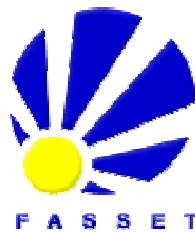


**THE NEED FOR STRATEGIC LEARNERSHIPS IN FINANCE, ACCOUNTING,
MANAGEMENT CONSULTING AND OTHER FINANCIAL SERVICES**

REPORT FOR FASSET



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ACRONYMS AND ABBREVIATIONS

AAT:	Associate Accounting Technician
ABASA:	Association for the Advancement of Black Accountants
ABET:	Adult Basic Education and Training
ACCA:	Association of Chartered Certified Accountants
ACCA:	Associate of the Chartered Certified Accountants
ACMA:	Associate of the Chartered Institute of Management Accountants
ADRA:	Association of Debt Recovery Agents
AETA:	Association for the Education and Training of Accountants
AFP:	Associate Financial Planner
AGA(SA):	Associate General Accountant
AIAC:	Associate Member of the Institute for Administration and Commerce
AICB:	Associate of the Institute of Certified Bookkeepers
AIMR:	Association for Investment Management and Research
ATO:	Approved Training Office
BESA:	Bond Exchange of South Africa
CA(SA):	Chartered Accountant (South Africa)
CAT:	Certified Accounting Technician
CBET:	Competency Based Education and Training
CFA(SA):	Institute of Commercial and Financial Accountants of Southern Africa
CFA:	Certified Financial Accountant
CFA:	Chartered Financial Analyst
CFP:	Certified Financial Planner
CIA:	Certified Internal Auditor
CIBM:	Chartered Institute of Business Management
CICB:	Certificate of Membership of the Institute of Certified Bookkeepers
CIMA:	Chartered Institute of Management Accountants
CPE:	Continuous Professional Education
CTA:	Certificate in the Theory of Accounting
ETQA:	Education and Training Quality Assurance Authority
FAS:	Financial Analyst Society of South Africa
Fasset:	Sector Education and Training Authority for Finance, Accounting, Management Consulting and other Financial Services
FCCA:	Fellow of the Chartered Certified Accountants
FCMA:	Fellow of the Chartered Institute of Management Accountants
FIAC:	Fellow of the Institute of Administration and Commerce
FICB:	Fellow of the Institute of Certified Bookkeepers
FPI:	Financial Planning Institute
GAP:	Global Accounting Proficiency
GIA:	General Internal Auditor
HSRC:	Human Sciences Research Council
IAB:	International Association of Bookkeepers
IAC:	Institute of Administration and Commerce
IAT:	Internal Auditing Technician
IBS:	Institute of Business Studies
ICB:	Institute of Certified Bookkeepers Limited

ICM:	Institute of Credit Management
ICMCI:	International Council of Management Consulting Institutes
ICSA:	Institute of Chartered Secretaries and Administrators
IFA:	Institute of Financial Accountants
IFAC:	International Federation of Accountants
IIA-SA:	Institute of Internal Auditors South Africa
IMCSA:	Institute of Management Consultants of South Africa
Inseta	Insurance Sector Education and Training Authority
IPFA:	Institute of Public Finance and Auditing
ISSETT Seta:	Information Systems, Electronics and Telecommunications Technologies Sector Education and Training Authority
IT:	Information Technology
MBA:	Master in Business Administration
MIAC:	Member of the Institute of Administration and Commerce
NQF:	National Qualifications Framework
NSA:	National Skills Authority
NSF:	National Skills Fund
PAAB:	Public Accountants' and Auditors' Board
PE:	Professional Evaluation
P-Seta:	Public Service Sector Education and Training Authority
RAU:	Rand Afrikaans University
RFP:	Registered Financial Planner
RGA:	Registered Government Auditor
RPE:	Registered Persons Exam
RTO:	Registered Training Office
SAFEX:	South African Futures Exchange
SAICA:	South African Institute of Chartered Accountants
SAIFM:	South African Institute for Financial Markets
SAIGA:	South African Institute of Government Auditors
SAQA:	South African Qualifications Authority
SARS:	South African Revenue Service
SDF	Skills Development Facilitator
SETA:	Sector Education and Training Authority
SIC:	Standard Industrial Classification
TIPP:	Training Inside Public Practice
TOPP:	Training Outside Public Practice
UCT:	University of Cape Town
WSP:	Workplace Skills Plan



EXECUTIVE SUMMARY

OBJECTIVES AND METHODOLOGY

The concept of a learnership has been developed to address skills shortages in South Africa and the low skills levels of the South African workforce. A learnership is a structured learning programme, which combines learning in the workplace with institutional learning. A learnership curriculum is made up of “Unit Standards” and/or whole qualifications that are registered on the National Qualifications Framework (NQF). This means that a learnership leads to a recognised qualification while it is also directly related to an occupation. Learnerships are registered with Sector Education and Training Authorities (SETAs) who, in turn, register them with the Department of Labour. SETAs may also take a more active role in identifying the need for and developing learnerships.

This study was commissioned by the SETA for Finance, Accounting, Management Consulting and other Financial Services (Fasset). The aims of the study were threefold:

- a) To conduct a demand analysis to establish the need for learnerships in the sector.
- b) To conduct a supply survey in order to establish the nature and magnitude of the current provision of learnerships and to identify education and training programmes that may be converted into learnerships or that may be used in the development of learnerships.
- c) To compare demand and supply in order to determine the extent to which supply meets demand, identify areas in which new developments or special support is needed, and identify specific risks related to the development of strategic new learnerships.

The project consisted of three phases. In the first phase existing research reports and databases were analysed in order to identify areas of skills shortages and skills gaps that may be addressed by learnerships. In the second phase interviews were conducted with a selection of employers, the skills advisors appointed by Fasset to assist organisations with grant applications, professional bodies active in the sector, and training institutions that offer training courses that may be linked to the learnerships identified in the study. Phase 3 consisted of the analysis and integration of all information into this final report.

FACTORS THAT INFLUENCE THE DEMAND FOR LEARNERSHIPS

The largest risk associated with the development of a new learnership is that it will not meet the actual needs of the labour market and, as a consequence, there will not be sufficient uptake of the learnership or learners will not be able to find employment after completion of the learnership. Although the ideal would be to estimate the demand for a particular learnership before embarking on its development, it is very difficult, if not impossible, to make quantitative estimates with any degree of confidence. This is because the demand for learnerships is the result of the interaction of a multitude of factors that work in opposite directions – some may stimulate demand while others have a mitigating effect on it. The factors discussed in this report include the need for transformation in the sector, organisation size, labour demand and supply conditions, labour turnover, the need to link formal qualifications to learning and to open up career opportunities for employees, social responsibility, the need for financial skills in the rest of the economy and employers' readiness to take on learners in their organisations.

Although many of these factors fall outside the control of SETAs, some, especially employers' readiness to become involved in learnerships, can be influenced by targeted interventions. A SETA can also make special provisions to assist small organisations to take on learners.

OVERALL PICTURE OF LEARNERSHIPS IN THE SECTOR

The table below gives an overview of the learnerships that are currently registered in Fasset's sector, those that are in the process of development, and those that are proposed as new learnerships.

At the time of this study a total of 19 learnerships had already been registered by Fasset. Another one was in the process of being developed. The learnerships were spread across NQF levels 3 to 7 with the majority (seven learnerships) at level 7. The result of this research process was a proposal for new learnerships in the areas of financial markets, debt collection, financial planning, company secretarial services, general administration, personal assistance and secretarial work, and special tax investigations.

The overall picture, with the newly proposed learnerships included, suggests that the sector will be well covered once all the learnerships are operational. In most of the sub-sectors the core professional functions will be linked to learnerships at NQF levels 6 and 7. If the new proposed learnerships are implemented, there will be at least ten learnerships at NQF level 5 to cater for the needs of clerical, administrative and technical support staff. The level 3 and 4 learnerships and some of the technician learnerships at level 5 allow for access to the sector for people with no or low levels of formal qualifications.

Proposed learnership matrix

	TITLE	NQF level	Professional body	Sub-sector							
				1	2	3	4	5	6	7	8
1	Chartered Accountant: Audit Specialism	7	SAICA				x				
2	Chartered Accountant: Financial Management Specialism	7	SAICA								x
3	ACCA Learnership	7	ACCA				x			x	
4	Chartered Management Accountant	7	CIMA								x
5	Commercial and Financial Accountant: Commerce and Industry	7	CFA								x
6	Commercial and Financial Accountant: Public Practice	7	CFA				x				
7	Management Consulting	7	Fasset						<		
8	Learnership in Financial Markets	7			o						
9	Associate General Accountant	6	SAICA				x				
10	Management Consulting	6	Fasset						x		
11	Diploma in Management Accounting	6	CIMA								x
12	Learnership in Financial Planning/Financial Consulting	6		o			o	o			
13	Learnership in Financial Markets	6			o						
14	Associate Accounting Technician	5	SAICA				x				x
15	Certified Accounting Technician	5	ACCA				x				x
16	Certificate in Business Accounting	5	CIMA								x
17	GAP - Accounting Technician	5	GAP				x				x
18	Diploma in Public Sector Accounting	5	IPFA							<	
19	Learnership in Debt Collection	5						o			
20	Learnership(s) in Company Secretary Services	5	ICSA				o				o
21	Learnership in Office Administration	5		o	o	o	o	o	o	o	o
22	Learnership in Secretarial Services	5		o	o	o	o	o	o	o	o
23	Criminal and Special Investigations (Taxation)	5								o	
24	Certificate in Public Sector Accounting	4	IPFA							<	
25	National Certificate in Business Administration (4)	4	IBS	x	x	x	x	x	x	x	x
26	Registered Bookkeeper	4	ICB				x				x
27	National Certificate in Business Administration (3)	3	IBS	x	x	x	x	x	x	x	x
28	Registered Accounting Clerk	3	ICB				x				x

x Registered learnerships
 < Learnerships awaiting registration
 o New proposed learnerships

Sub-sectors:

- 1 Investment Entities and Trusts and Company Secretary Services
- 2 Stock Broking and Financial Markets
- 3 Development Organisations
- 4 Accounting, Bookkeeping, Auditing and Tax Services
- 5 Activities Auxiliary to Financial Intermediation
- 6 Business and Management Consulting Services
- 7 SARS and Government Departments
- 8 Commerce and Industry

NEW LEARNERSHIPS

The need for new learnerships was viewed from different angles, including the needs expressed by employers, confirmation of those needs by professional bodies and training institutions, the coverage of the different sub-sectors by learnerships, and the distribution of learnerships across the NQF levels.

The assessment of the viability of a particular learnership was based on a combination of criteria, including: the number of learners that employers foresaw that they would be able to accommodate; total employment in the occupational category; membership of professional bodies related to that category of employee; and the demand for the courses that are related to that learnership area.

The list of possible new learnerships that emanated from this research process is as follows:

- Learnership(s) in financial markets
- Learnership in financial planning/financial consulting
- Learnership in debt collection
- Learnership in company secretary services
- Learnership in office administration
- Learnership in criminal and special investigations (financial and taxation fraud).

This list represents a generic account of the specific needs expressed by employers. One of these learnerships – the learnership in financial planning or financial consulting – could fall under the Inseta or the Bankseta as the majority of financial planners are employed in the Insurance and Bank Sectors.

For four of the other learnerships there are already suitable qualifications registered with SAQA. The exception is the learnership in debt collection that will require the development of a new qualification. Some of the content for such a qualification may be borrowed from two adjacent areas: credit management and call centre or contact centre operations. However, the content needs to be adjusted and focused on the specific needs of debt recovery agents. Of all the learnership areas identified, the need for the debt recovery learnership seems the most urgent. Employers in this sector are ready to become involved with the training of learners and the Association

of Debt Recovery Agents (ADRA) has already done a large amount of preparatory work on the development of the learnership.

Professional qualifications that may, at some stage, be presented by professional bodies for registration as learnerships include: the CFA's Accounting Technician learnership; ICSA's new level 5 qualifications (Affiliate CIBM, Licentiate CIBM and Associate CIBM) and its CIS; the IIA-SA's General and Certified Internal Auditing Levels; and IPFA's levels 7 and 8 qualifications. None of these seem to be priorities at this stage. The exception is the ICSA level 5 qualifications that may meet the need identified by employers for a learnership in company secretary services.

RECOMMENDATIONS REGARDING THE DEVELOPMENT OF NEW LEARNERSHIPS

The actions needed to take the development of learnerships forward differ for the respective learnerships. For three of the learnerships areas - financial markets, office administration and special investigations (financial fraud and taxation) - workshops with stakeholders are recommended before any development work commences. Such workshops would afford Fasset and the research team the opportunity to clarify issues related to the actual need for the learnerships, the content of the institutional and practical components of the learnerships, the suitability of existing qualifications and the levels on the NQF at which the learnerships should be developed.

A learnership in financial planning may best be left for the Financial Planning Institute and the Inseta to attend to, while the development of a learnership for debt collectors can commence immediately in collaboration with ADRA. In the area of company secretarial services ICSA has completed a large amount of work. The finalisation and registration of these learnerships seems a logical way to attend to this area of need.

OTHER TRAINING NEEDS

Apart from the learnership needs cited above, various other needs emerged from the study. At this stage these do not seem fit for learnerships. In some cases, the demand appears to be too small and, in other cases, needs appear too organisation specific or are already covered by existing learnerships. The total list of other training needs is as follows:

- Management development

- Mentorship development
- Financial management for the public sector
- Management consulting skills
- Financial journalism
- Internal auditing
- Tax services
- Information technology
- Development of lower levels support staff
- Development of compliance officers, economists, human resources consultants and project managers.

Management development may be reconsidered for a possible learnership. Such a learnership will, however, be atypical, as it will involve more senior employees and not the new entrants to the labour market that are the target of most learnerships.

THE PROMOTION OF LEARNERSHIPS AND LEARNERSHIP SUPPORT

Another risk associated with the development of new learnerships is that employers will fail to become involved and to provide the practical training opportunities necessary for the successful implementation of the learnerships. This risk can be minimised by certain pro-active interventions by Fasset. A learnership support strategy is therefore recommended. Such a strategy may include a web-based learnership information system, information seminars for Skills Development Facilitators (SDFs), a learnership outreach programme aimed at the involvement of small businesses in learnerships, and the establishment of a learnership advice centre.

Fasset-registered learnerships have also become a central component of the development of financial skills for the rest of the economy. It is recommended that the promotion of these learnerships should receive focused attention and, if necessary, a comprehensive programme (possibly funded from the National Skills Fund (NSF)) should be established for the broader promotion of financial skills.

1

INTRODUCTION

1.1 BACKGROUND

The Skills Development Strategy is a national initiative in which Government, Business and Labour have committed themselves to working together to develop and improve the skills of the South African workforce. The Skills Development Act¹ supports the objectives of the Skills Development Strategy and established *inter alia* the National Skills Authority (NSA), Sector Education and Training Authorities (SETAs) and the National Skills Fund (NSF).

One of the key functions of SETAs is the registration and promotion of learnerships. The concept of a learnership has been developed to address skills shortages in South Africa and the low skills levels of the South African workforce. A learnership is a structured learning programme, which combines learning in the workplace with institutional learning. A learnership curriculum is made up of unit standards and/or whole qualifications that are registered on the NQF. This means that a learnership leads to a recognised qualification while it is also directly related to an occupation.

SETAs are responsible for the quality assurance of learnerships and, therefore, learnerships are first of all registered with them. The SETAs are in turn responsible for the registration of learnerships with the Department of Labour. In instances where the relevant qualifications have not been registered, SETAs also take responsibility for this action.

The need for special skills development interventions, such as learnerships, in Fasset's sector emanate from: the growth of the sector (which is linked to the growth of the

¹ Skills Development Act, No. 97 of 1998. Pretoria: Government Printer.

economy as a whole); technological changes, (the computerisation of processes, for example); skills shortages that have developed over time; and the sluggish transformation of the sector, which is partly the result of a limited supply of Black professionals to the sector. Skills needs are also influenced by legislative changes in the Financial Services field. The Public Finance Management Act² that came into effect in 2000 places strict requirements on government departments and public entities to improve financial management, as well as accounting and internal control systems. The Financial Advisory and Intermediary Services Act (Act 37 of 2002) (FAIS Act) requires all Financial Service Providers to be licensed as such. Similarly, recent corporate failures in the USA and other countries, have placed increased pressure on the auditing profession to prevent negligence in the execution of its duties.

It is against this background that Fasset aims to promote the development of learnerships in its sector and has appointed a consortium, comprising Independent Research Services, Business for Good and the Department of Accounting of the Pretoria Technikon, to investigate the need for strategic learnerships in the sector.

1.2 AIMS OF THE PROJECT

The aims of this project were threefold:

a) To conduct a *demand analysis* to establish the need for learnerships in the sector.

This includes:

- the identification of areas in which there is a need to establish new learnerships;
- the establishment of the specific occupational categories for which these learnerships would prepare learners;
- the identification of the NQF level at which the learnerships need to be established and the articulation between potential learnerships and existing qualifications available to the sector;
- the identification of employers who might offer the learnerships;
- the estimation of the possible magnitude of the demand (i.e. the number of learners that might be enrolled each year); and

² Public Finance Management Act (Act 1 of 1999)

the identification of specific groups of learners who might be targeted for inclusion in the learnerships (e.g. specific race or gender groups, people with specific qualifications, people with disabilities).

b) To conduct a *supply survey* in order to establish the nature and magnitude of the current provision of learnerships and to identify education and training programmes that may be converted into learnerships or that may be used in the development of learnerships. This objective covers education and training provision by employers, professional bodies, and training institutions. The supply survey specifically aimed to :

analyse the education and training provided by employers (including current learnerships);

describe the organisational focus and capacity of professional bodies active in the sector;

describe and map the current education and training offered and/or accredited by the professional bodies in order to establish possible linkages to new strategic learnerships and career paths;

identify public and private training providers and describe (in broad terms) courses relevant to strategic new learnerships.

c) To *compare demand and supply* in order to determine:

the extent to which supply meets demand;

the identification of areas in which new developments or special support is needed;
and

the identification of specific risks related to the development of strategic new learnerships.

The project focuses on learnerships for the Financial Markets sub-sector and entry-level learnerships applicable to all Fasset's sub-sectors.

The project furthermore focuses on *strategic* new learnerships. These are learnerships in areas that are of critical importance to the future of the sector, that are central to the strategic objectives of the sector (e.g. the transformation of the sector), in which skills shortages are acute and which are not properly serviced by the learnerships that have already been established.

1.3 METHODOLOGY

The research was conducted in three phases.

1.3.1 Phase 1

In the first phase existing research reports and databases were analysed with a view to identify:

- areas of skills shortages and skills gaps that may be addressed by learnerships;
- the occupational categories/occupations for which possible learnerships will prepare learners;
- the magnitude of the demand for these learnerships; and
- training programmes currently offered by employers, professional bodies and training providers and the extent to which these programmes link with possible learnerships.

A draft learnership matrix was developed. In this matrix possible strategic learnerships were mapped against employer category (sub-sector and size), occupation, NQF level, and current education and training provision. This matrix was augmented, refined and tested in the subsequent phases of the project.

1.3.2 Phase 2

In Phase 2 interviews were conducted with a selection of employers, the skills advisors appointed by Fasset to assist organisations with grant applications, professional bodies active in the sector, and training institutions that offer training courses that may be linked to the learnerships identified in the study.

Employers were selected from the database of employers who submitted Workplace Skills Plans to Fasset in Year 3 of the implementation of the Skills Development Act (the year 2003/2004). The database was sorted according to the seven sub-sectors described in Section 1.4. The largest five organisations in each of the sub-sectors were automatically included in the respondent group. Organisations with fewer than five employees were excluded. The rest of the group was selected randomly. A total of 111 interviews were conducted with representatives of employers in the sector. These respondents represented 120 companies that employ approximately 34 000 people.

Training institutions were selected after a thorough search of the National Learners' Records Database held by SAQA in the Internet. Information about training providers and possible courses was also obtained from employers and professional bodies. Preference was given to training institutions that provide relatively comprehensive courses in the learning areas in which learnership needs were identified and who either provide distance education or who have national distribution networks.

Semi-structured interview schedules were designed for each of the respondent groups. (See Annexure A for a list of participants in the study and Annexure B for the questions posed to them.)

1.3.3 Phase 3

Phase 3 consisted of the analysis and integration of all information into this final report.

1.4 SUB-SECTOR DEMARCATION

The sub-sector demarcation used for the purpose of this study is the same as the one used in other studies undertaken for Fasset and combines the Standard Industrial Classification (SIC) categories that constitute the Financial and Accounting Services Sector as follows:

Table 1.1 Sub-sector demarcation

Sub-sector	Original SIC Category
Investment Entities and Trusts and Company Secretary Service	<ul style="list-style-type: none"> • Investment Entities and Trusts • Company Secretary Services
Stock Broking and Financial Markets	<ul style="list-style-type: none"> • Administration of Financial Markets • Security Dealing Activities • Stock Broking • Asset Portfolio Management
Development Organisations	<ul style="list-style-type: none"> • Development Corporations and Organisations
Accounting, Bookkeeping, Auditing and Tax Services	<ul style="list-style-type: none"> • Tax Services • Accounting, Bookkeeping and Auditing Activities; Tax Consultancy • Activities of Accountants and Auditors Registered in Terms of the Public Accountants and Auditors Act • Activities of Cost and Management Accountants • Bookkeeping Activities, including Relevant Data Processing and Tabulating Activities
Activities Auxiliary to Financial Intermediation	<ul style="list-style-type: none"> • Activities Auxiliary to Financial Intermediation
Business and Management Consulting Services	<ul style="list-style-type: none"> • Business and Management Consulting Services
SARS and Government Departments	<ul style="list-style-type: none"> • South African Revenue Service (SARS) • National Treasury (previously known as the Departments of State Expenditure and Finance) • Provincial Treasuries

1.5 OUTLINE OF REPORT

The potential demand for learnerships and factors that may influence the actual demand are described in Chapter 2. Chapter 3 gives an overview of the learnerships that are currently registered with Fasset, those that are in the process of development and those that are proposed as new learnerships. The chapter also briefly describes the seven sub-sectors that comprise Fasset's sector and the extent to which they are covered by learnerships. Chapter 4 focuses more specifically on the need for new learnerships that emerged from the study. The learnerships are described in terms of the demand for them and in terms of the training courses that may provide the institutional training components of them.

In the course of the research process a number of other training needs were also uncovered. These training needs and the ways in which they may be addressed are discussed in Chapter 5. In Fasset's sector professional bodies play an important role in the provision of education and training and in upholding education and training and general professional standards. Chapter 6 describes the professional bodies that are active in the sector, their roles, their involvement with education and training and their membership.

In the last chapter some recommendations are made with regard to the development and implementation of new learnerships and the promotion of learnerships in the sector.

2

FACTORS THAT INFLUENCE THE DEMAND FOR LEARNERSHIPS

2.1 INTRODUCTION

The potential size and nature of the demand for learnerships in any sector is a function of a combination of factors, including the organisational and professional composition of the sector, skills levels required and skills shortages, labour turnover, and the number of young people employed in the sector. The actual level of engagement by employers in learnerships results from another set of factors inherent to the organisations that make up the sector. Obviously, the availability of the correct learnerships is another important determinant of the actual uptake of learnerships.

This chapter gives an overview of some of the main factors that influence the demand for learnerships. It deals, among other things, with employers' readiness for learnerships as readiness is central to their actual participation in learnership programmes.

2.2 THE NEED FOR TRANSFORMATION IN THE SECTOR

The need to change the demographic profile of the sector has been highlighted by the sector study undertaken by the Human Sciences Research Council (HSRC) on behalf of Fasset:

"The workers employed in the Financial and Accounting Services Sector are mainly White (66 % of the total workforce); 81 % of managers and 70 % of professionals are from this population group. The absence of professionals from the previously disadvantaged groups is most evident in the professional registrations and membership of the professional bodies that are active in the sector. Only 7 % of the accountants registered with the PAAB [Public Accountants' and Auditors' Board] and 7 % of the CAs [Chartered Accountants] who are members of SAICA [The South

African Institute of Chartered Accountants] are Black. The absence of Black professionals not only reflects the lack of transformation of the sector, but also may indeed stifle the growth of the sector. The sector is highly dependent on professionals in order to expand and to create employment for others.”³

The majority of employers who identified learnership needs linked these to the need to change the demographic profiles of their organisations and of the sector generally. Learnerships are seen as providing ideal opportunities to develop historically disadvantaged workers and to increase their numbers in professional and managerial categories. At this stage the need for transformation is a strong driver of the demand for learnerships in this sector.

2.3 ORGANISATION SIZE

The organisational size composition of the sector is a major factor in the potential demand for learnerships. It is estimated that 63 % of the organisations in Fasset’s sector employ five people or fewer. From the outset it was anticipated that the scope for learnerships in these micro enterprises would be limited and for this reason they were excluded from the survey. However, another 30 % of organisations employ between 6 and 20 people. The research showed that these smaller organisations were less informed about learnerships than the larger organisations and saw their own limited capacity as a major constraint to their taking on learners.

2.4 LABOUR DEMAND AND SUPPLY CONDITIONS

Skills shortages or, alternatively, the oversupply of certain skills certainly has an influence on the demand for learnerships. In fact, learnerships are meant to address skills shortages and should occur in areas where these are found. In this study it was clear that skills in the accounting and auditing fields are in such demand that the uptake of the existing learnerships will, at least, remain as it is but may even increase with an increase in awareness of learnerships and with other support strategies being made available to employers. The high demand in these areas is the result of skills shortages that have developed over time, an increase in the demand for financial

³ Van Zyl, E. Du Toit, R. & Fourie, K. *Skills Development in the Financial and Accounting Services Sector*, Report to Fasset, 2002, p.96.

services as a result of growth of the economy and especially smaller enterprises, the demand for higher levels of financial skills in other sectors of the economy and in government, and the emigration of professionals in the financial field.⁴

In other areas market forces may curb the demand for learnerships. Some of the employers in the financial markets, for instance, indicated that due to the restructuring of the sector there is an oversupply of qualified people and, consequently, no need for learnerships.

2.5 LABOUR TURNOVER

In 2001 the total labour turnover rate for Fasset's sector was 21 %⁵. However, labour turnover tends to differ between sub-sectors and organisations. Some of the organisations that participated in the study specifically commented on the fact that their turnover was exceptionally low and that this would limit the scope for entry-level learnerships. In other areas - debt recovery, for example - the labour turnover rate may be as high as 35 %⁶ per year. In this particular area the demand for learnership will be stimulated by the high turnover rate. At the same time a learnership may help to stabilise labour supply by raising the qualification levels, skills, and the commitment of employees to one employer.

2.6 THE NEED TO LINK FORMAL QUALIFICATIONS TO LEARNING AND TO OPEN UP CAREER OPPORTUNITIES FOR EMPLOYEES

Organisations in Fasset's sector are very dependent on the services of administrative and clerical support staff, most of whom are women with a Senior Certificate and no sector-specific formal qualifications, but with a wealth of practical knowledge and experience. Quite a number of respondents linked the need for learnerships to the need to provide these staff members with the opportunity to obtain formal qualifications and to open up career paths for them. It was also commented that developing the skills of these support staff may relieve professionals in the sector of certain tasks and, in this way, enhance the productivity of firms.

⁴ Ibid.

⁵ Ibid. p.24.

⁶ Discussion with ADRA and employers.

2.7 SOCIAL RESPONSIBILITY

The Skills Development Act makes provision for learnership contracts between employers and unemployed persons without obligating the employer to provide permanent employment after the learnership has been completed. Essentially this means that employers can take on learners as a form of social responsibility, provided that the learnership will render the learners employable (i.e. the learnerships have to be in areas where there are employment opportunities available in the market).

This research revealed quite a number of graduate trainee programmes offered by employers as a form of social responsibility. These programmes differ in depth and duration, but are indicators of employers' willingness to provide training outside of the permanent employment relationship. Some of these programmes can be linked to learnerships. If this is done learners will receive formal qualifications at the end of the learnerships which, in turn, will enhance their prospects in the job market.

2.8 THE NEED FOR FINANCIAL SKILLS IN THE REST OF THE ECONOMY

The close relationship that Fasset has developed with a number of the professional bodies has placed it at the centre of the provision of financial skills for the rest of the economy. Indeed, at least twelve of the learnerships that are currently registered with Fasset are wholly or partly aimed at the development of learners outside of its own sector (see Table 2.1 at the end of the chapter). The sector served by Fasset is furthermore a provider of skills to the rest of the economy.

The interwovenness of skills needs in the different sectors has various implications for assessing the demand for learnerships. First of all, the need to train new professionals in Fasset's sector will remain high as long as the shortage of financial professionals and associated professionals in Commerce and Industry exists. This means that Fasset has to stay informed about trends in the need for financial skills outside its own sector and has to evaluate the demand for skills in the broader context.

Secondly, Fasset needs a clear stance on its responsibility in terms of the development of financial skills outside its own sector. By consciously supporting the development of financial skills outside its own sector, especially through learnerships, Fasset will

make strategic contribution to the South African economy. Ways in which this can be done are explored in Chapter 6.

2.9 EMPLOYERS' READINESS

Employers' preparedness and willingness to participate in learnerships by providing workplace learning opportunities for learners is central to the demand for learnerships. Institutional training and qualifications are abundant, but workplace training opportunities are scarce. Employers' willingness to take on learners is a function of various factors, including: their knowledge about learnerships in general and the availability of specific learnerships; knowledge of and perspectives on the possible benefits associated with learnerships; perceptions regarding the administrative processes involved in learnerships; and their perceptions of the inputs that they, as role players, would have to contribute.

In the research process it was found that organisations in the sector differ vastly in their readiness for learnerships. At the one end of the spectrum were organisations that were well informed about the concept, that were already involved with learnerships and that were ready to become involved in new and "non-traditional" learnerships. At the other end were organisations that were totally unfamiliar with the concept or that were vaguely familiar with it but were uninformed about the benefits such as tax concessions and learnership grants.

2.9.1 Knowledge about learnerships

Almost half of the employers (46 %) had learners on learnerships – the majority of which were SAICA and CFA learnerships. These employers were relatively well informed about learnerships. However, in some instances their involvement with the professional learnerships led to a stereotyping of learnerships as *professional* training programmes that should stretch over several years and that are not suitable for non-professional staff.

Many of the other employers who participated in the study stated that they were ill prepared to comment on the need for learnerships because they were not familiar enough with the concept or the requirements for learnerships.

Some of the employers who showed interest in learnerships were unaware of the learnerships available and did not know where to turn to for information on them. The fact that learnerships in the sector are offered by a number of different professional bodies adds to employers' uncertainty about how to go about choosing and registering learnerships.

2.9.2 Perspectives on benefits

Many employers who participated in this study see learnerships as an ideal opportunity to develop the skills of their employees through a structured programme. For other employers, however, the administrative and other requirements are perceived to be too onerous to make learnerships more attractive than the established skills development methods they currently use (e.g. short courses and on-the-job training).

The tax incentives offered by government and the learnership grants offered by the SETAs are weighed against the financial costs of providing training and mentorship and/or giving learners time off work to attend training. For many employers the financial incentives provide a strong motivation to engage in learnerships. In other instances the financial incentives are not viewed as sufficient to compensate organisations for the professional time taken up by learnerships.

2.9.3 Administrative processes

It was generally found that employers were somewhat intimidated by the administrative procedures associated with learnerships. A few commented that they would only be able to become involved in more learnerships if the administration could be contracted out or if it could be simplified substantially. This view was supported by the skills advisors and some of the training institutions.

2.9.4 Supervision required

An important consideration for employers is the availability of professionals and other skilled staff members to act as mentors for learners on learnerships. In most instances these tasks are performed in addition to normal workloads. Although it may be argued that learners are a relatively cheap source of labour, for some employers this factor does not outweigh the inputs required from senior staff members.

Several of the employers commented that their ability to take on learners is limited specifically by the number of qualified professionals who can oversee the practical training component. In contrast, others were clearly unrealistic with regard to the number of learners that they can take on – some even proposed to place all their workers in a specific occupational group on a learnership.

2.10 CONCLUSIONS

From the discussion in this chapter it is clear that the demand for learnerships is the result of the interaction between various factors that may work in opposite directions – some may stimulate demand while others have a mitigating effect. It is, therefore, very difficult to make quantitative projections of demand.

Although some of these factors are outside the control of SETAs, many can be influenced by specific interventions. An understanding of these factors may assist in the development of strategies to increase the take-up of learnerships – hence the somewhat detailed discussion in this chapter. Proposals as to how to influence the demand for learnerships are made in the last chapter of the report.

3

OVERVIEW OF LEARNERSHIPS IN THE SECTOR

3.1 INTRODUCTION

A critical factor in the actual take-up of learnerships is the availability of the learnerships that fulfil the skills needs of a particular sector. In this chapter an overview is given of the learnerships that are currently registered in Fasset's sector, those that are in the process of development, and those that are proposed as new learnerships. The total picture of learnerships is summarised in Table 3.2, which shows the NQF levels and sub-sectors covered by existing and proposed learnerships. The chapter also gives an overall perspective of the sector and its sub-sectors, and the particular features of sub-sectors that may stimulate or inhibit the demand for learnerships.

3.2 EXISTING LEARNERSHIPS

At the time of writing this report a total of 19 learnerships had already been registered by Fasset. Another one was in the process of being developed. The learnerships were spread across NQF levels 3 to 7 with the majority (seven learnerships) at level 7. Three were registered at level 6, five at level 5, three at level 4 and two at level 3. This distribution shows a bias towards the learnerships that lead to professional qualifications. If one considers the occupational distribution of the sector with 32 % of employees in clerical and administrative positions, it is clear that more attention should be given to this occupational group. Incidentally, most of the proposed new learnerships are at NQF level 5 and fulfil this specific need.

3.3 NEW LEARNERSHIPS

All participants in this study were asked for their views on the need for learnerships. More specifically they were required to identify the occupational group(s) for which a learnership was needed, the main functions performed by the employees in this group

(these groups), and the main competencies that need to be developed through a learnership.

All the information was then analysed and learnership needs were grouped according to occupational categories and educational levels. Needs that clearly matched existing learnerships were omitted. Needs that partly overlap with existing learnerships were retained, but the areas of overlap are discussed in Chapter 4, where these learnerships are discussed in more detail. New learnerships were formulated in areas that were identified by at least a few respondents, in which the potential take-up is large enough to warrant the development of a learnership, and in which a relatively long and structured training programme is clearly needed.

Certain of the areas that were identified were, in the opinion of the research team, not suitable for learnerships, but may warrant other forms of training or support from Fasset. These areas are discussed in Chapter 5. However, they may be revisited with a view to re-evaluate their suitability for learnerships.

Some of the learnership ideas proposed by employers were very specific to their respective organisations. For large organisations it may be viable to develop such organisation-specific learnerships. However, where organisations were smaller and the numbers of learners limited, needs were clustered into more generic learnerships.

The result of the process was a proposal for new learnerships in the areas of financial markets, debt collection, financial planning, company secretarial services, general administration, personal assistance and secretarial work, and special tax investigations.

3.4 COVERAGE OF SUB-SECTORS BY LEARNERSHIPS

The grouping of organisations into sub-sectors was done for analytical purposes and according to the Standard Industrial Classification (SIC) codes that organisations selected when they completed their WSPs (see Section 1.4).

The sub-sectors and their respective contributions to the whole sector served by Fasset are summarised in Table 3.1. The table reflects information collected through an extensive survey of Fasset's sector conducted in 2002. SARS and most of the provincial departments did not participate in that particular survey and were therefore omitted

from the sector profile. However, their contribution to employment in the sector is substantial.

Table 3.1 Sub-sectors in Fasset's sector

Sub-sector	Number of organisations		Total employment		Employment of Youth (% of employment in sub-sector)	Turnover	Salary Bill
	N	%*	N	%*		%	%
Investment Entities and Trusts and Company Secretary Services	1 436	20	16 129	15	7	37	10
Stock Broking and Financial Markets	913	13	13 315	13	8	29	45
Development Organisations	216	3	2 163	2	6	4	1
Accounting, Bookkeeping, Auditing and Tax Services	3 201	44	44 646	43	32	19	27
Activities Auxiliary to Financial Intermediation	1 040	14	6 769	6	16	7	7
Business and Management Consulting Services	405	6	8 939	9	8	4	10
SARS and Government Departments	6	0	13 000	12	n/a	n/a	n/a
Total	7 217	100	104 961	100		100	100

Source: Van Zyl *et.al.* Skills Development in the Financial and Accounting Services Sector, 2003.

Percentages adapted to include SARS and the Government Departments, which were excluded from the original source.

The mapping of existing and new learnerships against sub-sectors indicates the sub-sectors in which they mainly occur and the extent to which the core functions of each sub-sector are covered by learnerships (see Table 3.2). If a learnership is marked against a particular sub-sector it does not mean that it does not occur in another. Accounting learnerships, for example, are found in almost all the sub-sectors, but their “natural home” is in the Accounting, Auditing and Tax Services sub-sector.

The matrix also makes provision for Commerce and Industry. As mentioned before, many of the learnerships registered with Fasset train people outside Fasset's sector.

3.4.1 Sub-sector: Investment Entities and Trusts and Company Secretary Services

This sub-sector comprises a diverse group of organisations, including family trusts, financial advisors, investment organisations and organisations that provide company

secretarial services. It is estimated that the sub-sector consists of approximately 1 400 organisations and that it employs more than 16 000 people - 15 % of the total number of employees in the sector. Furthermore, this sub-sector is responsible for 37 % of the turnover and contributes 10 % to the total salary bill of the sector⁷.

Of all the people employed in the sub-sector only 6,8 % are younger than 25 years. These young people are mostly employed as clerks (18 %) and secretaries (14 %). Other occupations that also occur relatively frequently are consultants (9 %), sales persons (8 %) and elementary occupations such as labourers, gardeners and handymen (5 %).⁸

The sub-sector employs a wide range of financial professionals and provides some learnership opportunities to accounting professionals and associate professionals. It will benefit from the development of learnerships in financial planning and in financial markets and those aimed at administrative support staff.

3.4.2 Sub-sector: Stock Broking and Financial Markets

This sub-sector comprises 13 % of the organisations in the total sector served by Fasset and employs 13 % of the workforce in the sector. The salary bill of the sub-sector is, however, 45 % of the total salary bill of the sector. This is an indication that the sub-sector, no matter how small, is an environment that employs highly paid (and presumably highly skilled) individuals. It has the highest salary bill of all the sub-sectors in the sector and the second highest turnover. The firms and individuals in the sub-sector operate in a combination of the equity markets, futures market and bonds market⁹.

Of all the employees in the sub-sector 8 % are relatively new to the labour market (i.e. are aged 25 or younger). Young people are employed in a wide spectrum of occupations, but they are most frequently employed as clerks (22 % of people 25 and

⁷ Van Zyl, *et al*, *op cit*.

⁸ Calculated from Fasset Sector Study dataset.

⁹ Van Zyl, *et al*, *op cit*.

younger) and administrators (7 %). There is also evidence of young people entering the sub-sector in the professional categories of brokers (7 %) and consultants (6 %)¹⁰.

There are currently no learnerships specifically aimed at this sub-sector. A learnership or learnerships in financial markets will provide an access route to new graduates. The sub-sector will also benefit from the general administrative learnerships.

3.4.3 Sub-sector: Development Organisations

This sub-sector includes organisations such as development trusts, housing trusts, youth development organisations and the Industrial Development Corporation. The sub-sector employs only 2 % of all the workers in the sector. It contributes 4 % of the turnover of the sector and is responsible for only 1 % of the total salary bill.

Only 6 % of the workers employed in this sub-sector are 25 years or younger. Given the small number of employees in the sub-sector, the number of young people is almost negligible (less than 1 % of young people in the total sector). They are most frequently employed as secretaries and receptionists, administrators and clerks.

The organisations in this sector have very little in common and the learnership needs identified by them were organisation-specific and could not be incorporated in the proposed new learnerships.

3.4.4 Sub-sector: Accounting, Bookkeeping, Auditing and Tax Services

This sub-sector is the largest sub-sector with organisations that vary from one-person businesses to large international companies. The sub-sector contributes 19 % of the turnover in the sector but includes 44 % of the organisations and employs 43 % of the people working in the sector. Its salary bill constitutes 27 % of all salaries paid in the sector¹¹.

This sub-sector is highly professionalised and is mainly organised through the professional bodies that represent different categories of individuals working in the sector. Although these professional bodies represent different categories of workers, there is some overlap and competition among them. There is also co-operation and

¹⁰ Calculated from Fasset Sector Study dataset.

¹¹ ¹¹ Van Zyl, *et al*, *op cit*.

recognition of each other's qualifications. The most important professional bodies in this sector are: The Association of Chartered Certified Accountants (ACCA), The Association for the Advancement of Black Accountants in South Africa (ABASA), The Institute of Certified Bookkeepers Limited (ICB), The Institute of Commercial and Financial Accountants of South Africa (CFA), and The South African Institute of Chartered Accountants (SAICA). The specific roles of each of these bodies are discussed in Chapter 6 of this report.

As many as 32 % of the workers employed in this sub-sector are 25 and younger while 76 % of all the young people in the sector are actually employed in this sub-sector. It is therefore not surprising that most of the learnerships that have been registered by Fasset are related to occupations in this sub-sector.

More than half of the young people in this sub-sector are employed as accountants or trainee accountants and auditors. Other occupations that occur relatively frequently are secretaries and personal assistants, accounts clerks and receptionists.

This sub-sector is the one that is the best serviced in terms of learnerships, with eleven of the registered learnerships focusing on its needs. Four of the newly proposed learnerships will also be relevant to this sub-sector.

3.4.5 Sub-sector: Activities Auxiliary to Financial Intermediation

This sub-sector includes the following types of organisations: micro lenders (who elected to register with Fasset but actually belong to the Bankseta), financial advisors, debt collectors, auctioneers and statutory and service organisations that are related to the financial services industry, such as the Financial Services Board, Fasset itself, and some of the professional bodies.

This sub-sector is the second smallest in the total sector. It employs 6 % of the workers, contributes 7 % of turnover and pays 7 % of the salaries in the sector¹².

The sub-sector comprises different components that have been lumped together to facilitate analysis of the total sector serviced by Fasset. In reality the different components have little in common, but some of them are organised within themselves,

¹²¹² Van Zyl, *et al*, *op cit*.

for example the debt collectors are organised into the Association of Debt Recovery Agents (ADRA).

This sub-sector employs a relatively large number of young people. As many as 16 % of the employees are 25 years or younger. The sub-sector employs 7 % of young people in the sector, and most of them are appointed as clerks, consultants, receptionists, assistant managers, and administrators and sales persons¹³.

None of the registered learnerships is specifically aimed at workers in this sub-sector. Of the newly proposed ones the learnerships in debt collection and financial planning address some of the specific needs in the sub-sector. The lower-level administrative learnerships would benefit this sub-sector as it would all the others.

3.4.6 Sub-sector: Business and Management Consulting Services

Management consulting is defined as “the sale of advisory services” by people who have broad knowledge of management skills and who apply their knowledge to projects in order to solve problems within organisations¹⁴.

The management consulting profession is estimated at approximately 30 000.¹⁵ However, not all of these consultants are employed in Fasset’s sector or in the sub-sector consisting of management consulting firms. Many accounting firms provide management consulting services to their clients and many management consultants are employed within service or support units in large organisations.

The sub-sector with which Fasset deals consists of approximately 400 organisations that employ 9 % of the workers in the total sector. It contributes 4 % of the turnover of the sector and pays 10 % of total salaries.

Almost 8 % of the workers in the sub-sector are younger than 25 years. These young people constitute 4 % of people 25 and younger in the total sector. Young people are

¹³ Calculated from Fasset Sector Study dataset.

¹⁴ Fasset, Management Consulting Report, 2002.

¹⁵ *Ibid.*

mostly employed as clerks, consultants, administrators, personal assistants, and secretaries and receptionists¹⁶.

At the time of writing this report two learnerships in management consulting were in the process of being developed. The one was already registered and the second was awaiting registration. Respondents from this sub-sector indicated that there is a need for these learnerships and that the sub-sector will be well catered for once they have been fully implemented.

3.4.7 South African Revenue Service (SARS) and Government Departments

SARS is by far the largest employer in Fasset's sector, with approximately 12 000 employees. Owing to the specialised nature of its work, the organisation has very specific needs. Although its needs may be fairly unique, the organisation is large enough to warrant the development of specific learnerships. At this stage it has only one learnership, namely the ACCA learnership for tax auditors. A second one, for criminal and special investigations, is proposed.

The rest of this sub-sector consists of the National Treasury and a few of the Provincial Departments of Finance. In some of the provinces the finance departments have registered with the P-Seta, mainly because the financial functions have been combined with other functions, for example tourism, to form a single provincial department. Two learnerships in public sector accounting have been registered. These, together with the general administration learnerships, seem currently sufficient for this sub-sector.

3.5 CONCLUSIONS

The learnership matrix gives an overview of the current and proposed new learnerships. The overall picture, with the newly proposed learnerships included, suggests that the sector will be well covered once all the learnerships are operational.

In most of the sub-sectors the core professional functions will be linked to learnerships at NQF levels 6 and 7. If the new proposed learnerships are implemented, there will be at least ten learnerships at NQF level 5 to cater for the needs of clerical, administrative

¹⁶ Calculated from Fasset Sector Study dataset.

and technical support staff. The level 3 and 4 learnerships and some of the technician learnerships at level 5 allow for access to the sector for people with no formal qualifications.

An important feature of the learnerships in this sector is the involvement of professional bodies. The majority of the learnerships that are currently registered were developed and are administered by professional associations. They are also linked to professional titles or designations and the membership classes of the professional bodies. These linkages, as well as the extent to which professional qualifications have been converted into learnerships, are explored in Chapter 6.

Table 3.2 Proposed learnership matrix

	TITLE	NQF level	Professional body	Sub-sector							
				1	2	3	4	5	6	7	8
1	Chartered Accountant: Audit Specialism	7	SAICA				x				
2	Chartered Accountant: Financial Management Specialism	7	SAICA								x
3	ACCA Learnership	7	ACCA				x			x	
4	Chartered Management Accountant	7	CIMA								x
5	Commercial and Financial Accountant: Commerce and Industry	7	CFA								x
6	Commercial and Financial Accountant: Public Practice	7	CFA				x				
7	Management Consulting	7	Fasset						<		
8	Learnership in Financial Markets	7			o						
9	Associate General Accountant	6	SAICA				x				
10	Management Consulting	6	Fasset						x		
11	Diploma in Management Accounting	6	CIMA								x
12	Learnership in Financial Planning/Financial Consulting	6		o			o	o			
13	Learnership in Financial Markets	6			o						
14	Associate Accounting Technician	5	SAICA				x				x
15	Certified Accounting Technician	5	ACCA				x				x
16	Certificate in Business Accounting	5	CIMA								x
17	GAP - Accounting Technician	5	GAP				x				x
18	Diploma in Public Sector Accounting	5	IPFA							<	
19	Learnership in Debt Collection	5						o			
20	Learnership(s) in Company Secretary Services	5	ICSA				o				o
21	Learnership in Office Administration	5		o	o	o	o	o	o	o	o
22	Learnership in Secretarial Services	5		o	o	o	o	o	o	o	o
23	Criminal and Special Investigations (Taxation)	5								o	
24	Certificate in Public Sector Accounting	4	IPFA							<	
25	National Certificate in Business Administration (4)	4	IBS	x	x	x	x	x	x	x	x
26	Registered Bookkeeper	4	ICB				x				x
27	National Certificate in Business Administration (3)	3	IBS	x	x	x	x	x	x	x	x
28	Registered Accounting Clerk	3	ICB				x				x

x

Registered learnerships

<

Learnerships awaiting registration

o

New proposed learnerships

Sub-sectors:

- 1 Investment Entities and Trusts and Company Secretary Services
- 2 Stock Broking and Financial Markets
- 3 Development Organisations
- 4 Accounting, Bookkeeping, Auditing and Tax Services
- 5 Activities Auxiliary to Financial Intermediation
- 6 Business and Management Consulting Services
- 7 SARS and Government Departments
- 8 Commerce and Industry

4

PROPOSED NEW LEARNERSHIPS

4.1 INTRODUCTION

The six new learnerships that are proposed as a result of this study are discussed in more detail in this chapter. The learnership proposals are the result of a careful analysis of all the information collected in the research project. Recommendations regarding the suitability of a training need for a learnership were based on the following considerations:

- The magnitude of the potential demand for the learnership. This was based not only on the numbers given by participants in the research process, but also on the size of employment in the particular occupational category (if figures or estimates were available), membership of professional bodies and qualification trends in relevant qualifications (if information was available).
- The importance of a learning area in a particular sub-sector. In some fields the actual numbers of learners may be small compared to the numbers in other learnerships, but the occupational group(s) for which a learnership will prepare learners is of strategic importance to Fasset's sector or a component of it.
- The duration of training required. For some of the training needs identified shorter training programmes may be more suitable than learnerships.
- The generic nature of training needs. It was assumed that a learnership should be suitable for a group of employers and not for a single employer only. The exception is SARS, which is such a large and specialised organisation, that a learnership specifically aimed at employees in this organisation may be feasible.

Unfortunately many of the proposals made by employers could not be accommodated. In some instances proposals are made for alternative training programmes. These are discussed in Chapter 5.

Detailed information about the courses and qualifications that are provided outside professional bodies and that may be relevant to the proposed learnerships is given in Annexure C. The qualifications conferred by professional bodies are set out in Annexure D.

4.2 LEARNERSHIP(S) IN FINANCIAL MARKETS

4.2.1 Motivation for the learnership

In the interviews six organisations involved in stock broking or in other components of the financial markets indicated that there is a need for a learnership in the financial markets. The need for such a learnership was confirmed by most of the training institutions interviewed and some of Fasset's Skills Advisors. It is, however, important to note that a number of firms in the sub-sector also indicated that they are **not** interested in a learnership. These are mainly smaller firms that reported that they appoint persons with relevant experience, of whom there is an adequate supply (if not an oversupply) in the market. Some of the larger firms commented that they do not have the capacity to handle the administrative and mentorship components of learnerships.

According to the firms that were in favour of a learnership there is a huge gap between the current academic qualifications available to the sector and the practical knowledge and experience necessary to become an investment professional.

A learnership could formalise the current graduate trainee programmes offered by a number of firms in the financial markets. These programmes differ in depth and duration but are mostly focused on the development of new graduates into investment professionals and, in particular, on the integration of theoretical knowledge and practical skills.

The main target group for this learnership would be new entrants into the labour market, especially people from historically disadvantaged groups. Most of the organisations that support the idea of a learnership in financial markets indicated

that the need to change the demographic profile of their organisations and of the sector is a strong motivating factor for this learnership.

4.2.2 Potential demand

It is unlikely that this learnership will attract large numbers of learners from Fasset's sector. Investment professionals are, however, also to be found in the Insurance and Banking environments. Figures to be considered include the following:

- Total membership of the South African Institute of Financial Markets (SAIFM) is only 300.
- Of the firms in Stock Broking and Financial Markets that submitted WSPs to Fasset in Year 3 there were only 56 with more than 20 employees.

4.2.3 NQF level

Almost all the firms require a first degree (B Com degree) or an equivalent technikon qualification as an entry level qualification into their organisations. One of the firms requires a post graduate qualification in financial markets. Therefore a learnership should preferably be pegged at NQF levels 6 or 7.

4.2.4 Linkages with existing qualifications

Many of the firms that participated in this study have employees who are enrolled for the Chartered Financial Analyst (CFA) qualification and a programme of study linked to the CFA will increase the number of successful persons in the exam. The CFA programme is an internationally recognised standard for measuring the competence and integrity of investment professionals. (See Annexure D 6.1.)

Another important linkage for this learnership is with the Registered Persons Exam (RPE). The RPE is a statutory entry-level requirement for dealers on the JSE Securities Exchange, the South African Futures Exchange (SAFEX) and the Bond Exchange (BESA). The RPE does not require any prior qualification and is a requirement to enter the Senior Dealer Exam. (See Annexure D 10.1.)

All the qualifications in financial markets that are currently registered on the NQF are designed to link with the RPE and CFA qualifications.

4.2.5 Content of this learnership

A learnership in financial markets has to develop knowledge of and insight into the following areas:

- investment banking;
- corporate broking;
- corporate finance;
- a comprehensive understanding of financial markets (bond markets, foreign exchange markets, derivatives markets, equity markets) and trading systems;
- the rules and regulations of financial markets; and
- research and analysis of companies, equities, bonds and derivatives.

Competencies to be developed include:

- analytical ability;
- financial skills;
- a high level of numerical literacy;
- communication skills;
- computer skills; and
- research skills.

4.2.6 The supply of education and training for this learnership

a) Current learnerships related to this area

In this study a few learnerships that have something in common with a learnership in financial markets have been identified. However, none of them address the specific needs of future investment professionals satisfactorily.

The Academy of Financial Markets is involved with a learnership, registered with the Inseta. The focus is, however, on long-term life insurance. The learnership includes an elective, the Higher Certificate in Financial Markets. The academy is also investigating a possible learnership, registered with the Bankseta, also including the Higher Certificate in Financial Markets as an elective.

Similarly, the Beauford Institute is busy piloting a Treasury Learnership, which is registered with the Bankseta. This learnership leads to a Diploma in Treasury and

International Banking and covers some of the content that is relevant to a learnership in financial markets.

Although these learnerships will not be able to fulfil the need identified in financial markets, they are mentioned here as an indication that some experience in similar learnerships already exists.

b) Courses registered on the NQF

The following table gives a summary of courses that had been registered on the NQF and that are offered by tertiary or private institutions in South Africa. (See Annexures C1 and D9-D10 for more information on the qualifications and courses.)

Table 4.1 Courses and qualifications in financial markets registered on the NQF

Training Institution	Qualification/Course	NQF Level
RAU	Diploma in Financial Markets.	5
Academy of Financial Markets	Higher Certificate in Financial Markets and Instruments	5
RAU	B Com Investment Management (Financial Analysis)	6
	National Advanced Diploma in Financial Markets	6
UNISA	Programme in Investment Analysis and Portfolio Management	6
RAU	B Com Hons Investment Management	7
Academy of Financial Markets	Higher Diploma in Financial Markets and Instruments	7
UCT	B Com Hons in Financial Analysis and Portfolio Management	7

The National Advanced Diploma in Financial Markets is a new, unit standards-based qualification. It is equivalent to the CFA level 2 and may provide a very good basis for a learnership in financial markets. However, at this stage it is not yet presented by a training institution.

c) Courses not registered on the NQF

The courses that have not been registered are indicated in the table below.

Table 4.2 Courses and qualifications in financial markets not registered on the NQF

Training Institution	Qualification/Course
South African Institute for Financial Markets	Registered Persons Exam: Short Course
Academy of Financial Markets	Financial Market Workshops
Deutsche Bank and African Harvest	Lim'uvune programme
Institute of Bankers in South Africa	Certificate in Stock Broking (in process of being registered).

4.2.7 Summary

Various organisations have indicated the need for a learnership for new entrants into the investment professions. The general feeling is that such a learnership should be pegged at level 6 or 7 on the NQF. However, given the fact that the aim of the proposed learnership will be to improve the representation of previously disadvantaged groups in the sub-sector, it could be beneficial to look at two or three learnerships that allow for progression in the profession, for example an “entry-level” learnership at level 5/6 and then at an advanced learnership at level 7. From the research it was clear that the international CFA qualification will remain an important measure of competence in this field and, therefore, it may be wise to align the learnerships with the three levels of the CFA. Similarly, the RPE examinations will remain a prerequisite for many of the professions and should, for this reason, be incorporated with the syllabi.

The potential number of learners from Fasset's sector that can be expected to enrol for this learnership is relatively small. However, this learnership is of strategic importance for the transformation of the sector and for providing historically disadvantaged individuals with the opportunity to develop the knowledge and skills necessary for careers in stock broking and financial markets. The learnership may also be applicable to learners in the Insurance and Bank sectors. The inclusion of learners from these two

sectors may increase learnership numbers substantially and may make this learnership viable from a quantitative perspective.

4.3 LEARNERSHIP IN FINANCIAL PLANNING/FINANCIAL CONSULTING

4.3.1 Motivation for the learnership

The need for a learnership in financial planning or financial consulting was identified by five of the organisations that participated in the study – one of them a large consultancy that employs hundreds of financial consultants. These organisations are either completely focused on wealth or asset management, or have divisions that provide financial consulting services to the public. The Financial Planning Institute (FPI) confirmed that such a learnership could be beneficial to the Financial Services Sector as a whole (i.e. not only the sector served by Fasset, but also the Banking and Insurance Sectors).

The main reasons given for the need for this learnership was that financial planning skills are key skills in respondents' respective businesses and that the development of these skills would benefit the growth of their organisations. Some of the respondents also referred to the fact that the industry is becoming increasingly regulated, for instance by the implementation of the Financial Advisory and Intermediary Services Act (Act 37 of 2002) (FAIS Act), and that financial planners therefore need to be well trained.

It must be noted that a few of the respondents who employ financial planners were not in favour of a learnership in this area. They were of the opinion that the financial planning field is so dynamic that a learnership may be too rigid – i.e. that it would be too difficult and slow to change the content of a learnership to keep up with the needs of the labour market in financial planning.

4.3.2 Potential demand

The potential uptake of a learnership in this field could be substantial, given the magnitude of employment in this profession. (The FPI has a membership of approximately 8000). However, the majority of financial planners are employed in the Insurance and Banking Industries and fall outside of Fasset's sector.

4.3.3 NQF Level

The entry requirements for financial planners differ substantially between organisations. Some require only a senior certificate while others require a first degree (generally a B Com degree). Some of the organisations indicated that they require their financial planners to be members of the FPI and to have the designation of Certified Financial Planner (CFP). The learnership needs expressed by employers, therefore, range between NQF levels 5 and 7.

4.3.4 Linkages with existing qualifications

Given the historical development and current organisation of the financial planning profession it follows naturally that a learnership or learnerships in this area should link with the professional designations of the FPI. These are the Registered Financial Planner Certificate (NQF level 5) which is underpinned by a range of educational programmes recognised by the FPI, the Associate Planner Certificate (NQF level 6) underpinned by a range of graduate and equivalent qualifications recognised by the FPI and the Certified Financial Planner Licence (NQF level 7) which requires the Post Graduate Diploma in Financial Planning offered by the University of the Free State.

4.3.5 Content of the learnership

A learnership or learnerships in financial planning should prepare the professional for the following core functions:

- assessment and analysis of clients' investment portfolios and risk profiles;
- total estate planning;
- provision of tax advice;
- handling of investments;
- marketing of financial and investment products;
- ensuring compliance with legislation; and
- follow-up and provision of a long-term service to clients.

The knowledge and skills that need to be developed include:

- in-depth knowledge of financial and investment products available in the market;
- knowledge of tax and other relevant legislation;

- analytical skills and lateral thinking; and
- excellent interpersonal, communication and marketing skills.

4.3.6 The supply of education and training for this learnership

The FPI recognises a host of qualifications conferred by universities, technikons and private training providers. It also recognises the in-house qualifications of life assurance companies and bank broking houses. These qualifications range from NQF level 4 to 8.

4.3.7 Summary

The financial planning profession has a tradition of recognising professional competence gained through a combination of formal qualifications, structured in-service training and workplace experience. The workplace component has, however, been less structured than in some of the other professions, such as accounting. A learnership would help structure the workplace component and, at the same time, give employers the opportunity to use the tax benefit and other benefits associated with the provision of learnerships.

Although there are a substantial number of financial planners employed in Fasset's sector, the majority are to be found in the Insurance Sector and in Banking. The FPI also has a strong association with the Inseta. It may, therefore, be advisable to register such a learnership with the Inseta, and for Fasset to play only a supportive role in respect of the learners employed in its own sector.

4.4 LEARNERSHIP IN DEBT COLLECTION

4.4.1 Motivation for the learnership

All the debt collection agencies that participated in this study, as well as the Association of Debt Recovery Agents (ADRA), were of the opinion that there is an urgent need for a learnership in debt collection.

At the moment there are no formal qualifications available for debt collectors, yet they perform an important function in the Financial Services Industry. At the level of the individual debtors with whom they interact, debt collectors (or debt recovery agents) play an important role in the management of personal debt and the rehabilitation of the debtor. For the clients of the debt recovery agency (i.e. the grantors of credit) debt

collectors form a link with *their* clients whom they want to retain as clients, despite their defaulting on debt payments. At a national level debt collectors play an important role in the recovery of bad debt, which runs into billions of rands per annum.

A strong motivating factor for a learnership in this area is the regulation and professionalisation of the industry that is currently taking place. Regulation of debt collectors was introduced with the promulgation of the Debt Collectors' Act (Act no 114 of 1998). This Act makes provision, among other things, for the establishment of the Debt Collectors' Council and for the registration of individual debt collectors. At this stage there are no competency requirements attached to the registration of debt collectors. However, some of the respondents were of the opinion that such requirements may be introduced once there are properly focused training opportunities and qualifications registered for the industry. It is furthermore hoped that the more structured training afforded by a learnership will help to bring greater stability with regard to labour turnover, which is currently very high.

For individual debt collectors a formal qualification may open up career opportunities, while the development of knowledge and skills may enhance their earning capacity (debt collectors work largely on a commission basis).

4.4.2 Potential demand

There is no reliable information on the total number of debt collectors working in the country. Estimates range between six and eleven thousand. Nevertheless, the numbers of people involved are substantial enough to warrant the development of a learnership.

4.4.3 NQF Level

The current entry requirement for debt collectors is a senior certificate. Employers do not expect them to have any previous work experience. Therefore, a qualification for this occupation should preferably be on NQF level 5.

4.4.4 Content of the learnership

The work of debt collectors is mostly conducted through call centres. In some organisations the debt collecting agents have some personal contact with debtors, but

in most cases contact is only by telephone. Some of the agencies also handle clients and debtors outside South Africa, in the United Kingdom, for example. Agencies differ in their work processes – in some of them all actions of the agents are recorded electronically so that computer skills are essential. Others agents do not use computers at all. Employers identify the range of skills that need to be developed through a learnership as including:

- a basic knowledge of accounting i.e. accounting principles, debtors, creditors etc.;
- an understanding of the concept of credit;
- the management of personal finances (debt collectors deal with the personal finances of debtors and must be able to help them plan to get out of debt);
- the legal aspects of debt collection (including the relevant components of various Acts: Debt Collectors Act, Magistrate's Act, Access to Information Act, Marital Law, Insolvency Act, Usury Act);
- a thorough knowledge of the debt collectors' code of conduct;
- basic tracing skills;
- basic mathematics e.g. the calculation of interest;
- communication and interpersonal skills, including telephone skills and etiquette.
- written communication skills;
- negotiation skills;
- skills in closing a deal (i.e. –transforming a negotiated deal into a formal agreement with a debtor);
- general office administration;
- general office etiquette;
- basic computer skills (may be optional - used in some organisations but not all);
- prescription of claims; and
- client service (managing the agency-client relationship and promoting the interests of the client).

4.4.5 Linkages with existing qualifications

This learnership is likely to require the development of a new qualification. However, it is important for such a qualification to be linked to other qualifications in the broader field of credit management and to earn credits towards qualifications in credit management. This will open up career opportunities for learners, as career paths in debt recovery itself are fairly limited.

4.4.6 The supply of education and training for this learnership

The current training provided by employers in the sector is mainly on-the-job training by immediate supervisors. Some of the organisations have training manuals that are used in the process. In a few instances on-the-job training is supplemented by short courses that are offered after hours or over weekends.

The registered qualifications that to some extent cater for the needs of debt collectors fall into two adjacent areas, namely credit management and contact centre operations. Training courses in credit management are found at the institutions listed below:

Technikons: The National Diploma in Credit Management is a three-year course registered at level 6 of the NQF. The National Certificate and National Higher Certificate qualifications provide exit levels at NQF level 5, after one and two years of study respectively. The course is offered by various technikons, including Technikon SA. (See Annexure C 2.1.)

The Institute of Credit Management (ICM): The ICM offers a Certificate in Credit Management after the successful completion of their three-part examinations. Preparatory tuition is provided through accredited training providers, for example Damelin. (See Annexure C 2.2.)

The Services Seta offers three learnerships in contact centres at NQF levels 3, 4 and 5. Although these learnerships were developed for the telemarketing industry, many of the skills and content are relevant to a learnership for debt collectors. (See Annexure C 2.3.)

The only programme that is specifically aimed at the training of debt recovery agents is a programme developed by ORT in collaboration with Fasset. ORT is an international charity organisation that runs a number of skills programmes for unemployed

matriculants. A six-week full-time course has been developed in partnership with various role players in the Debt Recovery Industry. The course provides these learners with entry-level skills for the industry and aims to train 480 learners. (See Annexure C 2.4.)

4.4.7 Summary

A learnership in debt collection may assist with the provision of essential skills and the professionalisation of the Debt Recovery Industry. The potential number of candidates for such a learnership seems substantial, given the size of the industry and the current labour turnover rate. There is also strong support for a learnership, especially among the large employers.

A learnership in this area should, however, be designed with due consideration of the practical circumstances of potential learners. As debt collectors work mainly on a commission basis, they may be reluctant to take time off work for training. Similarly, employers may be reluctant to engage in a learnership if this would interfere with the productivity of their firms.

One solution to the problem would be to follow a model that is similar to the ORT programme cited above: learners are trained in the theoretical components before entering the labour market. This theoretical component should then be followed by structured training in the workplace. For learners who are already employed, learning opportunities should be made available through distance education or after hours.

4.5 LEARNERSHIP IN COMPANY SECRETARY SERVICES

4.5.1 Motivation for the learnership

The need for a learnership in company secretarial services has been identified by a few of the accounting and auditing firms that participated in the study, some of the training institutions involved with training in the accounting and auditing field, and by ICSA - the professional body for company secretaries. The need for this learnership seems to exist in two environments: in the company-secretarial divisions of accounting and auditing firms and in the company secretariats of large companies in Commerce and Industry. This learnership needs to focus on the development of administrative support staff in these two environments.

The identification of this area for a possible learnership is based on the need to upgrade the skills of staff in this area, to assist staff who provide company secretarial services (albeit support services) to obtain formal qualifications and to open up career paths and opportunities for them.

4.5.2 Demand for the learnership

At this stage there are no data available on employment in company secretarial services. Judging by their student numbers and the requests received from employers, ICSA is of the opinion that the demand for the NQF level 5 learnerships may extend to 500 learners per year.

4.5.3 NQF Level

Entrants into these occupations normally have a Senior Certificate. For this reason, a further qualification should preferably lie on NQF level 5.

4.5.4 Core content of the learnership

The main functions performed by persons in need of this learnership may differ somewhat between the accounting and auditing firms and company secretariats in Commerce and Industry, but generally include:

- the registration of companies and closed corporations;
- the maintenance and updating of company secretarial and statutory documents;
- the arranging of board and shareholder meetings;
- keeping of records and taking of minutes of meetings;
- the identification of events that require statutory documents, e.g. special resolutions; and
- the handling of share transfers, change of members and directors, change in share capital, issuing of new shares etc.

The specific knowledge and skills required include:

- knowledge of the relevant legislation;
- familiarity with all the requirements and documents used by the Registrar of Companies; and
- very good interpersonal and communication skills.

4.5.5 Linkages with existing qualifications

The CIS qualification offered by the Institute of Chartered Secretaries and Administrators (ICSA) is focused on the company-secretarial function and provides a fairly flexible structure wherein staff can be trained for this function. The CIS qualification in itself consists of 14 modules that can be taken over a period of four years. However, not all of them are relevant to this particular learnership and the ideal would be to create exit levels whereby only the first one or two years of study provide a qualification that forms part of a learnership.

ICSA has recently structured its CIS qualification into four tiers and has created exit levels after the first, second and third tiers. It is also in the process of registering learnerships linked to each of these new qualifications.

The Institute of Administration and Commerce (IAC) offers a Diploma in Corporate Management (Company Secretaryship) which is registered at NQF level 6. It has two exit levels, a Certificate and a Higher Certificate at level 5. These two qualifications to a large extent cover the learning areas required for this learnership.

4.5.6 The supply of education and training for this learnership

Clerical and administrative staff who perform company secretarial tasks in accounting and auditing firms are generally trained through on-the-job training. In most instances this training is not structured. However, it lays the foundation for the workplace component of a learnership.

As far as institutional training is concerned, both ICSA and the IAC have a large national infrastructure of accredited public and private training providers who offer their courses and prepare students for the examinations. These include distance education institutions such as UNISA. Training is thus widely available.

4.5.7 Summary

A learnership in company-secretarial services will benefit organisations within as well as outside of Fasset's sector. Two professional bodies offer suitable qualifications at NQF level 5 and one is already in a process of registering learnerships related to these qualifications. From this research it is clear that these learnerships will fill an important role in the market. Thus, it does not seem as if the development of a new

qualification is necessary at this stage but, instead, that the registration and implementation of the ICSA learnerships will satisfy this particular need. ICSA may require some support in the establishment of its learnerships.

4.6 LEARNERSHIPS IN OFFICE ADMINISTRATION

4.6.1 Motivation for the learnerships

Thirteen of the firms that participated in this research project indicated that they would be interested in registering their clerical support staff and their secretaries or personal assistants on a learnership. Most of these were accounting or auditing firms (including some of the large firms). Organisations from almost all the other sub-sectors also expressed this need, although some were uncertain whether the training of clerical staff warranted a learnership.

Evidently the training received by the employees before or during their employment with the various companies did not meet the particular occupational needs of the financial and accounting services environment. Most enterprises indicated that they needed their staff to have a better knowledge and understanding of the specialist areas in which they provide services, for example accounting, bookkeeping, and tax issues. In addition to this, staff should be able to provide excellent customer service and know and understand the core business of the enterprise in order to make meaningful contact with the clients with whom they interact.

4.6.2 Potential demand

The potential demand for clerical and administrative learnerships can be substantial, given the relatively large number of employers who identified the need, and the large numbers of clerical and administrative staff employed in the sector (approximately 32 % of all employees) and given the fact that the majority of new entrants in the sector work in clerical and administrative positions.

4.6.3 NQF Level

The entry-level educational requirement for employees in this category is a Senior Certificate. Ideally, a learnership should then be pegged at NQF level 5 and/or at level 6 in order to raise the qualification level of learners.

4.6.4 Content of the learnership

The organisations clearly differ in the functions they expect their clerical staff to perform. The configuration of functions relates to the size of the organisation. Smaller organisations tend to integrate more functions into one post but with less specialised responsibilities, while larger organisations tend to have more specialised support staff that they expect to take on more responsibilities in a particular area.

The functions listed by employers span the whole array of administrative and secretarial functions and include:

- general office management, such as developing and maintaining filing systems, compiling and typing of correspondence, client reports, trial balances and client statements, certain human resources functions such as the supervision of other support staff;
- receiving incoming telephone calls and clients and handling of general client enquiries;
- filling in of tax return forms;
- maintaining electronic records and spreadsheets; and
- providing personal assistance to managers or senior professionals.

The competency requirements include:

- operational knowledge and understanding of financial accounting, bookkeeping, and financial administrative functions;
- basic knowledge of tax legislation and the requirements of the tax authorities and the ability to provide basic tax services (e.g. the completion of tax return forms);
- the ability to interpret financial documents, for example financial statements and items on a balance sheet;
- life skills (including interpersonal skills, negotiation skills, excellent customer services, telephone skills, communication skills, presentation skills);
- computer skills, especially skills in Excel and other company-specific accounting packages;

- the ability to set out spreadsheets and interpret them to clients or office staff; and
- the ability to combine secretarial and financial-administrative functions.

The functional descriptions fell broadly into three categories:

- 1) those in which financial administration is predominant and that very closely match the skills profiles of accounting technicians;
- 2) those in which general administrative tasks are predominant; and
- 3) those in which the secretarial and personal assistance components are the main focus.

Although there are many commonalities in the clerical and administrative functions performed in financial service organisations, the difference in emphasis indicates that learnerships are needed in three areas and that employers should be able to choose the learnership(s) most appropriate for their particular circumstances. In the first area of financial administration the current accounting technician learnerships seem to be appropriate and therefore no new learnership development is necessary.

The other two areas (general administration and secretarial and personal assistance) may be developed simultaneously allowing for some overlap, but also for differences in emphasis. Both these learnerships should make ample provision for workplace learning that develops insight into specific work environments; for example, the work environments commonly found in financial markets, accounting and auditing or in management consulting.

4.6.5 Linkages with existing qualifications

There are currently two learnerships for general support staff registered with Fasset, namely the two Certificates in Business Administration of the Institute of Business Studies (IBS), which are registered at NQF levels 3 and 4. These learnerships have open access and are particularly suitable for employees with no formal education. However, the target group for the learnership under discussion normally has a Senior Certificate. Ideally, a learnership should take support staff to a higher qualification level.

There are two qualifications that fulfil this need. These are the Institute of Administration and Commerce's (IAC's) Diploma in Office Administration (Annexure

D 3.7) and the technikons' Diploma in Office Management and Technology¹⁷ (Annexure C 3.1). Both these qualifications are registered at NQF level 6 but exit qualifications, i.e. Certificates and Higher Certificates, are registered at level 5.

4.6.6 The supply of education and training for this learnership

The employers who identified the need for this learnership mostly use a combination of short courses to train their administrative support staff. These courses include computer courses, courses to develop English writing and other communication skills and basic bookkeeping and office administration courses.

Education and training towards the IAC's Diploma in Office Administration and the technikons' Diploma in Office Management and Technology are available at educational institutions throughout the country and through distance education. If any one of these qualifications were to be included in a learnership, it would be very easy to accommodate both new entrants to the labour market as well as existing staff.

4.6.7 Summary

Administrative support staff is a very important component of employment in Fasset's sector. However, most of the learnerships that have been registered thus far are aimed at professionals and technicians and associate professionals. Learnerships in office management and secretarial service will fill an important role in the development of general administrative staff.

4.7 LEARNERSHIP IN CRIMINAL AND SPECIAL INVESTIGATIONS (TAXATION)

4.7.1 Motivation for the learnership

The need for this learnership was identified by SARS and is focused on their criminal investigation staff, customs and excise staff, anti-smuggling and risk analysis units, and their auditors.

4.7.2 Potential demand

Although the need for this learnership was identified by SARS, it could, potentially, be useful for investigators in the Bank and Insurance Industries, for forensic auditors, and for members of the South African Police Service's Commercial Crime Investigation

¹⁷ The course names and the way in which the course is structured differ from one technikon to the other. The qualification and content are, however, basically the same.

Units. SARS currently employs approximately 400 investigators. The magnitude of employment in the other areas is not known.

4.7.3 NQF Level

At this stage SARS does not have specific entry requirements for employees in this category. They are of the opinion that the learnership should be pegged more or less at level 5 of the NQF.

4.7.4 Linkages with existing qualifications

The formal qualification that best fits the requirements of this learnership is the Diploma in Criminal Justice and Forensic Auditing offered by RAU. The qualification is registered with SAQA at level 5 of the NQF.

4.7.5 Content of the learnership

The learnership needs to address both theoretical knowledge and practical skills. Learners should be prepared to handle all aspects of criminal investigations. The current in-house training programme used by SARS covers the following subjects:

- Preservation of Evidence
- Law of Evidence
- Interviewing
- Case docket/ Exhibit file
- Fraud
- Entry, Search and Seize
- Statements.

4.7.6 The supply of education and training for this learnership

Currently, SARS has an in-house training programme in criminal investigations that does not lead to any qualification. They have, however, started to enrol their employees for the RAU Diploma in Criminal Justice and Forensic Auditing. A learnership will combine this qualification with structured workplace training.

The RAU Diploma in Criminal Justice and Forensic Auditing is offered as a part-time course with lectures after hours throughout the year and as modular programme in which lectures are presented in two four-day sessions. RAU staff is also willing to present the course in areas outside Gauteng if student numbers are sufficient.

4.7.7 Summary

Although the need for this learnership was identified by SARS, it will be aimed at a core set of skills that are required in several specialised components of Fasset's sector. The institutional component for this learnership is well established and this will facilitate the development of the learnership. The workplace training needs to be flexible enough to accommodate both learners from SARS and those situated in other environments.

4.8 CONCLUSIONS

The six learnership areas discussed in this chapter represent the most pertinent learnership needs found in Fasset's sector. These are far from being the only training needs identified, but not all training needs can be met through learnerships.

Not all the learnership needs should necessarily be met by Fasset. It is recommended that the learnership in financial planning be registered with the Inseta, as most of the financial planners in the country are located in the Insurance Industry.

The learnership in company secretaryship has, to a large extent, been dealt with in ICOSA's application for the registration of three new learnerships. If these registrations can be finalised, no new development work is required in this area.

This leaves Fasset with four priority areas. These are: financial markets; debt collection; general office administration, personal assistantship and secretarial work; and criminal and special investigations.

5

OTHER TRAINING NEEDS

5.1 INTRODUCTION

The research uncovered certain training needs that were viewed by respondents as suitable for learnerships but that, for various reasons, were not included in the list of new learnerships discussed in Chapter 3. These training needs were omitted from the proposed new learnerships because, in the view of the research team, the area they related to was sufficiently covered by existing learnerships. These training needs might also have been excluded from the list of new learnerships because they were too organisation-specific and focused on practical skills related to in-house systems; or because they could be better addressed by short training courses; or because the potential demand was too small.

These areas are described in this chapter. It is possible that some may be revisited with a view to developing learnerships for them or to provide other kinds of support in these areas.

5.2 MANAGEMENT DEVELOPMENT

5.2.1 Motivation for a programme

Several of the organisations that participated in the research process identified a need for the development of their managers through learnerships. The need for management development was a finding of various studies done on behalf of Fasset; e.g. the grant analyses of Years 1 and 2, and the Sector Study undertaken by the HSRC.

The need for management development is partly because professionals seldom receive any special preparation before they move into managerial positions. Many of the professional training programmes are of a highly technical nature, with very little or no attention paid to general managerial functions, especially those functions that relate to the management of people.

The need to develop Black managerial talent in order to support the transformation of the sector is another reason that management development was considered for a learnership.

5.2.2 Potential demand

The potential demand for a structured management development programme is substantial – given the fact that almost 20 000 people in the sector are employed in managerial positions.

5.2.3 Content of a programme

The core functions for which new managers need to be trained include:

- the design, co-ordination and implementation of policies and activities;
- the delegation of tasks and projects;
- ensuring effective customer services;
- budgeting and the management of budgets;
- ensuring sustainable operational environments;
- mentorship, training and taking responsibility for the development of employees;
- ensuring good interpersonal relations and communication in the organisation;
- quality management; and
- risk management and ensuring good corporate governance.

The knowledge and skills that were highlighted by respondents as critical components of a management development programme are:

- knowledge of labour legislation and the ability to handle labour relations;
- leadership skills, i.e. the ability to give strategic direction and to influence people to follow that direction;
- problem-solving skills;
- interpersonal and communication skills; and
- computer literacy.

This list is not exhaustive but certainly highlights the emphasis that employers wish to see placed on the so-called “soft skills” and leadership.

5.2.4 NQF level

The organisations that identified the need for a management learnership expect their managers to have at least a first degree or even a postgraduate qualification. In many instances the candidates for managerial positions are professionals, such as chartered accountants. For these organisations a management development programme should lead to a qualification that is registered at level 7 on the NQF.

5.2.5 The supply of training

In South Africa, numerous management development programmes exist, offered by the universities and technikons, private business schools and training institutions, and private consultancies. These programmes are used extensively by employers to develop their managers.

5.2.6 Summary

The question whether management development programmes should be developed into learnerships remains open to debate. At this stage, it seems as if learnerships are aimed mainly at new entrants to the labour market and that they are not really suitable for senior members of staff. However, the fact that a learnership will structure the workplace component of management development and will facilitate the fast tracking of young professionals with management potential may warrant the development of such a learnership. Alternatively, management development, especially the development of historically disadvantaged individuals, may be supported in other ways; for example, by special grants or the development and subsidisation of special programmes.

5.3 MENTORSHIP DEVELOPMENT

The need for a mentorship development programme was identified by SARS. This need was specifically linked to the transformation of the organisation and the need to utilise the technical skills of experienced employees to develop organisational units and the skills of new employees. A mentorship development programme should not only develop the mentorship skills of experienced employees but should also motivate them to act as mentors.

Although the need for mentorship skills was formulated as a learnership need by only one organisation, it may exist in the rest of the sector too. In fact, all learnerships are dependent on mentorship and, as mentioned in Chapter 2, the actual demand for learnerships may be limited because of the limited availability of mentors.

Mentorship development is not suitable for a learnership, but may be addressed through short courses. No such courses could be found in this study.

5.4 FINANCIAL MANAGEMENT FOR THE PUBLIC SECTOR

Two of the provincial departments of finance identified a need for the development of financial managers in their provincial governments. One also identified the need for financial training for non-financial managers.

The needs of financial managers in the public service are addressed by the two Institute of Public Finance and Administration (IPFA) learnerships that have been registered, namely the Certificate and Diploma in Public Sector Accounting. At the same time, the P-seta is also in the process of developing a learnership. At the time of writing this report consultants were still in the process of developing the content of the learnership and details were, therefore, not available.

IPFA also provides a short course in financial management for non-financial managers in the public service.

5.5 MANAGEMENT CONSULTING SKILLS

Three of the management consulting organisations that participated in the study identified the need for learnerships in management consulting. At the time of writing this report two learnerships in management consulting were in the process of development and implementation. At the moment it seems as if these learnerships should fulfil the needs in this field.

5.6 FINANCIAL JOURNALISM

The need for a learnership in financial journalism was expressed by a holding company and two of its subsidiaries in the Western Cape. Although the term “financial journalism” can have a wide meaning, the main aim of these companies is to train financial specialists in the development and presentation of company communication

media. Specific functions for which a person trained in this learnership would take responsibility are:

- conducting research in the investment markets;
- keeping abreast of new developments in the markets;
- writing articles about the company;
- designing and updating company marketing material;
- handling communication and liaison with the news media; and
- producing periodic client communications.

The existence of such a training need was confirmed by the representative of a national media training centre, Boston Media House, who indicated that they have had requests for the training of financial journalism from financial service organisations and that they have offered customised training through short courses to meet the needs expressed by these clients. However, the exact magnitude of the demand for such a learnership is not clear. One of the other respondent organisations that employs large numbers of financial journalists indicated that it gives preference to people with financial qualifications and that it trains them through their internal (international) training programme.

The entry-level qualification required by the organisations that identified this area as a learnership need is a Senior Certificate. They were of the opinion that the learnership should lead to a qualification registered at NQF level 5.

The only registered qualification in financial journalism available in South Africa is a BCom degree in this field offered by the University of the Free State. This course provides a background in journalism, as well as in economics, finance and management. Subjects include Economics, Economic Policy, Finance (Money and Banking), selected sections of Management Science and selected sections of Communication Science and Industrial Communication. However, a representative of the university indicated that, from the students' side there is no demand for this course. At present they have no students registered for this degree. The fact that financial journalism is offered only as a full-time course in the Free State may contribute to this lack of interest. On the other hand the lack of interest may be

indicative of the fact that there are not many career opportunities for people with this qualification.

A short course offered through distance education or in modular form may provide a solution to this training need. Boston Media House indicated that it would be interested in the development of such a course in collaboration with RAU. Representatives from the Media Department at RAU confirmed **their** interest in such a course.

5.7 INTERNAL AUDITING

The need for a learnership in internal auditing was expressed by two of the organisations that participated in the study. Both reported that there are not enough people trained in internal auditing to provide for the needs of their organisations. The Institute for Internal Auditors South Africa (IIA-SA) confirmed the urgent need in the market for - and the current undersupply of - properly trained internal auditors.

A learnership for internal audit technicians (NQF level 6) has been registered with the Bankseta. Although the learnership has been developed in the bank environment it is applicable to any other environment and can be marketed both inside and outside the sector served by Fasset.

5.8 TAX SERVICES

The need for learnerships in taxation was identified by a few participants in the study. The needs were, however, diverse and included the development of tax consultants and tax auditors, as well as tax administrators.

The current accounting technician learnerships include components that are focused on the computation of taxation and the completion of tax returns. These learnerships may, to a large extent, fulfil the needs in respect of tax administrators.

The ACCA Audit learnership is focused on tax auditors. One of the respondents commented that the learnership is very difficult and that the drop-out rate is high on this learnership. The remedy for this problem is not the development of another learnership. Instead, it is suggested that consideration be given to special support programmes to help learners master the content that they find too intimidating.

5.9 INFORMATION TECHNOLOGY

A few of the respondents identified a need to train their information technology staff through learnerships. In the financial service organisations information technology staff mainly performs supportive roles for which specific knowledge of financial services is not essential. The computer infrastructures that need to be developed and maintained differ substantially in size and sophistication. The employer needs that were recorded ranged from:

- the development and maintenance of networks;
- the development and maintenance of websites;
- programming and the development of computerised products and systems to be used by financial experts;
- technical support to users of networks and software packages; and
- the training of staff in software packages.

The development of these skills falls outside Fasset's scope, but is mainly the responsibility of Information Systems, Electronics and Telecommunications Technologies Seta (the ISETT Seta). Up till now the ISETT Seta has registered eight learnerships that may be accessed by employers from Fasset's sector. They are as follows:

- Certificate IT Technician (level 4)
- Certificate Electronic and Computing System (level 4)
- Diploma Electronic and Computing System (level 5)
- Advanced Diploma Electronic and Computing System (level 5)
- Certificate Computer Programming (level 4)
- Certificate Programming (level 4)
- Diploma Programming (level 5)
- Advanced Diploma Programming (level 5).

In addition to this, the Bankseta has registered a learnership in Information Technology in Banking (level 5).

5.10 DEVELOPMENT OF LOWER LEVELS SUPPORT STAFF

Various employers expressed the need to create development opportunities for their lower-level support staff such as messengers, drivers and tea ladies. It seems as if most

of these workers are beyond the ABET levels and are in need of an opportunity to obtain a Senior Certificate or equivalent qualification. In the work environment these workers have the potential to move into administrative support functions such as clerical and secretarial positions, but such moves will be possible only if their literacy and formal qualification levels can be raised.

Four learnerships exist that may be suitable for these workers. These are the IBS's two learnerships that lead to a National Certificate in Business Administration and that are registered at NQF levels 3 and 4 and the Registered Accounting Clerk and Registered Bookkeeper learnerships of the ICB – also registered at levels 3 and 4.

5.11 OTHER TRAINING NEEDS

Other training needs that were identified by single respondents include learnerships for compliance officers, economists, human resources consultants and project managers. At this stage these needs do not warrant the development of learnerships.

5.12 CONCLUSIONS

The list of learnerships proposed by employers clearly reflects the diversity of organisations grouped in Fasset's sector as well as the array of skills development needs experienced in the labour market. Although not all the needs can be addressed by means of learnerships, it was important to go through a process of needs identification in order to find common areas of need. The areas that represent the most common needs and that are regarded as of strategic importance were formulated as possible learnerships in the previous chapter. In this chapter the residual areas were discussed. Some of them are already covered by learnerships, while others may lend themselves more to interventions of another kind, such as short training courses.

The question whether management development should take place through a learnership remains open to debate. It is a skills development area that is of critical importance to the sector. However, it does not fit into the "traditional" learnership model.

6

PROFESSIONAL BODIES AND THE CURRENT PROVISION OF LEARNERSHIPS IN THE SECTOR

6.1 INTRODUCTION

Professional bodies play a central role in the structuring of qualifications and in the provision of education and training in Fasset's sector. A special feature of this sector is that qualifications, professional designations and membership of professional bodies are interlinked. The sector also has a tradition of combining education and workplace training in the preparation of workers for specific occupational categories, professional designations and membership of professional bodies. With the introduction of learnerships in South Africa, many of these arrangements were converted into learnerships and the professional bodies retained a central role in the development and implementation of these. However, some of the professional qualifications have not yet been converted into learnerships. The linkage between the proposed new learnerships and current qualifications available from the professional bodies has already been explored in chapter three. A study on the need for learnerships would be incomplete without looking at the need to convert more of the professional qualifications into learnerships.

This chapter provides an overview of the professional bodies that are associated with the sector, their involvement with learnerships, and the qualifications and designations that they confer. The information presented in this chapter was obtained from a previous research project commissioned by Fasset¹⁸, the websites of the respective professional bodies, personal interviews with representatives of these organisations, and the brochures and other material that they made available.

¹⁸ Van Zyl *et al*, *ibid*.

The organisations are discussed in alphabetical order. Details about the qualifications that they confer and training courses can be found in Annexure D.

6.2 THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS (ACCA)

6.2.1 Overview

ACCA is an international professional body that provides qualifications and examinations for those who wish to pursue a career in accountancy and related fields. It is represented in 160 countries and provides skills development and support services to its members, such as networking opportunities, briefings on topical issues, and counselling on membership, practising certificates, and further qualifications and careers. It also does quality assurance of the providers of tuition and workplace training. Among the services that ACCA offers are fully computerised training courses with on-line support.

ACCA has two classes of membership: the “ACCA” which refers to Associate of the Chartered Certified Accountants and the “FCCA” which refers to Fellow of the Chartered Certified Accountants. Associate membership can be obtained through completion of the ACCA learnership described below. Associate members are promoted to fellows after five years of membership.

Under the current South African legislation ACCA professional members are allowed to act as accounting officers for close corporations.

6.2.2 Qualifications and learnerships

ACCA offers two qualifications that are registered as learnerships with Fasset: the ACCA learnership, a full professional qualification registered with SAQA at NQF level 7, and the Certified Accounting Technician (CAT), which is registered at level 5. ACCA acts as agent ETQA for these two learnerships.

Other qualifications include a Diploma in Financial Management (a programme which is run by RAU), a Diploma in Corporate Governance, a Certificate in Financial Reporting, a Certificate in International Auditing, and a Certificate in International Financial Reporting. The last four qualifications are available through ACCA’s virtual campus.

6.2.3 Articulation between qualifications

The articulation between the CAT and ACCA qualifications are of particular importance to this study. Entry into the CAT is open-ended and does not depend on any formal qualifications. The CAT programme is also fairly flexible as computerised examinations are available at Levels A and B. These examinations can be taken at any time of the year. This means that learners can progress through the course at their own pace.

The CAT provides access to the ACCA qualification. Completion of CAT examinations offers automatic transfer to ACCA professional examinations with exemption from Part 1. The ACCA qualification, in turn, gives access to masters' level studies such as an MBA.

The Competency Based Education and Training (CBET) Programme offered by Global Accounting Proficiency (GAP) and the Associate Accounting Technician (AAT) Programme offered by the South African Institute of Chartered Accountants (SAICA) are recognised as being equal to the CAT and thus provide access to the ACCA Professional Programme.

Prospective learners can also apply to ACCA for the recognition of other learning achievements – both formal and in terms of work experience. These requests are considered on an individual basis.

6.3 ASSOCIATION OF DEBT RECOVERY AGENTS (ADRA)

6.3.1 Overview

The Association of Debt Recovery Agents is a national association of debt collection businesses. ADRA's members include sole proprietorships, partnerships and organisations ranging from one- or two-person offices to firms with more than 500 employees. ADRA members handle the collection of retail, professional, bank and institutional accounts for all major credit grantors in the country.

ADRA was formed in 1988 to help collection businesses provide professional services to their clients, to establish ethical standards for the collection industry and, in addition, to strive for the official recognition of the industry. This major goal was

achieved in November 1998 with the passing of the Debt Collectors Act (Act 114 of 1998).

ADRA fills the need in the collection industry for self-regulation, information and a common voice. Ordinary membership is open to any person who practises or intends to practice as a debt recovery agent and who remains in good standing. Associate membership is open to any person, at the discretion of the Executive Committee, who carries on a business or profession associated with debt recovery.

6.3.2 Qualifications and learnerships

At this stage there are no formal qualifications for debt collectors. ADRA has, however, identified the need for structured education and training and recognition of competencies through qualifications.

6.4 CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS (CIMA)

6.4.1 Overview

CIMA is an international institute for management accountants. It has branches in 156 countries across the world and fulfils all the functions of a professional body, such as the setting of professional standards of education and conduct, enforcement of professional behaviour through a professional code of conduct, and disciplinary action against members who do not adhere to it. The institute also provides continuous professional education (CPE) to its members and represents them in various forums.

CIMA has three levels of membership: Student Members, Associate Members (fully qualified professionals) and Fellow Members. Fellowship is awarded after three years' strategic experience in a senior position. CIMA members (Associates and Fellows) may call themselves Chartered Management Accountants and may write the initials ACMA and FCMA after their names in recognition of their professional status.

6.4.2 Qualifications and learnerships

CIMA offers the following qualifications: Certificate in Business Accounting (NQF level 5), Diploma in Management Accounting (NQF level 6), and Chartered Management Accountant (NQF level 7). All three of these qualifications have been registered as learnerships with Fasset.

6.4.3 Articulation between qualifications

The three qualifications follow on each other. For a person to become a CIMA member all three levels have to be completed, together with a minimum of three years' relevant practical experience.

At each of the three levels equivalent qualifications are recognised; for example, the qualifications conferred by ACCA, SAICA and ICSA. CIMA also allows individual applications for exemption on the basis of previous qualifications and experience. Qualifications and courses across a wide spectrum are recognised.

6.5 THE FINANCIAL ANALYST SOCIETY

6.5.1 Background

The Financial Analysts Society of South Africa (FAS) is a non-profit organisation that serves the investment community of Southern Africa by promoting the standards of professional excellence and integrity.

The FAS is an affiliate of the Association for Investment Management and Research (AIMR). The FAS supports the AIMR's Code of Conduct and Standards of Practice and the Chartered Financial Analyst (CFA) program.

The AIMR is an international, non-profit organisation of more than 50,000 investment practitioners and educators in over 100 countries. The AIMR's and FAS's members are employed as securities analysts, portfolio managers, strategists, consultants, educators, and other investment specialists. These professionals practice in a variety of fields, including investment counselling and management, banking, insurance, and investment banking and brokerage firms.

6.5.2 Qualifications and designations

The AIMR administers the Chartered Financial Analyst (CFA) programme which is a graduate-level, self-study curriculum and examination programme for investment specialists. The programme that was established in 1962 sets a widely accepted international standard for investment knowledge, standards and ethics.

The designation "Chartered Financial Analyst (CFA)" is conferred upon the successful completion of the three-part CFA examination.

6.6 INSTITUTE OF ADMINISTRATION AND COMMERCE (IAC)

6.6.1 Overview

The IAC is a professional management institute and an independent examining body. It was established in 1927 and is registered in South Africa as a non-profit organisation. It is incorporated as an Association under Section 21 of the South African Companies Act of 1973, as amended.

The institute maintains a register of member and binds them to a code of ethics and professional conduct. It has four categories of members: (1) Fellow members (FIAC) must have been an IAC member for at least five years, and must have held a senior management position for at least five years. (2) Full members (MIAC) must have at least six years relevant work experience, of which at least one year must have been in a middle management position. (3) Associate members (AIAC) can have fewer than six years' work experience. This category is used for recently qualified diplomates who have been full-time students as well as for university and technikon graduates without working experience. (4) Accounting Officers are members who have completed a degree or diploma with Financial Accounting 3, Income Tax, and Company Law (Corporate Law or Mercantile Law) as mandatory subjects. For this level of membership a candidate must also submit an affidavit verifying that he or she has a minimum of three years' general, practical accounting experience. Total membership in all categories numbers approximately 3 000.

6.6.2 Qualifications

The IAC sets the curricula and examinations for various qualifications in the five main streams of accounting, management, sport management and coaching, local government and office administration. The institute does not provide tuition but candidates can prepare themselves for the examinations by attending part-time classes, full-time classes, through distance learning or through self-study directly from the prescribed text books. The IAC works in collaboration with training institutions and has a list of recommended training institutions.

Examinations are conducted twice a year, in May and October in various centres across the country.

The qualifications are offered at four levels: preliminary certificates, certificates, higher certificates, and diplomas. Preliminary certificates are designed for those who wish to improve their careers through formal studies, but who do not meet the entry requirements for the certificate courses (i.e. people who are under 23 and who have not completed their matric or grade 12). Students who have completed the preliminary certificates are allowed entry onto the IAC certificate courses. Preliminary certificates are offered in the following fields of study: bookkeeping and accountancy, marketing and entrepreneurship, personal assistantship, salesmanship, and supervisory management studies.

The certificates and higher certificates are registered at level 5 of the NQF, and the diplomas at level 6. The qualifications that are particularly relevant to this study are those in cost and management accounting, financial accounting, corporate management (company secretaryship) and office administration.

The preliminary certificates, certificates, higher certificates and diplomas follow directly on each other. Other, equivalent, qualifications are also recognised. The IAC qualifications are recognised by various other professional bodies.

The IAC is currently involved in the development of a learnership in sport administration, but has not yet considered developing learnerships in the financial and administrative fields. It is interested, though.

6.7 INSTITUTE OF CERTIFIED BOOKKEEPERS LIMITED (ICB)

6.7.1 Overview

The ICB was established in 1931 and provides professional membership to bookkeepers in South Africa. The institute offers CPE to its members and has a disciplinary procedure in place to ensure that members do not bring the profession of bookkeepers into disrepute. The ICB is associated with the International Association of Bookkeepers (IAB) and the Institute of Financial Accountants (IFA), both based in the United Kingdom. Through this association their members receive international recognition.

Membership of the institute is available at three levels: certificate of membership (CICB) (after the first-level examinations have been passed), associate membership

(AICB) (after the second-level examinations) and fellow membership (FICB) (after the third-level examinations).

6.7.2 Qualifications

The ICB offers three qualifications that have been registered on the NQF and are directly linked to the membership levels: (1) The Certificate for Registered Accounting Clerk has been registered at NQF level 3 and is a prerequisite for the certificate level of membership. (2) The Certificate for Registered Bookkeeper has been registered at NQF level 4 and leads to associate membership. (3) The Diploma for Registered Accounting Technician has been registered at NQF level 5 and gives access to fellow membership of the institute.

The ICB also offers the following certificates: Certificate in Practical Bookkeeping, Certificate in Practical Bookkeeping and Accounting, Advanced Certificate in Practical Bookkeeping and Accounting, Certificate in Computerised Bookkeeping, Advanced Certificate in Computerised Bookkeeping and Accounting, Certificate in Small Business Financial Management, and Certificate in Payroll Administration.

The three qualifications that had been registered on the NQF naturally follow on each other. The Certificate for Registered Accounting Clerk is equivalent to the International Association of Book-keepers' Level 2 Certificate in Book-keeping.

6.7.3 Learnerships

The ICB is involved in two learnerships: The Registered Accounting Clerk learnership, which leads to the Certificate for Registered Accounting Clerk, and the Registered Bookkeeper learnership which leads to the Certificate for Registered Bookkeeper.

6.8 INSTITUTE OF COMMERCIAL AND FINANCIAL ACCOUNTANTS OF SOUTH AFRICA (CFA)

6.8.1 Background

The CFA was established in 1982, with a view to providing accounting support staff in commerce and industry with their own professional body. The institute accepts trainees with three-year university degrees or technikon diplomas. Membership of the institute has grown rapidly, particularly with the recognition of its members to act as Accounting Officers in terms of the 1984 Close Corporations Act.

The CFA's membership stands at approximately 5 100, making it the second largest accounting body in South Africa. It was admitted as a full member of the International Federation of Accountants (IFAC) in 1995. Its members are recognised as providing a wide range of services, though they do not perform the attest function.

The CFA has two classes of membership, namely Commercial and Financial Accountant: Public Practice, and Commercial and Financial Accountant: Commerce and Industry. Membership is granted after completion of an approved BCom degree or technikon diploma and three years of practical experience under the supervision of a qualified accountant (CFA(SA), ACCA, CIMA or SAICA member). The theoretical training can be done before the practical work, or part time, or through distance education together with the practical experience.

6.8.2 Qualifications

The two CFA designations are registered on the NQF as qualifications at Level 7.

A person can move from the Commerce and Industry Specialism to the Public Practice Specialism by means of a Professional Evaluation (PE). A PE is a detailed statement of practical experience.

Articles completed at SAICA are recognised. Practical experience gained at ACCA and CIMA is also recognised, but the candidate has to undergo a PE.

6.8.3 Learnerships

The CFA has two learnerships registered with Fasset. The two learnerships lead to the qualifications cited above. The CFA would very much like to develop a third learnership for accounting technicians.

6.9 THE FINANCIAL PLANNING INSTITUTE (FPI)

6.9.1 Overview

The Financial Planning Institute (FPI) is an independent representative body of professional financial planners. The organisation, which has approximately 8 000 members, strives to ensure that South Africans have access to, and value, competent financial planning.

The institute confers three professional designations. To attain a professional designation, appropriate qualifications and practical experience requirements need to be met, in addition to the "fit and proper" requirements specified by the FAIS Act. The following educational and experience requirements apply:

Certified Financial Planner (CFP): A candidate must have passed the postgraduate Diploma in Financial Planning (registered on NQF level 7), currently only issued by the University of the Free State, and have at least three years' practical experience in providing financial advice or doing financial planning.

Associate Financial Planner (AFP): A candidate must have passed the equivalent academic level of a bachelor's degree (NQF level 6) through a range of approved qualifications in financial advice and planning, and have at least two years' relevant practical experience.

Registered Financial Planner RFP: The requirements for this designation are a post-school academic level (NQF level 5), through a range of qualifications in financial advice, and at least one year of relevant practical experience.

6.9.2 Qualifications

The FPI issues certificates at the three levels of membership. Although these certificates are linked to qualifications on the NQF, they are not registered as qualifications themselves. Certification examinations are set by the FPI and are administered by the University of the Free State.

6.9.3 Learnerships

Although the FPI sees the need for learnerships in financial planning, there are no such learnerships in development yet.

6.10 GLOBAL ACCOUNTING PROFICIENCY (GAP)

6.10.1 Background

The organisation Global Accounting Proficiency was previously known as The Association for the Education and Training of Accountants (AETA). The organisation is a "not for profit" organisation established for the purpose of furthering competence-based education and training programmes for accountants and related professions in South Africa. The association was set up in 1995 as the awarding body for the

Competence Based Education and Training (CBET) programme for accounting technicians in South Africa.

The objectives of the association are:

- to offer, facilitate, co-ordinate and administer competence-based education and training programmes for accountants and related professions in South Africa;
- to conduct research into education and training with a view to improving the quality and cost effectiveness of programmes offered; and
- to ensure that programmes that are run are accredited in terms of the South African Qualifications Authority Act and recognised by bodies and institutes involved in education and training.

Members of GAP include accounting bodies, corporate bodies, providers of education and training, public sector bodies and other bodies and corporations interested in the education and training of accountants. The current membership comprises:

Institutional members:

- CFA (Institute of Commercial and Financial Accountants)
- CIMA (Chartered Institute of Management Accountants)
- ICB (Institute of Certified Bookkeepers)
- ICSA (South African Institute of Chartered Secretaries and Administrators)
- SAICA (South African Institute of Chartered Accountants)
- ACCA (Association of Chartered Certified Accountants)
- IPFA (Institute of Public Finance and Auditing)

Corporate members:

Denel, Anglo American Corporation, Eskom, Impala, Norwich Life, SABC Sasol, Iscor, Ingwe Samancor, Engen and SAPPI.

6.10.2 Qualifications and Learnerships

GAP offers a Unit Standards-based Accounting Technician qualification that is registered with SAQA at NQF level 5. It is also a learnership registered with Fasset. Apart from the Accounting Technician programme GAP also offers shorter programmes that lead to the following certificates:

- Cashbook Clerk Certificate
- Debtors/Creditors Clerk Certificate
- Certificate in Credit Control
- Certificate in Payroll Accounting
- Certificate in Financial Accounting
- Certificate in Internal Auditing
- Certificate in Cost & Management Accounting

6.11 INSTITUTE OF INTERNAL AUDITORS SOUTH AFRICA (IIA-SA)

6.11.1 Background

IIA-SA is an affiliate of the international professional body the Institute of Internal Auditors Inc. (IIA-Inc) as a national institute and is a member of the Southern Africa Region. In more than 100 countries IIA Inc has 72 000 members specialising in internal auditing, governance and internal control, IT audit, education and security. IIA-SA is an association incorporated as a not for profit organisation under Section 21 of the Companies Act.

IIA-SA represents the profession and comments on issues affecting the profession, responds to the needs of auditing practitioners in South Africa, and forms alliances in the best interests of the internal audit community. The organisation also promotes the interests of the South African internal auditing community through its participation in business and governmental and educational organisations. Important developments

and technical innovations, which impact on the internal auditing profession, are brought to the attention of internal auditors.

The institute has grown rapidly over the last year and currently has a total membership of approximately 2 500. Membership is open to anybody who has an interest in the field of internal auditing. Members are bound to a code of ethics.

Designations are specifically applied for (i.e. they are not a prerequisite for membership) and fall into three categories. The designation Internal Audit Technician (IAT) is awarded if a person has completed two years of relevant academic study and has two years' relevant experience. To become a General Internal Auditor (GIA) a person must have completed three years of relevant academic study and have gained three years of relevant experience. The designation Certified Internal Auditor (CIA) is awarded after the international CIA examination has been passed. The requirement for access to the CIA examination is a completed three-year qualification plus three years' relevant experience, or an honours degree and two years relevant experience.

6.11.2 Qualifications

The three designations of the IIA-SA have been registered with SAQA as qualifications. Their specific names on the NLRD are: Diploma: Technician: Internal Auditing (level 6); Post-graduate Diploma: Certified Internal Auditing (level 7); and Post-graduate Diploma: General Internal Auditing (level 7).

At the moment the IIA-SA has an extensive "grandfathering" process in place to assess the competencies of people for the IAT and GIA qualifications. A large number of qualifications and learning achievements from various fields are recognised.

The IAT and GIA qualifications do not provide access to the CIA examination – only candidates with degrees are allowed to sit this examination.

6.11.3 Learnerships

The IIA-SA has registered a learnership for internal audit technicians with the Bankseta. This learnership is currently in a pilot phase.

6.12 INSTITUTE OF MANAGEMENT CONSULTANTS OF SOUTH AFRICA (IMCSA)

6.12.1 Background

The IMCSA is a professional body with a current membership of approximately 200. The organisation aims to promote the professionalism of management consultant practitioners through certification, education and training, and the maintenance of a code of professional conduct and disciplinary procedures. The institute focuses its activities on the professional needs of its members and these activities include meetings, seminars, conferences and workshops and other networking opportunities, engagement in discussions with government on issues relevant to the management consulting industry, and the distribution of a monthly newsletter.

The IMCSA is a member of the International Council of Management Consulting Institutes (ICMCI) – an organisation with 40 institutional members and an estimated 35 000 individual members.

Membership of the institute falls into three categories. Associate membership is available to people who are interested in the field of management consulting. Membership can be obtained by practitioners who are active as management consultants, while the designation of Certified Management Consultant can only be obtained by people who have a minimum of eight years' management experience or a postgraduate qualification and a minimum of three years' management consulting experience. Applicants for the designation also need appropriate references. Minimum amounts of time spent in practice as well as in CPE are requirements for retaining the designation of Certified Management Consultant.

The international body has an examination that provides certification for the designation of Certified Management Consultant. At the moment the IMCSA does not administer the examination. The designation is conferred upon a successful certification process.

6.12.2 Learnerships

There are currently two learnerships for management consultants being developed under the auspices of Fasset - one at NQF level 6 and one at level 7. IMCSA was initially involved in this process and applied to administer the learnerships as an agent

ETQA for Fasset. Their application has been rejected on the basis of their lack of capacity. At this stage the organisation is very critical of the two learnerships and is of the opinion that the learnerships will not address the needs in the market. A particular concern is that the structure of the workplace component of the learnership is too rigid to accommodate market needs.

6.13 INSTITUTE FOR PUBLIC FINANCE AND AUDITING (IPFA)

6.13.1 Background

IPFA was established as a professional body to improve financial management throughout government by providing a professional “home” for officials involved in the finance arena. IPFA’s members include practitioners in public finance, financial management, internal auditing, external auditing, supply chain management, and taxation in the South African government.

The organisation was established with the objective of setting standards of performance, offering recognised designations, and setting standards for training.

6.13.2 Qualifications

The organisation has four tiers of membership, which are linked to the four designations conferred by the institute. Each of the designations is, in turn, linked to a Unit Standards-based qualification that has been submitted to SAQA for registration at NQF levels 4, 5, 7 and 8. The designations and their equivalent qualifications are summarised in Table 6.1.

Table 6.1 IPFA designations and qualifications

IPFA TIER	IPFA DESIGNATIONS	QUALIFICATIONS	NQF LEVEL
1	Registered Public Sector Financial Officer and other specialist designations	Master of Commerce: Financial Management	8
2	Registered Public Sector General Accountant	Bachelor of Commerce: Public Sector Accounting	7
3	Registered Public Sector Accounting Technician	Diploma: Public Sector Accounting	5
4	Registered Public Sector Accounts Administrator	Certificate: Public Sector Accounting	4

During the interim phase of the implementation of the tiered membership structure, special membership admission arrangements, known as “grandfathering” applies.

In formulating the process for the grand-fathering of tiers 1 and 2, the IPFA Council determined that admission would be by means of the successful completion of a case study assessment. The criteria for eligibility to take the assessment are as follows:

Registered Public Sector Financial Officer (tier 1):

- Full membership of SAICA, ACCA or CIMA plus three years’ experience in a management position in a financial environment in the public sector; or
- A postgraduate degree in accounting, auditing, financial management, business administration or public administration plus three years’ experience in a management position in a financial environment in the public sector; or
- Acceptance at the discretion of the Council (of IPFA) of a satisfactory portfolio of achievement.

Registered Public Sector General Accountant (tier 2):

- A three-year degree or equivalent, with a major in accounting, plus three years’ experience in a management position in a financial environment in the public sector; or
- Acceptance at the discretion of the Council of a satisfactory portfolio of achievement.

The requirements for the admission of members during grandfathering to third and fourth tiers are as follows:

Registered Public Sector Accounting Technician (tier 3):

In this tier there are three categories of achievement that are recognised: Formal qualifications, non relevant qualifications or non-formal (experience) qualifications

Formal qualifications

- Any B degree with a minimum of Accounting 2; or
- National Diploma with a minimum of Accounting 1 plus Government Accounting 3 plus
- four years’ experience in a finance environment.

Non-relevant qualifications

- A “non-relevant” degree plus rank of State Accountant (or equivalent) or higher plus seven years’ experience in a finance environment, three of which must be as a State Accountant.

Non-formal qualifications

- Rank of State Accountant (or equivalent) or higher plus at least ten years’ experience in a finance environment, three of which must be as a State Accountant.

Registered Public Sector Accounts Administrator (tier 4)

General Education Certificate or equivalent plus two years’ experience in a finance environment, signed off by a State Accountant or equivalent.

6.13.3 Learnerships

IPFA has registered two learnerships which lead respectively to the Certificate and Diploma in Public Sector Accounting (i.e. NQF level 4 and 5 qualifications). The learnerships therefore also provide access to membership to the Institute at Accounts Administrator (Certificate) and Accounting Technician (Diploma) levels respectively.

In the research process IPFA indicated that they are not currently considering the top two tiers for learnerships. The implementation of the first two learnerships is a priority. Learnerships for the other two tiers may be considered at a later stage.

6.14 SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS (SAICA)

6.14.1 Background

SAICA is a professional body whose function it is to service the needs of its members and associates, as well as to create and maintain standards within the accounting profession. SAICA's mission is to promote, protect and maintain the interests of members and associates and enhance the integrity, relevance and standing of the institute and its members and associates for the benefit of the members, associates and the community.

6.14.2 Qualifications and learnerships

SAICA is the custodian of the Chartered Accountant (CA(SA)), Associate General Accountant (AGA(SA)) and Associate Accounting Technician (AAT(SA)) designations,

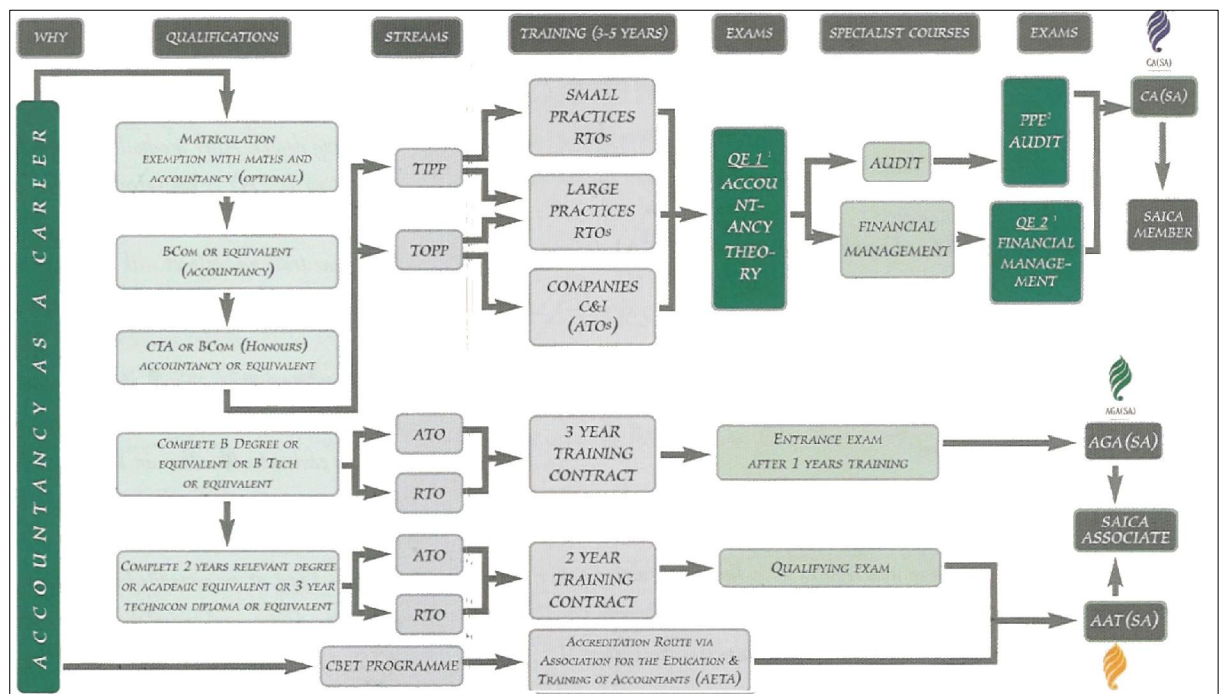
and a person who wishes to use these designations, has to be a member or associate of SAICA. These designations have also been registered with SAQA as qualifications. SAICA is registered with SAQA as an Education and Training Quality Assurance Authority (ETQA) and determines the requirements for the qualifications, sets standards for education and training, accredits training institutions that offer training towards these qualifications and administers the qualifying examinations.

To use the designation Chartered Accountant (CA(SA)) a person requires a tertiary qualification at honours level in Accounting, obtained at an accredited university or technikon. In addition to this qualification the person must complete a three-year learnership with an accredited workplace training provider, including a specialism course in either Financial Management or Auditing and must successfully complete parts 1 and 2 of the qualifying exams of SAICA.

The designation Associate General Accountant (AGA(SA)) requires a tertiary qualification in Accounting, obtained at an accredited university or technikon. In addition to this qualification the person must complete a three-year learnership with an accredited workplace training provider, and must pass the qualifying exam of SAICA.

The requirements for the designation Associate Accounting Technician (AAT(SA)) are: a Diploma in Accounting obtained at an accredited tertiary institution, a two-year learnership within an accredited workplace training provider and the successful completion of the Competency Examination specified by SAICA.

The SAICA qualifications and the pathways that can be followed to each of them are illustrated in Figure 6.1.

Figure 6.1 Pathways to SAICA qualifications

Source: SAICA Brochure

As the figure indicates, all three qualification levels can be reached through Training Inside Public Practice (TIPP) or Training Outside Public Practice (TOPP) programmes. If the TIPP route is followed, training takes place at a firm of registered accountants and auditors or in the public sector (including the Office of the Auditor-General). The TOPP route provides training at an approved organisation in commerce and industry or in a firm in public practice. In the TIPP programme practical training takes place in a Registered Training Office (RTO) and in the TOPP programme training is provided by an Approved Training Office (ATO).

6.15 SOUTH AFRICAN INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS (ICSA)

6.15.1 Background

ICSA is an international professional body that aims to promote best practice in the areas of corporate governance and administration. It is also the professional body for company secretaries and corporate administrators. Members occupy senior positions in the private and public business sectors or act as professional consultants. They have

practical competence in accounting, company secretaryship, taxation and corporate governance, and general management and business administration.

ICSA includes the Institute of Business Studies (IBS) and the Chartered Institute of Business Management (CIBM).

Apart from its role as an education and examination body, the institute provides its members with technical advice on local and international legislative and regulatory requirements and developments, newsletters and information on developments in the particular professional field, group discussions and networking opportunities, and standards and guidelines with regard to professional and ethical conduct.

Total membership of the institute is approximately 3 400. Student members number approximately 3 500.

6.15.2 Qualifications and learnerships

The Institute of Business Studies offers two qualifications, a Diploma and a Higher Diploma in Business Studies. These two qualifications are registered with SAQA as certificates in business administration at levels 3 and 4 of the NQF. The level 4 qualification is recognised by the institute as equivalent to a Senior Certificate and enables students to enrol for the CIS qualification. The IBS qualifications are specifically aimed at bringing grassroots business education of a unified and an acceptable standard (for employers) within reach of people who have no formal qualifications. The level 4 certificate is also accepted by other professional bodies, for example ACCA, CIMA and the IAC, as entrance qualifications to their courses. The IBS courses have both been registered as learnerships with Fasset.

The CIS is an internationally recognised qualification that is available through the CIBM. It currently consists of 16 subjects that can be taken in any sequence. ICSA is, however, in the process of redesigning the curriculum with a view to developing a study path consisting of four levels with exit qualifications attached to each of them. The first three exit levels will be pegged at NQF level 5 and the fourth (which will lead to the New International Qualifying Scheme (IQS)) at level 6. The proposed new levels are called Affiliate CIBM (conferred after completion of the first five subjects), Licentiate CIBM (after completion of next four subjects), Associate CIBM (after

completion of the next five subjects) and CIS (or new International Qualifying Scheme (IQS) (after completion of the last four subjects). The new scheme makes provision for recognition of prior learning (qualifications and workplace learning) up to the Associate CIBM level. The last four subjects have to be written and passed before a person can become a Fellow CIBM or Graduate member of ICSA. .

When a person has passed the required examinations he or she does not yet hold a CIS qualification. The CIS qualification is conferred only when a graduate applies for GRAD-ICSA membership, and this is conferred if an applicant is in good standing (i.e. has no criminal or any other malfeasance record).

Many of the universities in South Africa recognise the CIS qualification and allow students who wish to become chartered accountants to continue with the Certificate in the Theory of Accounting (CTA) after a one-year bridging course.

ICSA is in the process of developing three learnerships linked to the first three qualifications in their new scheme. The finalisation of the learnerships is still pending.

6.16 SOUTH AFRICAN INSTITUTE OF FINANCIAL MARKETS (SAIFM)

The SAIFM is a professional body that aims at the professionalisation of practitioners involved in the financial markets and maintaining and improving the standards of South Africa's financial markets. To this end the institute has developed a code of conduct for its members and is actively involved in the provision of education and training to its members.

Three categories of membership of the institute are available: Associate membership is available to all persons registered for RPE. Full membership is obtained once the RPE is passed. Fellowship of the institute is a prestigious award dependent on a host of minimum requirements and recognisable contributions to financial markets. Prospective fellows of the institute also have to be nominated by an existing fellow. The institute has approximately 300 members.

As is the case with most of the other professional bodies the SAIFM also provides information and continuing education opportunities to its members. It also provides short courses that deal with the content of the RPE.

6.16.1 Qualifications

The institute develops the curricula, distributes the training materials, and administers the examinations of a few qualifications that comply with the JSE's minimum requirements for practitioners performing certain functions. The qualifications offered by the institute are:

- the Registered Persons Exam (RPE)
- the Senior Dealer Financial Exam
- the Financial Derivatives Rules Exam and
- the Agricultural Products Division Exam.

The SAIFM has never been involved with learnerships and, at this stage, is not eager to take on the responsibilities associated with learnerships.

6.17 SOUTHERN AFRICAN INSTITUTE OF GOVERNMENT AUDITORS (SAIGA)

6.17.1 Background

The Southern African Institute of Government Auditors is an association that promotes its members' interests by focusing on the advancement of the disciplines of accounting and auditing.

The institute administers a register of members who are entitled to the designation of Registered Government Auditor (RGA). In order to become a RGA, a candidate has to obtain a four-year business orientated degree/diploma (obtaining certain prescribed subjects), serve four years of practical training in the public audit arena and pass the National Qualifying Examination for Registered Government Auditors (RGA-QE). Currently the institute has approximately 350 members who hold the title of Registered Government Auditor. The organisation also allows corporate membership. Approximately 1 000 auditors are members through association with corporate members.

6.17.2 Qualifications and learnerships

The RGA qualification has been registered with SAQA as a qualification at level 7 of the NQF. (At the moment it is registered on the NLRD as Certificate: Government Auditing.) The RGA entry requirements consist of three phases:

1) Formal education at a tertiary institution

This includes a four-year business orientated degree or diploma which, at a minimum, should be made up of the following components:

- Financial Accounting (three full years or six semesters)
- Auditing (two full years) – excluding internal auditing
- Management Accounting (two full years)
- Taxation (one full year)
- Computer Information Systems (one full year)
- Commercial Law (one full year)
- Statistics (one full year).

2) Practical experience in public sector auditing

A total of four years' practical experience in the public audit arena is required. This practical experience has to be certified by the Auditor-General.

3) Qualifying examination for the RGA

After completion of phases 1 and 2 the qualifying exam, which is set by the Examination Board of SAIGA, has to be written and passed (the pass mark is 50 %).

The total programme is based on a detailed set of outcomes developed by SAIGA.

Despite the fact that the RGA is structured according to specific outcomes, including institutional as well as structured workplace training, it has not been converted to a learnership. Although SAIGA does not see the need to change the RGA into a learnership, a representative stated in the research interview that there is a need for special support for a large number of the employees in the office of the Auditor-General who need to pass the RGA examinations, but struggle to do so.

6.18 CONCLUSIONS

From the discussion in this chapter it is clear that professional bodies represent a substantial number of the professional and technical staff employed in the sector and that they play a central role in the structuring of qualifications. Many of the professional bodies are affiliated to international organisations. This brings with it international standards in education and training and international recognition for our

professionals. Most of the professional bodies have also linked into the South African National Qualifications Framework and have sought registration of their qualifications with SAQA. The roles that the various bodies play in terms of education and training differ, however. In Table 6.2 some of these roles are summarised in order to highlight similarities and differences.

Table 6.2 The role of professional bodies in relation to education and training

Professional body	Role in education and training						
	Setting of standards	Development of curricula	Provision of training	Accreditation of training institutions	Setting of examinations	Administration of examinations	Awarding of qualifications
ACCA	x	x	x	x	x	x	x
ADRA							
CIMA	x	x	x	x	x	x	x
IAC	x	x			x	x	x
ICB	x	x		x	x	x	x
FPI	x				x		x
GAP	x	x		x	x	x	x
IIA SA	x				x	x	x
IMCSA	x						
IPFA	x	x	x	x	x	x	x
SAICA	x	x		x	x	x	x
SAIFM	x	x	x		x	x	x
ICSA	x	x		x	x	x	x
SAIGA	x	x			x	x	x

In terms of learnerships the professional bodies provide a wealth of subject-matter expertise that enables them to handle the quality assurance of learnerships on behalf of Fasset. They also offer a solid infrastructure for the management of learnerships and, indeed, the majority of learnerships registered with Fasset are administered by professional bodies.

With the exception of a few professional bodies that are still in the process of developing learnerships, or that still want to do so, it seems as if the sector is slowly approaching a saturation point where most of the professional and technical learnerships that can be linked to professional bodies are available. The exceptions are ICSA, that is still in the process of developing their three learnerships; IAC that is

interested in the development of learnerships but has not started in the financial field (it is currently involved with a learnership in sports administration); and CFA that wants to develop an accounting technician learnership.

Areas that may still lend themselves to learnerships once the professional bodies are ready for this development are: the IIA-SA's General and Certified Internal Auditing Levels, IPFA's levels 7 and 8 qualifications, and ICSA's CIS. SAIGA's RGA qualification already contains most of the elements of a learnership. The organisation does not, however, consider converting the RGA into a learnership at this stage.

Table 6.3 Qualifications and designations conferred by professional bodies

Professional body	Qualification	Link with designation	NQF level	Learnership
ACCA	ACCA	ACCA - Designation is registered as qualification	7	Yes
ACCA	Certified Accounting Technician (CAT)	None	5	Yes
CIMA	Certificate in Business Accounting	None	5	Yes
CIMA	Diploma in Management Accounting	None	6	Yes
CIMA	Chartered Management Accounting	ACMA - Associate Membership	7	Yes
GAP	Accounting Technician	None	5	Yes
IAC	Certificates in Management	None	5	No
IAC	Higher Certificates in Management	None	5	No
IAC	Diplomas in Management	AIAC - Associate Membership	6	No
ICB	Certificate for Registered Accounting Clerk	Certificate Member (CICB)	3	Yes
ICB	Certificate for Registered Bookkeeper	Associate Member (AICB)	4	Yes
ICB	Diploma for Registered Accounting Technician	Fellow Member (FICB)	5	No
IIA-SA	Diploma: Technician: Internal Auditing	Internal Audit Technician (IAT)	6	Yes
IIA-SA	Post Graduate Diploma: General Internal Auditing	General Internal Auditor	7	No
IIA-SA	Post Graduate Diploma: Certified Internal Auditing	Certified Internal Auditor	7	No
IPFA	Master of Commerce: Financial Management	Registered Public Sector Financial Officer and other specialist designations	8	No
IPFA	Bachelor of Commerce: Public Sector Accounting	Registered Public Sector General Accountant	7	No
IPFA	Diploma: Public Sector Accounting	Registered Public Sector Accounting Technician	5	Yes

Professional body	Qualification	Link with designation	NQF level	Learnership
IPFA	Certificate: Public Sector Accounting	Registered Public Sector Accounts Administrator	4	Yes
SAICA	Chartered Accountant: Auditing	Member of SAICA	7	Yes
SAICA	Chartered Accountant: Financial Management	Member of SAICA	7	Yes
SAICA	Associate General Accountant		6	Yes
SAICA	Associate Accounting Technician		5	Yes
ICSA (IBS)	Certificate in Business Administration (Level 3)		3	Yes
ICSA (IBS)	Certificate in Business Administration (Level 4)	Technician (CIBM)	4	Yes
ICSA (CIBM)	Affiliate CIBM	Affiliate CIBM	5	Under development
ICSA (CIBM)	Licentiate CIBM	Licentiate CIBM	5	Under development
ICSA (CIBM)	Associate CIBM	Associate CIBM	5	Under development
ICSA (CIBM)	CIS/IQS	CIS/IQS	6	No
SAIGA	Certificate: Government Auditing	Registered Government Auditor (RGA)	7	No

7

CONCLUSIONS AND RECOMMENDATIONS

7.1 THE RESEARCH PROCESS

This project was undertaken with the main aim of identifying areas in which learnerships need to be developed. This was done through an assessment of the potential demand for learnerships, the current supply of learnerships, and the training programmes that may fulfil the identified needs.

The assessment of the potential demand involved an analysis of employers' needs, the needs and opinions expressed by the professional bodies active in the sector, and the opinions of training institutions that provide training in the area in which potential needs were identified.

7.1.1 Employer survey

From the outset it was suspected that employers (especially those in small organisations) would have limited knowledge of learnerships and would therefore find it difficult to comment on the need for new learnerships. This had an influence on the design of this research project. The decision was made to focus on the larger organisations in the sector because they are at this stage the best potential providers of learnerships. Micro enterprises (those with five or fewer employees) were excluded. A random selection of medium-sized organisations was included.

The anticipated level of uncertainty and lack of knowledge regarding learnerships indeed proved to be true – not only of employers, but also of training institutions. It also transpired that many respondents still do not have a complete understanding of the functions of SETAs, the role of professional bodies in skills development and the different components of the skills development legislation and how these fit together. The result was that a large amount of time was taken up by explanations and the

clarification of issues. It also resulted in somewhat unrealistic answers from respondents that, in turn, necessitated careful interpretation of the information collected through the employer survey.

In a few instances micro enterprises were accidentally included (e.g. because their organisation size was incorrectly indicated on the database). All of these enterprises either declined to participate in the study or indicated that they did not see themselves as suitable for the training of learners because of their limited capacity.

Despite the fact that the respondent group cannot be seen as representative of the sector in the statistical sense of the word, it employees 34 000 people – approximately a third of the employees in the sector. The learnership needs represented in this report can, therefore, be seen as a fair reflection of the learnership needs experienced in the sector at present.

7.1.2 Professional bodies

The professional bodies that participated in this study were most helpful in the provision of information and material on education and training in and for the sector. Generally, the professional body involvement in the sector consists of an intricate set of membership classes and requirements, professional designations, qualifications and training courses. These were unravelled in order that linkages could be found between employer needs and existing qualifications available through the professional bodies. Another reason for the analysis of existing courses and qualifications was to assess which of them have already been converted into learnerships and which ones may still be converted in future.

This part of the research process was influenced to an extent by the many changes that were taking place within the professional bodies at the time. Most of the bodies were at some point along the road to revising their membership classes and requirements, aligning their qualifications to the NQF, restructuring curricula, or structuring qualifications and workplace requirements into learnerships. The information presented in this report provides at best a “snapshot” view in time.

7.1.3 Training institutions

Training institutions were selected on the basis of courses and qualifications that seemed to match the learnership needs identified in the project. As could be expected, numerous training courses are on offer in the private and public training sectors. From the large amount of information collected, courses that provide the closest matches to the training needs were selected for presentation in the report. Preference was also given to courses that have already been aligned to the NQF.

Contact with the training institutions did not always occur as initially planned (i.e. through relatively structured interviews). Much of the information required from the training institutions was gathered from their websites, which method proved to be more useful than the interviews as none of the individuals contacted had all the information needed at hand.

The willingness of institutions to participate in the study varied. Some were very eager to participate and to get involved with the development of learnerships. Others (especially private training providers) were reluctant to share too much of their course content because they view it as their intellectual property. A few expressed their frustration with the fact that the development of learnerships is such a slow and intricate process.

7.2 LEARNERSHIP MODELS

Although there are broad guidelines for learnerships set out in the Skills Development Act, in practice there are subtle differences between learnership models in operation in South Africa. The co-existence of these different models to some extent contributes to the confusion around the concept of learnerships. On the other hand, they allow for flexibility in the construction of new learnerships.

The most important differences occur in the way in which qualifications are incorporated into learnerships. This, in turn, is linked to the fact that SAQA registers Unit Standard based as well as whole qualifications. Roughly speaking, the following two models can be distinguished:

1) The learnership represents the total learning path leading to the qualification. That means that workplace training is an integral part of the qualification itself and there is no way to obtain the qualification other than through the learnership.

2) The learnership is built around an existing qualification. That means that the learnership prepares the learner for a particular qualification, but that other learners who are not on registered learnerships can also prepare themselves and be assessed for the same qualification. The learnership is thus not the only route to the qualification.

Learnerships also differ in terms of the way in which institutional and workplace learning are structured. In some instances learners are obliged to attend training courses at accredited training institutions. In others the learning material is available and learners have the option of either attending classes or working through the required material in their own time and at their own pace.

The new learnerships that are recommended can, in most instances, be developed around existing qualifications. The exception is the learnership in debt collection for which there is no suitable qualification. Ideally, a learnership should be as accessible and flexible as it possibly can be in order to enhance learner and employer choice and ultimately to increase the uptake of the learnership. Although a single qualification needs to be selected for each learnership, accessibility and flexibility may be enhanced by a process of recognition of other qualifications.

7.3 RECOGNITION OF PRIOR LEARNING AND ACCESS TO AND ARTICULATION BETWEEN QUALIFICATIONS

In Fasset's sector there are various entry routes available to people with no or very few formal qualifications. These include the Certificate in Business Administration of the IBS; the IAC's Preliminary Certificates in Bookkeeping and Accountancy and for Personal Assistants; the ICB's Certificate for Registered Accounting Clerks, the GAP Accounting Technician learnership and IPFA's Certificate in Public Sector Accounting. All these qualifications give access to higher-level qualifications. Theoretically there is thus ample scope for progression from the lowest to the highest ranks in the sector. The fact that most of these entry-level qualifications can be accessed through learnerships that have already been registered with Fasset adds to the "openness" of

the sector. A limitation, however, is that the current learnerships at this level are very focused on bookkeeping and that general clerks and administrators and receptionists and secretaries are not sufficiently catered for. This gap needs to be kept in mind in the development of the new learnerships that are recommended. Given the skills profile of the sector and the needs expressed by employers it does not seem necessary to develop any learnerships at ABET levels.

Most of the professional bodies have elaborate schemes for the recognition of prior learning (RPL). In fact, all the information on these schemes could not be fully incorporated into the report. In most instances workplace learning and institutional learning are considered by the professional bodies. This facilitates the upward and sideways mobility of employees in the sector.

The recognition by professional bodies of one another's qualifications is evidence, to some extent, of the similarities between their qualifications. If the learnerships that have been registered in the sector are evaluated critically, there are some that are very similar. (Of course, they will never be identical.) Owing to the historical development of professional bodies and their influence on the development of qualifications and learnerships, the sector has adopted a system that allows "competing" learnerships. Such a system is in itself not necessarily bad, provided that it does not prohibit access to higher-level qualifications. What is important, though, is the consistency with which the system is applied in the evaluation of applications for the registration of new learnerships.

7.4 THE NEED AND SCOPE FOR THE DEVELOPMENT OF NEW LEARNERSHIPS

The need for new learnerships was viewed from different angles, including the needs expressed by employers, confirmation of those needs by professional bodies and training institutions, the coverage of the different sub-sectors by learnerships, and the distribution of learnerships across the NQF levels.

For various reasons it was not possible to do an exact quantitative analysis of the demand for learnerships. The most important of these reasons is that this project was the first exploration of this particular need. Therefore, it was only possible to record the needs that respondents could think of at the time of the study. It is fairly likely that

respondents had more needs in common than was reflected in their responses, but they did not have access to each others' thinking.

A quantitative analysis of demand was furthermore prohibited by the general lack of knowledge about learnerships and those learnerships available to the sector.

The assessment of the viability of a particular learnership was based on a combination of criteria, including: the number of learners that employers foresaw that they would be able to accommodate; total employment in the occupational category; membership of professional bodies related to that category of employee; and the demand for the courses that are related to that learnership area.

The list of possible new learnerships that emanated from this research process is as follows:

- Learnership(s) in financial markets
- Learnership in financial planning/financial consulting
- Learnership in debt collection
- Learnership(s) in company secretary services
- Learnerships in office administration
- Learnership in criminal and special investigations (financial and taxation fraud).

This list represents a generic account of the specific needs expressed by employers. One of these learnerships – the learnership in financial planning or financial consulting – could fall under the Inseta or the Bankseta as the majority of financial planners are employed in the Insurance and Bank Sectors.

For four of the other learnerships there are already suitable qualifications registered with SAQA. The exception is the learnership in debt collection that will require the development of a new qualification. Some of the content for such a qualification may be borrowed from two adjacent areas: credit management and call centre or contact centre operations. However, the content needs to be adjusted and focused on the specific needs of debt recovery agents. Of all the learnership areas identified, the need for the debt recovery learnership seems the most urgent. Employers in this sector are ready to become involved with the training of learners and ADRA has

already done a large amount of preparatory work on the development of the learnership.

Professional qualifications that may, at some stage, be presented by professional bodies for registration as learnerships include: the CFA's Accounting Technician learnership; ICSA's new level 5 qualifications (Affiliate CIBM, Licentiate CIBM and Associate CIBM) and its CIS; the IIA-SA's General and Certified Internal Auditing Levels; and IPFA's levels 7 and 8 qualifications. None of these seem to be priorities at this stage. The exception is the ICSA level 5 qualifications that may meet the need identified by employers for a learnership in company secretary services.

It is recommended that the new learnership areas identified above be dealt with as follows:

(a) A learnership in financial markets

The development of a learnership in financial markets should be preceded by a workshop with all the parties who indicated an interest in such a learnership. Aspects that need to be discussed include the magnitude of the demand for this learnership (in chapter 3 it was indicated that the signals received regarding the need for this learnership were mixed), the content of such a learnership, linkages with existing qualifications, and the NQF level(s) at which a learnership or learnerships should be pegged.

(b) A learnership in debt collection

The development of this learnership could continue in collaboration with ADRA. Preference needs to be given to the development and registration of Unit Standards and a qualification suitable for this learnership. Meanwhile, the ORT programme could be very useful in providing skills to the sector and a basis from which the learnership development could commence.

(c) A learnership in financial planning

This area may be left until the FPI is ready for the registration of such a learnership.

(d) A learnership in company secretary services

Support to ICSA to finally get their level 5 learnerships registered and implemented may suffice. Further support may be needed in introducing and promoting the learnership in Fasset's sector (see Section 7.9 below).

(e) A learnership in office administration

A workshop with interested parties is recommended before the development of the learnership commences. The focus of such a workshop should be the content of the learnership and the suitability of the existing qualifications.

(f) A learnership in criminal and special investigations (financial and taxation fraud).

This learnership could either be limited to the SARS environment, or it could be designed for a broader audience. Again, a workshop with interested parties may help to clarify these issues.

7.5 OTHER TRAINING NEEDS

Apart from the learnership needs cited above, various other needs emerged from the study. At this stage these do not seem fit for learnerships. In some cases, the demand appears to be too small and, in other cases, needs appear too organisation specific or are already covered by existing learnerships. The total list of other training needs is as follows:

- Management development
- Mentorship development
- Financial management for the public sector
- Management consulting skills
- Financial journalism
- Internal auditing
- Tax services
- Information technology
- Development of lower levels support staff
- Development of compliance officers, economists, human resources consultants and project managers.

Management development may be reconsidered for a possible learnership. Such a learnership will, however, be atypical, as it will involve more senior employees and not the new entrants to the labour market that are the target of most learnerships.

7.6 RISKS ASSOCIATED WITH THE DEVELOPMENT OF NEW LEARNERSHIPS

The largest risk associated with the development of a new learnership is that it will not meet the actual needs of the labour market and, as a consequence, there will not be sufficient uptake of the learnership or learners will not be able to find employment after completion of the learnership. Although the ideal would be to estimate the demand for a particular learnership before embarking on its development, it was impossible to make quantitative estimates with any degree of confidence. It is for this reason that a few workshops need to be held before final decisions regarding the development of the new learnerships are taken (see section 7.4).

The study clearly showed that there is still pervasive ignorance about learnerships in the market. Many employers are not really familiar with the concept, let alone the advantages and incentives associated with learnerships. This is particularly true of the sub-sectors where there is no tradition of training through learnership-type training programmes.

As noted earlier in this report, employers' involvement is the most critical factor in the uptake of learnerships. Institutional training opportunities are, in most instances, abundant but workplace placements for learners are scarce. Thus, for learnerships to take their rightful place in the spectrum of learning opportunities aimed at upgrading the skills of the workforce and for learnerships to influence the development and absorption of new entrants into the labour market, the concept has to be strongly promoted among employers. Ways in which to do this are discussed below as part of a learnership support strategy.

7.7 PROMOTION OF LEARNERSHIPS IN SMALL BUSINESSES

A particular challenge facing Fasset is to promote learnerships in the numerous small businesses that form part of the sector. If this is not done, saturation point will soon be reached and no new learnership opportunities will be created. At this stage it seems as if the capacity of micro businesses with five or fewer employees is too limited for learnerships. The main target group is likely to be, instead, those businesses that employ between 10 and 50 people.

7.8 CROSS-SECTORAL TRAINING NEEDS

Skills development in the sector served by Fasset cannot be dissociated from the need for and formation of financial skills in the rest of the economy. In fact, there is ample evidence that the sector is a provider of skills for the rest of the economy. Many of the learnerships that are registered with Fasset are also aimed at the development of financial professionals outside Fasset's sector.

The promotion of financial learnerships in all sectors of the economy is essential for the development of a broad base of financial skills to meet the growing need for these skills in the country. In the long run, such interventions may also benefit Fasset's sector as they will curb the outflow of skilled personnel from the sector.

Despite their importance in other sectors, financial professionals form only small components of the workforces served by other SETAs. It is unlikely, therefore, that these SETAs will make a concerted effort to support financial learnerships. Fasset, on the other hand, is ideally placed to do so. However, Fasset's support for learnerships outside its own sector may be questioned by employers who are registered with Fasset and pay levies in this sector.

In the research process some of the professional bodies involved with cross-sectoral learnerships reported a certain amount of discomfort with their relationship with Fasset. They were uncertain about Fasset's commitment to the development of financial skills outside its own sector.

In view of the importance of financial skills for the health and growth of the private and public sectors of the South African economy, it is suggested that Fasset seriously considers its position with regard to learnerships (and other skills development interventions) outside its own sector.

7.9 THE DEVELOPMENT OF A LEARNERSHIP SUPPORT SYSTEM

The need for information about learnerships has been mentioned several times in this report. The promotion of learnerships is, however, dependent on more than just information. It is therefore recommended that Fasset continues with and even extends its learnership support activities. The current activities can be tied into a multi-faceted learnership support programme consisting of the following elements:

a) A web-based information system that pulls together, in a **user-friendly format**, all information pertaining to the learnerships registered in the sector. This information system should:

- summarise the main features of each learnership in such a way that employers can evaluate and compare them at a glance;
- provide links to the professional bodies that administer each learnership in order to facilitate contact and provide more detailed information;
- provide information pertaining to other learnerships outside Fasset's sector; and
- provide general information on aspects such as learnership contracts, applying for accreditation as training providers etc.

b) Information seminars for Skills Development Facilitators (SDFs). In view of the large number of new learnerships registered in the recent past it may be useful to use SDF seminars to inform SDFs of the learnerships currently available to the sector. It is important that they have some basic knowledge of the target population, content and requirements of the specific learnerships.

c) A learnership outreach programme, specifically aimed at the involvement of smaller businesses. This may be linked to Fasset's current skills advisory service and will require people who can assist employers in the implementation of learnerships in their organisations by advising them on the most appropriate learnership(s) to choose, acting as a link between the employers and Fasset or the relevant professional body, and handling some of the administrative work associated with learnerships.

d) A learnership advice centre where learners and employers can receive advice on the learnerships that are most appropriate for their particular needs or career plans. Such a centre could also play a role in matching prospective learners and employers. A learnership advice centre does not have to be a new institution. The learnership advice function can be contracted to existing career centres.

It is not foreseen that all aspects of a learnership support programme should be maintained in the long term. The learnership outreach programme may, for example, be limited to a period of two or three years, after which employers will be more informed and comfortable with the learnership concept and will be able to access the

system without assistance. Similarly, SDF seminars could, once a series of these has been presented throughout the country, be limited to one per year for new SDFs.

7.10 CONCLUSION

The need for learnerships reflected in this report represents the needs as they are currently experienced. Learnerships are, however, a relatively new training mode for some components of the sector. For others, they are an old and accepted practice. As learnerships become more entrenched in non-traditional areas, new needs may emerge. New needs may also result from changes in the membership structures of professional bodies.

At this stage the greatest challenge regarding learnerships is to get more organisations (especially smaller ones) involved in the training of young people. Learnerships provide an ideal opportunity to give impetus to the transformation of the sector and should, therefore, be a priority.