

Role of SASSETA in the provision of Skills  
Development  
Legal sub sector  
LASA AGM  
APRIL 2017

# Importance of skills planning

## SDA Grant Regulations:

- Improves the quality and quantity of labour market information received by SETAs in the form of WSPs, ATRs and PIVOTAL training reports to inform planning
- Promotes NQF registered & quality assured PIVOTAL programmes that address priority scarce & critical skills identified in the SSP
- Creates a framework: Uses public education & training providers for the provision of skills development programmes

# SASSETA Mandate

## Skills Development Act of 2003, as amended

- To provide an institutional framework to devise and implement national, sector and workplace strategies;
- To develop and improve the skills of the South African workforce;
- To integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995;
- To provide learning programs that lead to recognised occupational qualifications;
- To provide for the financing of skills development by means of a levy scheme and a National Skills Fund;

# Introduction

On 12 February 2015, SASSETA was placed under Administration (Government Gazette No 38466 12 February 2015).

The Minister and Director General took this decision based on the overall poor performance of SASSETA, irregularities identified, and non-compliance with the Skills Development Act, 1998 (Act 97, 1998) and other relevant legislation.

# Key problems identified by the administrator

- Inadequacies in the planning and reporting processes within SASSETA (SSP)
- Issues regarding the overall performance of the body and ability to report on achievements.
- SASSETA poor financial performance and the overspending and over commitment of the body.
- Lack of formal proper decision making processes and documentation linked to this decision-making.
- Mismanagement of the Discretionary Fund and serious irregularities in a number of contracts entered, as well as Non-Compliance with the Skills Development Act and prescripts related to this.
- Non-compliance with the PFMA, SDLA and other related National Treasury requirements
- Fraud and corruption related to the awarding of contracts

# Building Stability at SASSETA

- New systems were put in place to ensure that SASSETA was able to use its budget according to its skills development mandate and to prevent misuse of SASSETA's funds.
- Measures were introduced to ensure proper management of Discretionary Grant and Mandatory Grant funds
- Cost cutting measures introduced to ensure reduction in spending on administration
- Processes developed to build stakeholder engagements
- Proper planning processes developed
- New systems introduced monitor and address low levels of performance
- Certification backlogs addressed
- Qualification processes reviewed
- Consequence management processes implemented

# Impact of the measures put in place wrt the SLA agreements

Based on the new systems and process implemented there has been significant improvement in both SASSETA's financial and non financial performance. The audited results are listed below;

- The non financial performance has improved since administration:
  - In 2014/15 (prior to administration) SASSETA achieved 38% of its set targets
  - In 2015/16 this performance improved to 64% of its set targets
  - Un audited performance for 2016/17 is 81%
- In 2015/16, SASSETA was able to address issues regarding the sustainability of the body. In 2014/15 SASSETA recorded a R173 million operational deficit but in 2015/16 this SASSETA recorded a R43 million operational surplus. Un audited surplus for 2016/17 is at R73 million
- In 2014/15 SASSETA recorded an over commitment of R292 million and in 2015/16 this over commitment reduced to R13.2 million. Unaudited over commitment for 2016/17 is standing at R10 million
- In 2014/15 SASSETA incurred R270 million in irregular expenditure and in 2016/17 this decreased to R254 thousand. Un audited figures show this has declined to R60 thousand
- In 2014/15 SASSETA incurred R31 million in fruitless and wasteful expenditure and in 2015/16 this declined to R520 thousand. Unaudited figures show this has now declined to R30 thousand.



# Responding to challenges

While different administrative measures were put in place to address non-compliance and fraud and corruption

As part of the administration process, focus and emphasis has also been placed on the identification of the real skills needs in the sector.

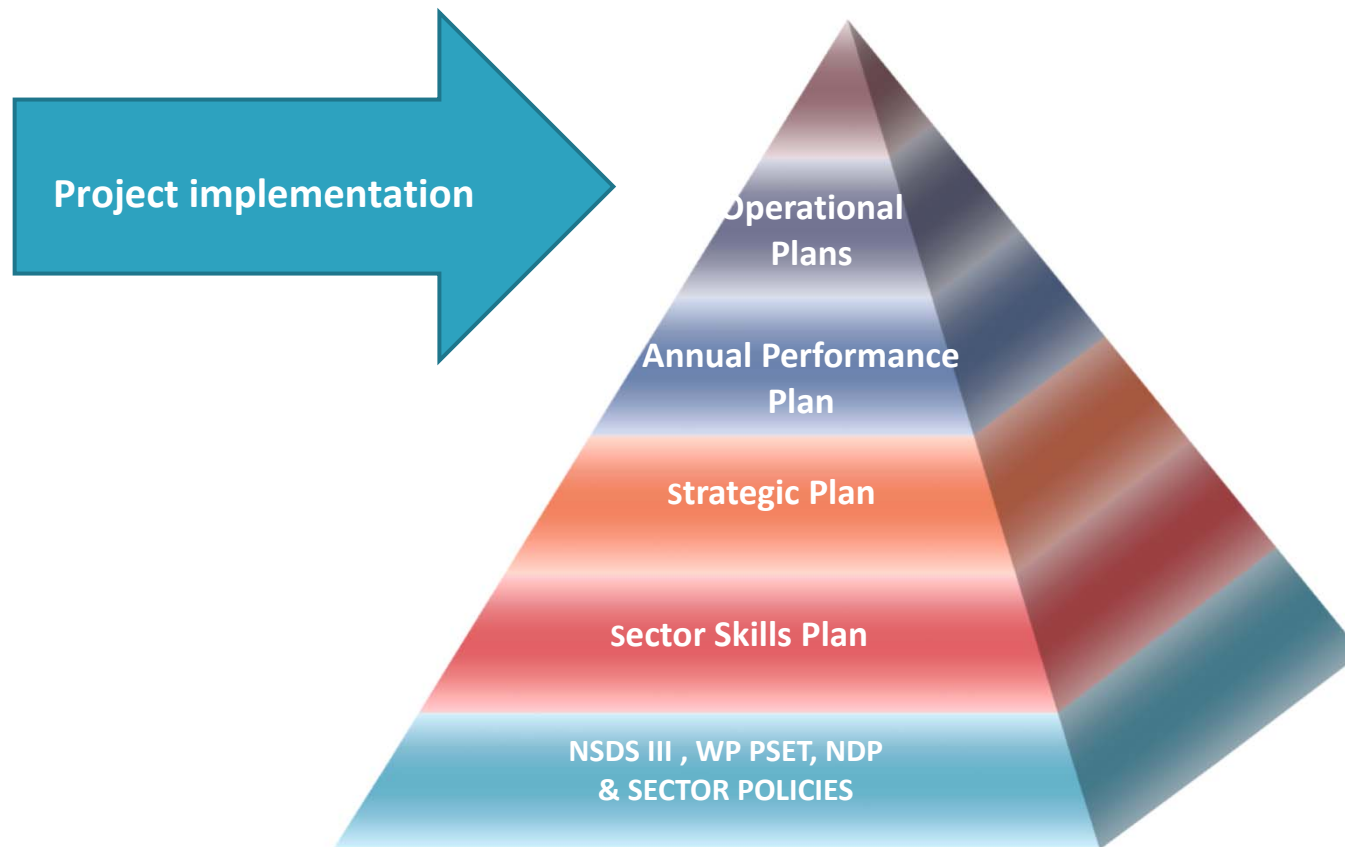
This is of critical importance as SASSETA's limited financial resources (approx. R200 million) needs to be targeted at the priority skills areas where SASSETA can make a real difference.

Research was undertaken into the different subsectors together with stakeholders. This research focused on change drivers in each subsector, critical skills gaps and transformation issues

The outcomes were then feed into SASSETA's planning processes

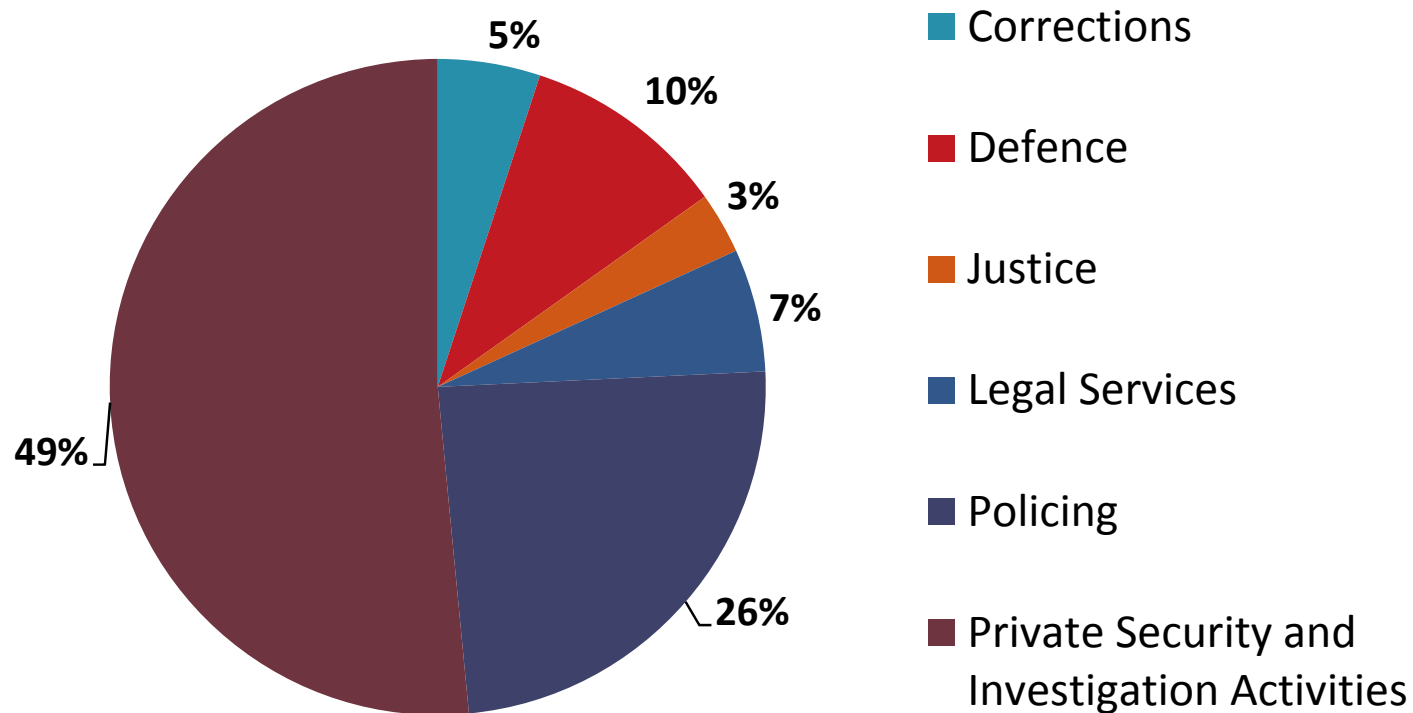


# Planning Process with SASSETA



# Sector profile: Employment by sub-sector

## Total employment according to Subsector, 2014



**56% of workforce is private and 44% is public**

# Refocusing sector skills priorities

## **SASSETA has identified five priority areas of intervention**

1. Enhancing the capacity of sector training institutions and academies, particularly within gov. departments
2. Transforming and professionalising the sector
3. Information communication technology linked interventions
4. Supporting targeted technical and specialised skills
5. Building an active citizenry

# Types of Skills programmes

- Learnerships – Work based learning program that leads to an NQF registered qualification
- Skills Programmes – unit standards programmes that are occupationally based and could lead to a qualification
- Bursaries – Grants awarded to individuals study at university or college
- Internships – On the job training linked to a particular qualification (WIL)
- Artisan programmes – Linked to a trade with on-the-

# Processes of funding

- SASSETA has a budget of approximately R330 million
- 7.5% of income is spent of administration
- Approximately R65 million is spent on Mandatory Grants paid over to employers who submitted and receive approval for their WSPs.
- The Balance is then allocated to discretionary grants and is allocated on basis of:
  - 80% must be spent on pivotal programmes
  - 20% maybe spent on non pivotal programmes

# Processes of funding

- MOU signed with LASA and processes developed to identify projects that SASSETA can fund
- Discretionary Grants awards are advertised in the media and Gov Gazette (no unsolicited request considered)
- Applicants (employers and training providers) apply based on the adverts. Applicants must have submitted a WSP or must submit a pivotal training plan when they apply
- First funding window was advertised in February 2017 and the next funding window will be advertised at the end of May 2017

# Issues to be addressed with regard to the legal sub sector

- SASSETA has 1772 legal employers who are levy payers. Significant number of smaller legal firms and sole practitioners who are not levy payers.
- Legal sector affected by cross cutting change drivers that impact on the safety and security sector as a whole.
- Work of legal sector interwoven with Justice sector and restructuring of this sector impacts on legal sector
- Transformation issues a critical factor
- Specializations is also a critical factor

# Issues to be addressed with regard to the legal sub sector

- Organised legal profession is also driving initiatives to advance professionalism and practice standards
- Number of factors also changing way legal practitioners operate including:
  - Legislatives and policy changes
  - Consumer centric approach
  - Use of alternate dispute resolution mechanism
  - Technological advancements
  - Access to legal services
  - Increase in number of people employed by legal practitioners



# KEY ISSUES TO BE ADDRESSEDs

For SASSETA to successfully impact within the sector in relation to its mandate the following areas need to be addressed:

- The need for greater focus on research and engagement to strengthen of the Sector Skills Plan and ensure this plan speaks to both the identification and targeting of the real skills needs in the sector.
- The need to develop a greater understanding of key policies, strategies, legislation and developments that impact on the sector

# KEY ISSUES TO BE ADDRESSED (cont.)

- Greater emphasis on monitoring and evaluation to ensure better impact
- Greater emphasis is needed on SASSETA's role as an **intermediary** between the world of work and the institutions of learning
- Understanding the role SASSETA can play with regard to transformation and professionalisation
- The development of strong partnerships is key to developing skills as part of the development agenda
- Governance and professionalization of SASSETA

# WAY FORWARD

- All SETAs life spans have been extended until 2020
- On 12 August 2017 SASSETA will be taken out of administration
- Prior to this a number of key areas need to be addressed. These include:
  - SASSETA legal sub sector skills plan for the next three years
  - The establishment of a legal sub sector chamber
  - The appointment of a new Board for SASSETA

# Thank You.