 8841 workers completed programmes successfully. Targets for woman and black has been met but not for disabled.



Outcome	Outcome Indicator	Outcome Indicator Baseline <sup>2</sup>	5-year target	Progress towards the target
Skills development support for entrepreneurship and cooperative development	Number of institutions (SMEs and Cooperatives ) trained	186	930	After the end of the third year of the 5-year strategy 226 institutions were trained.
Identify and increase the production of occupations in high demand	Number of learners completing the programme successfully	1116	5580 Women: 54% Black: 85% Youth: 70% Disabled: 4%	After the end of the third year of the 5-year strategy 3475 learners completed programmes successfully. Targets for woman and black has been met but not for disabled.
Support for Sector and Government Strategies	Number of beneficiaries supported	N/A	6152	
Occupational qualifications/ Part-Qualifications/ Skills Programmes for the banking and alternative banking sector	Number of submissions to QCTO for Occupational Qualifications / Part-Qualifications /Skills Programmes	2	10	Four occupational qualifications have been registered

**Note:** The BANKSETA strives to work towards achieving transformational imperatives in the banking sector by ensuring that training programmes follow the transformational goals set. This resulted in the targets set above for women, blacks, youth and people living with disabilities. By deliberately disaggregating the data in this format, BANKSETA ensures that this can be monitored and reported on.

### 8.3 Explanation of Planned Performance Over the Five-Year Planning Period

Outcome	Outcome choice rational	Provincial priorities	Priorities of women, children and people with disabilities	Explanation of enablers to achieve the five-year targets	Outcome Contribution to the impact	The Monitoring Framework for the NDP Five Year Implementation Plan
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Governance and Accountability	N/A	Women: 58% Blacks: 75% Disabled: 4%	Compliance with all organisational and national policies (PFMA and Supply Chain) Effective Risk Management	Progressive realisation of the BANKSETA outcomes as they relate to NDP and NSDP.	The outcome contributes to Governance and Accountability of the NDP Implementation Plan
A credible sector skill planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	Improving Education, Training And Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships	Relevant skills development programmes. This is in line with the NSDP outcome 4.1.	The outcome contributes to Medium Term Development Planning of the NDP Implementation Plan
Occupation based qualifications registered through QCTO is available to the sector	Access to occupation-based qualifications registered through QCTO	N/A	N/A	Strategic partnerships and robust engagement with stakeholders	Relevant occupations that address occupational shortages and skills gaps	This outcome contributes to Improving Education, Training And Innovation of the NDP

Quality management of training provision against legacy qualifications	Access to occupation-based qualifications registered through QCTO	N/A	N/A	Strategic partnerships and robust engagement with stakeholders	Relevant occupations that address occupational	This outcome contributes to Improving Education, Training And Innovation of the NDP
<b>NSDP Specific Outcomes</b>						
Linking Education to Workplace	Improving Education, Training and Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 90%	Cutting-edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes. This contributes towards the MTSF outcome of Expanded Access To PSET Opportunities and the Skills Strategy for the ERRP	This outcome contributes to Improving Education, Training And Innovation of the NDP
Increase access to occupationally directed programmes	Improving Education, Training and Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 70%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes. This contributes towards the MTSF outcome of Expanded Access To PSET Opportunities and the Skills Strategy for the ERRP	This outcome contributes to Improving Education, Training And Innovation of the NDP
Support career development services	Improving Education,	N/A	N/A	Cutting edge SSP Research, robust stakeholder	Relevant careers for skills development	This outcome contributes to Improving Education,

	Training and Innovation			engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers) partnerships		Training and Innovation of the NDP
Improving the level of skills in the banking and alternative banking Workforce	Improving Education, Training And Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 70%	Cutting-edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes. This contributes towards the MTSF outcome of Expanded Access to PSET Opportunities and the Skills Strategy for the ERRP	This outcome contributes to Improving Education, Training and Innovation of the NDP
Skills development support for entrepreneurship and cooperative development	Improving Education, Training and Innovation Inclusive Rural Economy	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 50%	Cutting-edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Booming Entrepreneurial skills that boost the economy	This outcome contributes to Improving Education, Training and Innovation Inclusive Rural Economy of the NDP
Identify and increase the production of occupations in high demand	Improving Education, Training and Innovation Economy And Employment	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 70%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships	Relevant occupations that address occupational shortages and skills gaps. This contributes	The outcome contributes to Improving Education, Training and Innovation

				(TVETs, UOTs, HEIs, Employers)	towards the MTSF outcome of Expanded Access to PSET Opportunities and the Skills Strategy for the ERRP	Economy And Employment of the NDP
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## 9. Key Risks

Outcome	Key Risk	Risk Mitigation
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Inadequate organisational structure to implement BANKSETA mandate	<ul style="list-style-type: none"> <li>• Implementation of approved OD study report</li> <li>• Conduct skill audit (phase2).</li> <li>• Appoint temp/contract employees and interns.</li> <li>• Procuring of ERP system Increase capacity by appointing Manager: Strategic Projects in the office of the CEO</li> </ul>
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Inadequate organisational culture	<ul style="list-style-type: none"> <li>• Workshop to improve the organisational culture and team effectiveness.</li> <li>• Finalisation of OD study/Implementation change management to embed recommendation from OD study.</li> </ul>
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Inefficient SCM and DG processes and possibilities of not achieving procurement targets	<ul style="list-style-type: none"> <li>• Procurement and RFQ plan to be finalised before financial year end.</li> <li>• Committing timelines for all tenders being delayed.</li> <li>• BSC to conclude specification within 3 weeks after CEO appointment of BSC members.</li> <li>• BEC to conclude evaluation within 3 weeks after closing date of a tender or RFQ.</li> <li>• BSC/BEC Variation report to specify reasons for any delays in meeting timelines.</li> </ul>
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	BANKSETA susceptible to cyber crime and threat.	<ul style="list-style-type: none"> <li>• Appointing service provider to assist BANKSETA to develop cyber security policy and strategy which include allocation of responsibilities for information security officer.</li> <li>• Configure Access management on Azure AD.</li> <li>• Appoint a Service Provider to assist with Penetration testing and vulnerability assessment.</li> </ul>

		<ul style="list-style-type: none"> <li>• Encryption of devices/document/record.</li> <li>• Appoint a service provider to perform independent review of user activities in all BANKSETA systems.</li> <li>• OD study to relook at ICT structure to include Information Security Officer responsibilities.</li> <li>• Migration of ShareDrive to Sharepoint (to appoint service provider.</li> <li>• Management will acquire information security services and security tools to protect the ICT infrastructure and systems at BANKSETA. 30 September 2023</li> <li>• Management will develop and implement an ICT asset management policy that will provide guidance on the management of ICT assets</li> <li>• BANKSETA to develop security configuration standard.</li> </ul>
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Possibility of losing surplus funds	<ul style="list-style-type: none"> <li>• Multi-year DG commitments to ensure continuity of projects.</li> <li>• Commencing with next FY procurement in November. Improve procurement and funding window planning</li> <li>• Cancelling all DG project not implemented on time.</li> <li>• Ensure that Stakeholder report on learners/interns dropping off the project.</li> <li>• Ensure continuous DG project monitoring and evaluation</li> </ul>
An efficient and effective SETA that complies with legislation, policy and	Unfavourable consequences as result of audit	<ul style="list-style-type: none"> <li>• Implementation of 2022/23 audit action plan</li> <li>• Improve information gathering</li> </ul>

good corporate governance principles		
A credible sector skill planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	Programme funding not yielding the desired impact to banking sector and the unemployed youth.	<ul style="list-style-type: none"> <li>• Including the impact parameters in the contracts</li> <li>• Implementing research agenda (including track and tracing of programme and impact assessment annually)</li> <li>• Impact assessment must clearly show what worked and what did not work so that projects can be adjusted</li> </ul>
Occupation based qualifications registered through QCTO is available to the sector	Slow pace of developing occupational qualifications to replace legacy qualifications	<ul style="list-style-type: none"> <li>• Implement actions from the round table discussion where it is in control</li> <li>• Sector qualification committee and expanded stakeholders to determine appetite and bottleneck and lessons learnt in the implementation of occupational qualifications model</li> </ul>
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Dated performance information for PIVOTAL Projects not reflecting as achievement of targets	<ul style="list-style-type: none"> <li>• Automation of processes</li> <li>• Implementing the new Organisational structure</li> <li>• Performance information register</li> <li>• Finalise procurement of additional providers to assist with project monitoring and validation of data submitted.</li> </ul>
Occupation-based qualifications registered through QCTO is available to the sector	Skill system architecture not evolving quickly enough to respond to emerging opportunities	<ul style="list-style-type: none"> <li>• BANKSETA to conduct track and trace to evaluate the impact of programmes implemented by BANKSETA.</li> <li>• To conduct secondary research with employers on skills demands.</li> </ul>
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Inability to meet strategic objectives set on the strategic plan and the APP	<ul style="list-style-type: none"> <li>• Finalise procurement of additional contract management providers to assist with project monitoring and validation of data submitted.</li> <li>• Quarterly monitoring of action plan to achieve annual targets.</li> <li>• Implementation of OD study report</li> </ul>



		<ul style="list-style-type: none"> <li>• Implement an action plan derived from the mid-term strategic plan review.</li> <li>• Establishing and setting up of M&amp;E function</li> <li>• Implementation of contract monitoring and performance information registers.</li> </ul>
A credible sector skill planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	Ineffective database programmes for evaluation, analysis, track and tracing. (biographical data of learners)	<ul style="list-style-type: none"> <li>• Procurement of the Record Management System is underway.</li> <li>• Full implementation of Learner Management System/MIS</li> <li>• Setting up of the M&amp;E function that will develop an effective database.</li> <li>• Procuring the services to develop an M&amp;E computerised system.</li> </ul>

## 10. BANKSETA's Response to the District Development Model

The BANKSETA Board has already approved a budget of more than R 96 million in support of District Development Model Projects. The purpose of this project is to support the District Development Model with skills development. The district municipalities are Capricorn, Xhariep, Lejweleputswa and Zululand with another three still to be identified.

Municipalities supported in the ERRP and Entrepreneurship Projects are:

Mbombela Municipality  
Ditsobotla Local Municipality  
Ratlou Local Municipality  
Mahikeng Local Municipality

All DDM municipalities were supported in the Rural Development Project.

The District Development Model Project is aligned with the following NSDP outcomes:

- Outcome 3: Improving the level of skills in the South African workforce
- Outcome 6: Skills development support for entrepreneurship and cooperative development

The BANKSETA District Development Model Project is being implemented in the following municipalities:

Project description 2021-2024	District Municipality	Project leader	Social partners
Entrepreneurial Development	Capricorn	Shaun Starr	Municipal structures

End User Computer skills Entrepreneurial Development Environmental Practice Food Security IT Technical Support	Xhariep	Shaun Starr	Municipal structures
End User Computer skills Entrepreneurial Development Environmental Practice Food Security IT Technical Support	Lejweleputswa	Shaun Starr	Municipal structures
Learnership Internship Training of Cooperatives Entrepreneurial Development	Zululand	Shaun Starr	Municipal structures

For the 2023/2024 year, the Rural Skills Development Project (Sub Programme 3.15) is allocated a further R10 million to support the DDM.

The BANKSETA is also planning to extend its District Development Model projects to the following District Municipalities:

- OR Tambo, (Eastern Cape)
- Frances Baard (Northern Cape)
- Bojanala (North West)

## 11. Public Entities

Not applicable to the BANKSETA

## Part D: Technical Indicator Description (TID)

<b>Indicator Title</b>	Evaluation reports that reflect the achievement of Strategic Plans
<b>Definition</b>	Conduct evaluations of the 2020/2021 – 2024/2025 Strategy and produce reports on the performance of the BANKSETA. The overall achievement of the majority of outcome indicators of the Strategy (70%)
<b>Source of data</b>	Strategic Plan, Annual Reports, M&E data
<b>Method of Calculation</b>	Outcomes of evaluations
<b>Assumptions</b>	A Strategic Plan and Management structures are in place
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation (where applicable)</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Achieve higher number of outcomes
<b>Indicator Responsibility</b>	Chief Executive Officer

<b>Indicator Title</b>	Audit outcome
<b>Definition</b>	To promote overall financial efficiency as measured by prudent financial management and compliance with prescripts and policies governing public finance by strengthening financial management practices in the areas of budgeting, expenditure monitoring and reporting
<b>Source of data</b>	Financial statements and management reports from the AGSA
<b>Method of Calculation</b>	Unqualified financial statements
<b>Calculation Type</b>	Cumulative for the year
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation (where applicable)</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	An improved audit outcome
<b>Indicator Responsibility</b>	Chief Financial Officer

<b>Indicator Title</b>	Percentage of Mandatory Grants Claimed
<b>Definition</b>	Ensure that the BANKSETA achieves a high percentage of employer participation in WSP processes, the WSP/ATR submissions are approved,

	BANKSETA complies with legislation on payment of mandatory grants, and also raises accurate provisions.
<b>Source of data</b>	Monthly management accounts
<b>Method of Calculation</b>	Percentage of mandatory grant expenses compared to mandatory levy income
<b>Assumptions</b>	
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation (where applicable)</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Increased payout rate
<b>Indicator Responsibility</b>	GM: Operations

<b>Indicator Title</b>	Number of research reports completed
<b>Definition</b>	To measure the number of research reports completed. These reports are either research completed through research conducted internally, contracted Research Partners, PhD research outcomes funded through BANKSETA bursary, BANKSETA-funded programmes with research outputs or other research partnerships outputs.
<b>Source of data</b>	Research reports placed on <a href="http://www.bankseta.org.za">www.bankseta.org.za</a> or a portfolio of research reports
<b>Method of calculation or assessment</b>	A simple count of the number of research reports completed
<b>Assumptions</b>	Functional website
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Increased number of papers
<b>Indicator Responsibility</b>	Head: Strategy and Research

<b>Indicator Title</b>	Approval of the SSP SP and APP by DHET
<b>Definition</b>	On an annual basis, the SETA must prepare a Sector Skills Plan, Annual Performance Plan and Strategic Plan in line with the DHET requirements and submit it timeously for evaluation and approval.
<b>Source of data</b>	Employers, training providers, stakeholders
<b>Method of Calculation</b>	Approval notification received

<b>Assumptions</b>	None
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Approved Strategy documents
<b>Indicator Responsibility</b>	Head: Strategy and Research

<b>Indicator Title</b>	Number of learners completing the programme successfully
<b>Definition</b>	In working towards Linking Education to the Workplace, the indicator measures the number of enrolments as well as completions of the programmes
<b>Source of data</b>	Quarterly Performance Information Report
<b>Method of Calculation</b>	Simple count
<b>Assumptions</b>	The receipt of documents is out of the SETA's control and will only be reported on once received even if that is some time after the programme ended or after the document has been issued
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: 54%</li> <li>• Target for youth: 90%</li> <li>• Target for people with disabilities: 4%</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Increased number of completions
<b>Indicator Responsibility</b>	GM: Operations

<b>Indicator Title</b>	Average number of MoAs signed with TVETs, UoTS, Higher Education Institutions
<b>Definition</b>	As part of the BANKSETA mandate, partnerships must be entered into with TVET, UoTs and universities to support learners. To achieve this, MOUs are signed with qualifying learning institutions.
<b>Source of data</b>	Quarterly Performance Information Report
<b>Method of Calculation</b>	Total number of MoAs signed is divided by five
<b>Assumptions</b>	The MOUs have an end date and addenda to extend is signed timeously
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Sign more MoAs
<b>Indicator Responsibility</b>	GM: Operations

<b>Indicator Title</b>	Number of career awareness workshops conducted
<b>Definition</b>	Workshops are required for the training of LO teachers and the distribution of the career guides
<b>Source of data</b>	Event Reports, Attendance registers
<b>Method of Calculation</b>	The indicator is counted by the receipt of the above documents
<b>Assumptions</b>	
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Increased number of workshops
<b>Indicator Responsibility</b>	GM: Operations

<b>Indicator Title</b>	Number of workers completing the programme successfully
<b>Definition</b>	In working towards Improving the level of skills in the banking and alternative banking Workforce, the indicator measures the number of completions of the programmes for employed learners
<b>Source of data</b>	Quarterly Performance Information Report
<b>Method of Calculation</b>	The indicator is counted by the receipt of the above documents
<b>Assumptions</b>	The receipt of documents is out of the SETA's control and will only be reported on once received even if that is some time after the programme ended or after the document has been issued
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: 54%</li> <li>• Target for youth: 30%</li> <li>• Target for people with disabilities: 4%</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Increased number of completions
<b>Indicator Responsibility</b>	GM: Operations

<b>Indicator Title</b>	Number of institutions (SMEs and Cooperatives) trained
<b>Definition</b>	Co-operative Financial Institutions are the first level to growing the number of co-operative banks. This is part of the national mandate to encourage the growth of cooperatives. In an effort to grow the economy, SME development is important for job creation. BANKSETA targets SME development to support these organisations with the required skills
<b>Source of data</b>	Quarterly Performance Information Report
<b>Method of Calculation</b>	A simple count of trained institutions
<b>Assumptions</b>	Sufficient number of fully completed applications
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation</b>	• Contribution to spatial transformation priorities: N/A

	• Spatial impact area: N/A
<b>Desired Performance</b>	Increased number of trained institutions
<b>Indicator Responsibility</b>	GM: Operations

<b>Indicator Title</b>	Number of learners completing the programme successfully
<b>Definition</b>	In working towards identifying and increasing the production of occupations in high demand in the sector, the indicator measures the number of learners completing the programmes addressing skills shortages in the sector.
<b>Source of data</b>	Quarterly Performance Information Report
<b>Method of Calculation</b>	A simple count of programme completers
<b>Assumptions</b>	The receipt of documents is out of the SETA's control and will only be reported on once received even if that is some time after the programme ended or after the document has been issued
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: 54%</li> <li>• Target for youth: 70%</li> <li>• Target for people with disabilities: 4%</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Increased number of completions
<b>Indicator Responsibility</b>	GM: Operations

<b>Indicator Title</b>	Number of beneficiaries supported
<b>Definition</b>	In working towards support for sector and government priorities, the indicator measures the number of learners completing the programmes supporting these strategies
<b>Source of data</b>	Quarterly Performance Information Report
<b>Method of Calculation</b>	A simple count of programme completers
<b>Assumptions</b>	The receipt of documents is out of the SETA's control and will only be reported on once received even if that is some time after the programme ended or after the document has been issued
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: 54%</li> <li>• Target for youth: 70%</li> <li>• Target for people with disabilities: 4%</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Increased number of completions
<b>Indicator Responsibility</b>	GM: Operations

<b>Indicator Title</b>	Number of submissions to QCTO for Occupational Qualifications/ Part- Qualifications/Skills Programmes
<b>Definition</b>	The development and submission of Occupation based Learning Programmes.
<b>Source of data</b>	Curriculum and qualification documents for Occupational Qualification/Part-qualifications/ Skills Programme
<b>Method of calculation or assessment</b>	A simple count of submissions
<b>Assumptions</b>	Business needs from the sector for the development of Occupational Qualification/Part-qualifications/ Skills programme
<b>Disaggregation of beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Target for women: N/A</li> <li>• Target for youth: N/A</li> <li>• Target for people with disabilities: N/A</li> </ul>
<b>Spatial transformation</b>	<ul style="list-style-type: none"> <li>• Contribution to spatial transformation priorities: N/A</li> <li>• Spatial impact area: N/A</li> </ul>
<b>Desired Performance</b>	Increased number of submissions
<b>Indicator Responsibility</b>	GM: Operations