



2010/11

ANNUAL REPORT
STRENGTH, GROWTH
AND STABILITY

UMALUSI ANNUAL REPORT

2010/11

UMALUSI



Council for Quality Assurance in
General and Further Education and Training

Acronyms

ABET	Adult Basic Education and Training
AEAA	Association for Educational Assessment in Africa
AET	Adult Education and Training
ANA	Annual National Assessments
AVET	Adult and Vocational Education and Training
CASS	Continuous Assessment
CEO	Chief Executive Officer
CEPD	Centre for Education Policy Development
CHE	Council on Higher Education
CMC	Curriculum Management Committee
CPD	Corporation for Public Deposits
CS	Corporate Services
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
E&A	Evaluation and Accreditation unit
EE	Employment Equity
ERCO	Eksamen Raad vir Christelike Onderwys
ETDP	Education, Training and Development Practitioners
ETS	Educational Testing Services
FET	Further Education and Training
GAAP	Generally Accepted Accounting Practice
GENFETQA	General and Further Education and Training Quality Assurance Act
GET	General Education and Training
GETC	General Education and Training Certificate
GFETQF	General and Further Education and Training Qualifications Framework
GRAP	Generally Recognised Accounting Practice
HE	Higher Education
HEDCOM	Heads of Education Departments Committee
HEQF	Higher Education Qualifications Framework
HESA	Higher Education South Africa
HR	Human Resources
IAEA	International Association for Educational Assessment
ICASS	Internal Continuous Assessment (for NCV)
IEB	Independent Examinations Board
IECS	Integrated Examination Computer System

IPEAC	Inter Provincial Examinations and Assessment Committee
IRT	Item Response Theory
ISAT	Integrated Summative Assessment (for NCV)
IT	Information Technology
MIS	Management Information System
MSS	Management Support Structures unit
NAISA	National Alliance of Independent Schools Associations
NASCA	National Senior Certificate for Adults
NATED	National Technical Education (policy)
NCV	National Certificate Vocational
NEIC	National Examinations Irregularities Committee
NIC	National Independent Certificate
NLRD	National Learner Record Database
NQF	National Qualifications Framework
NSC	National Senior Certificate
OQF	Occupational Qualifications Framework
PALC	Public Adult Learning Centre
PAT	Practical Assessment Tasks
PAYE	Pay As You Earn
PDE	Provincial Department of Education
PFMA	Public Finance Management Act
PR	Public Relations
QAA	Quality Assurance of Assessment unit
QC	Quality Council
QCC	Qualifications, Curriculum and Certification
QCTO	Quality Council for Trades and Occupations
SAQA	South African Qualifications Authority
SBA	Site based assessment
SC	Senior Certificate
SETA	Sector Education and Training Authority
SIR	Statistical Information and Research unit
SITA	State Information Technology Agency
SLA	Service Level Agreement
VET	Vocational Education and Training
WISE	World Innovation Summit for Education
WSP	Workplace Skills Plan

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Dr Sizwe G Mabizela Chairperson of Council

It is a great pleasure to present the Annual Report of Umalusi Council for the 2010/2011 financial year. The year under review has again witnessed an exceptional performance all round – showing both the stability and growth the Council aims for. Umalusi Council has worked arduously on all its strategic goals and has made significant strides in extending and improving its performance. The Council has again received an unqualified audit report, a standard which attests to the high level of financial discipline exhibited by Umalusi over the years.

The Council is required to conduct its business in terms of the PFMA and other legislation. The primary role of Umalusi Council as the governance body and the accounting authority is to ensure that the organisation delivers on its mandate effectively and efficiently by ensuring that the goals and objectives it has set for itself are realised. The Council ensures that there is a vision, clear goals and policies to define the strategic direction of the organisation.

The Council has undertaken the responsibility of oversight of Umalusi as a public entity with a national mandate, with probity and rigour. The Council is grateful for the commitment, integrity, and dynamic and visionary leadership of Dr Mafu Rakometsi, the Chief Executive Officer, and his senior management (Chief Operating Officer and the Chief Financial Officer). The core values of Umalusi Council embrace the principles of good corporate governance, as outlined in the King III report on Corporate Governance for South Africa.

It is the Council's duty to act in good faith and in the best interests of Umalusi through honest and ethical conduct. This has been the hallmark of its practices to date.

In applying minds collectively the Council has been able to ensure good governance and integrity in assuring the quality of general and further education and training.

The Council has defined a strategy, provided direction and established the ethics and values that influence and guide practices and behaviour with regards to sustainability of performance.

Good corporate governance has resulted in the establishment of structures and processes with appropriate checks and balances that have enabled the Council to discharge its legal/fiduciary responsibilities. Risks and opportunities have been identified and managed to ensure integrated performance by living the values and establishing the risk appetite of the organisation. These measures have resulted in a clean record of compliance with its codes of ethics and conduct and adherence to policies and processes as adopted by the Council.

The CEO serves on the Council as an ex – officio member, ensuring that the organisation is managed in accordance with all relevant legislation and with good governance principles, and remains a disciplined and stable organisation, with high levels of accountability.

The Council has chosen "stability and growth" as its theme for this year's report and it is well depicted by the rings of growth seen in old, established trees. Each ring represents another year of the journey into growing Umalusi and its role as the quality assurance body for the general and further education and training sector. Umalusi's roots are deeply embedded in the education and training system and its stability over time has resulted in high levels of credibility in its approaches and practices; and in the qualifications it certifies. Armed with these certificates our young people will grow and spread their own branches within their communities as they achieve their educational goals.

I wish to extend a special word of gratitude and appreciation to all those who serve our nation through the various committees of Umalusi Council. Without their vigilance,

selfless dedication and commitment to service, the achievements recorded in this report would have remained in the realm of dreams. Their generosity of spirit and readiness to serve our nation remain a source of inspiration to all of us.

Umalusi's roots are deeply embedded in the education and training system and its stability over time has resulted in high levels of credibility in its approaches and practices; and in the qualifications it certifies.

Let me record our profound appreciation to the members of the Portfolio Committees on Basic Education and Higher Education & Training. The critical, constructive and incisive engagement with them, the elected representatives of the people, is always productive and beneficial to us. As the law demands that we do, we are happy, to report and account to them.

In conclusion, I wish to reiterate the Council's commitment to ensuring high standards in education and training through effective and efficient governance practices. I wish to extend my gratitude to my fellow members of Council, the CEO Dr Rakometsi, his executive management and Umalusi staff for their unselfish commitment, steadfast dedication and unwavering loyalty to the organisation. I would be remiss if I did not also thank members of the previous Council whose term of office expired on 7 June 2010, for their dedicated service to our nation.



Dr Sizwe G Mabizela
Chairperson of Umalusi Council





Dr Mafu Rakometsi Chief Executive Officer

I am privileged to be part of the 10th Annual Report of Umalusi for the financial year ended 31 March 2011. Umalusi has experienced another fulfilling year, in which it worked hard at meeting its mandate, overcoming challenges, developing new expertise and approaches while also consolidating its position as a Quality Council.

Our theme for this year's annual report is strength and growth. Given the work carried out by Umalusi and its officers and Council, the concentric rings of growth found in established and strong trees is extremely fitting. We have worked tirelessly with many other bodies in education and training to maintain sustained and sturdy growth of standards and quality to the benefit of all learners in South Africa.

The period under review has seen the Minister of Basic Education, Mrs Angie Motshekga, appoint the third Umalusi Council. The Umalusi Council members bring a wealth of knowledge and experience in education and training with Dr Sizwe Mabizela appointed as the Chairperson. Dr Mabizela has previously served as both the Deputy Chairperson of Umalusi Council and Chairperson of the Council's Assessment Standards Committee which has ensured continuity in the work of the Council.

The new Umalusi Council was inaugurated soon after the strategic systemic changes that placed substantial demand on Umalusi, the first of which was the implementation of the National Qualifications Framework (NQF) Act of 2009. This has seen Umalusi Council collaborate more closely with the South African Qualifications Authority (SAQA) and the other Quality Councils (QCs), namely Council on Higher Education (CHE) and Quality Council for Trades and Occupations (QCTO). The CEOs of Umalusi, SAQA and the other QCs have been required to serve on each other's Boards and Councils to ensure collaboration and synergy between the various bodies. Collaboration has also been strengthened by the fora created to facilitate articulation of the NQF,

namely the CEO forum and NQF forum. These structures focused on strategic issues and discussions around the implementation of the NQF Act (no 168 of 2008) which have resulted in a number of major projects under the leadership of SAQA. Umalusi was represented on task teams for Recognition of Prior Learning, Registration and Development of Qualifications, and Criteria for the Recognition of Professional Bodies. These collaborations have however not been without challenges. The creation of the QCTO and the Occupational Qualifications Framework (OQF) have brought about overlaps with Umalusi's legislated mandate and the qualifications on the General and Further Education and Training Qualifications Framework (GFETQF). Many issues remain unresolved.

The second event that continued to impact on the way the Council worked was the establishment of two separate Departments of Education, namely the Department of Basic Education (DBE) and the Department of Higher Education and Training (DHET). Umalusi continued to fulfill its mandate effectively under the two Departments of Education. Regular meetings were held with the two Ministers of Education, the Directors General and quarterly meetings were held with officials of the two departments to report on and coordinate the work between Umalusi and the two Ministries. In the process Umalusi has provided the Ministers with advice on a number of issues; these include advice on the review of the National Certificate Vocational (NCV); inputs and advice on the Curriculum and Assessment Policy Statements (CAPS); as well as advice on the GFETQF. Umalusi sees itself as participating meaningfully in the expansion of Further Education and Training (FET) College programmes and their continued offering of appropriate qualifications. To this end Umalusi developed an alternative matric for adults called the National Senior Certificate for Adults (NASCA); and a new general vocational qualification titled the National Independent Certificate (NIC), both of which were submitted to the Minister of Higher Education and Training for regulation.

We have worked tirelessly with many other bodies in education and training to maintain sustained and sturdy growth of standards and quality to the benefit of all learners in South Africa.

GFETQF was once again submitted to the DHET for regulations. The framework has two clear learning pathways, one for young learners at school (academic) and a second for out of school youth and adults (general vocational), which the Council hopes will be recognised as part of the post schooling system envisioned for South Africa. The qualifications relate and articulate with each other as far as possible but the framework has also made provision for articulation with other frameworks, namely the Higher Education Qualifications Framework and the Occupational Qualifications Framework which has been the primary focus of discussions with the other QCs. GFETQF is informed by the notions that all children and adults are guaranteed basic education under the South African constitution; that general vocational qualifications are as much needed as literacy and numeracy; and that a post-school year (NQF 5) can in some instances be "more like further education than higher education". To that end Umalusi has argued that the false divide between NQF 4, which is the cut-off point for further education, and NQF 5, which is delineated as the start of higher education, should be reconsidered and relocated as a space of mutual trust where all three frameworks come together.

Umalusi is represented on a number of bodies of national importance. The Council has been appointed to a Ministerial Task Team for the review of the NCV; and is regularly represented on the Inter Provincial Examinations and Assessment Committee (IPEAC) and the Heads of Education Departments Committee (HEDCOM) sub-committee for adult and vocational provision.

In 2010 Umalusi began with the DBE to explore ways of adding value to the Annual National Assessments (ANA) with discussions on the standards and quality assurance of these tests continuing.

The Council has maintained a visible presence in the country through different advocacy programmes that have included regular media briefings, visits to Provincial Departments of Education, seminars and various media releases. These initiatives have made Umalusi a household brand and a trusted quality assurance body for general and further education and training in our country.

At the beginning of 2011 Umalusi released the 2010 National Senior Certificate standardisation decisions. This was unprecedented but became necessary when it was clear that many people did not understand Umalusi quality assurance processes, of which standardisation is but one.

These initiatives have made Umalusi a household brand and a trusted quality assurance body for general and further education and training in our country.

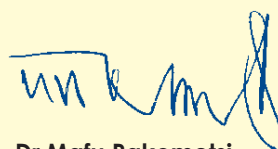
After a 7% increase in the matric results some of the public debates in the media were inaccurate, educationally not sound and factually incorrect. The release of the standardisation decisions reassured the South African public that standardisation was an international practice employed by all assessment bodies and that Umalusi's approaches and practices were tried and tested.

Umalusi continued to have strong international links, participating and making meaningful inputs to the following during 2010/2011:

- The conference hosted by the Association for Educational Assessment in Africa (AEAA), in Abuja, Nigeria.
- The conference hosted by the International Association for Educational Assessment (IAEA), in Bangkok, Thailand.
- The World Innovative Summit for Education (WISE) held Doha, Qatar where about 1,200 opinion leaders and decision makers from around the world came together with educational experts to share their visions and actions through open and insightful discussions.
- International workshop on Benchmarking Assessment Procedures, in Zomba, Malawi.
- 2010 Swaziland General Certificate of Secondary Education Benchmarking exercise, Mbabane, Swaziland.
- 2010 Kenya Certificate of Secondary Education Examinations Standards Setting and Awards meeting, Nairobi, Kenya.
- Botswana Training Authority's 10 Anniversary Celebrations Conference, Gaborone, Botswana.

Umalusi participated in these events with a view to continued benchmarking of its standard setting and quality assurance approaches both within Africa and internationally.

I would like to thank the Chairperson of Umalusi Council, Dr Sizwe Mabizela, the members of Umalusi Council and Umalusi staff for their continued support. Councillors and colleagues went beyond the call of duty to make the 2010/2011 standard setting and quality assurance work a success. In moving forward it is imperative that we continue to consolidate our position as a Quality Council and build and improve on the gains of the previous financial year.

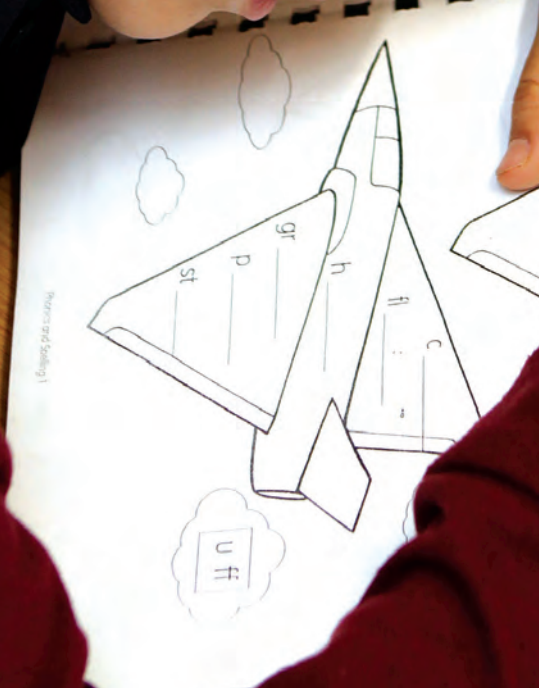


Dr Mafu Rakometsi
Chief Executive Officer

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Corporate Governance Report

The Umalusi Council endorses the principles in the Code of Corporate Practices and Conduct recommended by the King Committee. The Council adopts the principles of openness, integrity and accountability.

The Council operates within the terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999, as amended), and this forms the context for corporate governance in which the Council operates.

The Council

The Council for the period 8 June 2006 to 7 June 2010 consisted of fifteen members and the Chief Executive Officers of the South African Qualifications Authority (SAQA) and

the three Quality Councils (**Table 1**) appointed by the Minister of Education. The Minister also appoints one of the members as Chairperson. The Council is responsible for policy and overall governance, with the day-to-day management delegated to the Chief Executive Officer.

In accordance with the General and Further Education and Training Quality Assurance Act (GENFETQA), 2001 (Act 58 of 2001), the Council is appointed for a period of four years. Council members can be appointed for a second term after public nominations, but cannot serve more than two consecutive terms in office.

Table 1 contains information about the Council members and their attendance for the 2010/2011 period. Their last meeting was on 27 May 2010.

TABLE 1

Name	Date Appointed	Meetings Attended	Gender	Race
Professor JD Volmink (Chairperson)	09-06-2006	1 / 1	Male	Coloured
Dr SG Mabizela (Deputy Chairperson)	09-06-2006	1 / 1	Male	Black
Mr GR Agocs	09-06-2006	1 / 1	Male	White
Ms A Bird	February 2010	0 / 1(*)	Female	White
Mr A Essop	01-05-2010	1 / 1(**)	Male	Indian
Professor M Fourie	09-06-2006	1 / 1	Female	White
Mr SBA Isaacs	01-06-2009	1 / 1(***)	Male	Coloured
Professor HA Louw	07-05-2009	1 / 1	Male	White
Dr MA Makhafola	09-06-2006	1 / 1	Male	Black
Mr HM Mveli	07-05-2009	0 / 1	Male	Black
Ms J Naidoo	09-06-2006	1 / 1	Female	Indian
Mr L Nengovhela	09-06-2006	0 / 1	Male	Black
Dr RA Patel	09-06-2006	1 / 1	Male	Coloured
Mr MQ Potterton	01-11-2009	1 / 1	Male	White
Dr MS Rakometsi	01-01-2009	1 / 1(****)	Male	Black
Dr ZC Sosibo	09-06-2006	1 / 1	Female	Black
Dr PJN Steyn	09-06-2006	1 / 1	Male	White
Professor R Stumpf	01-06-2006	1/1 (*****)	Male	White
Ms PT Tyobeka	01-11-2009	0 / 0	Female	Black
Professor DM Zinn	14-03-2008	1 / 1	Female	Coloured

* Acting Chief Executive Officer of the Quality Council for Trades and Occupations
 ** Chief Executive Officer of the Council on Higher Education
 *** Chief Executive Officer of SAQA
 **** Chief Executive Officer of Umalusi
 ***** Interim Chief Executive Officer of the Council on Higher Education. Resigned on 30 April 2010



Ms L Mlanjana, Professor R Moletsane, Dr MS Rakometsi, Mr A Mocke, Dr SG Mabizela (Chairperson), Mr Sam Isaacs, Professor T Dunne, Mr Ahmed Essop, Ms P Vinjevold, Dr Raymond Patel, Professor D Singh, Dr ZC Sosibo, Professor M Fourie-Malherbe, Professor ND Kgwadi

Council members not represented above: Mr E Mosuwe, Mr SC Ndaba, Ms A Bird, Ms F Dada, Professor DM Zinn

The Minister of Basic Education appointed new Council members for the period 8 June 2010 to 7 June 2014. The present Council consists of 15 members and the Chief Executive Officers of SAQA and the three Quality Councils.

Table 2 contains information about the current Council members and their attendance at meetings since their first meeting on 28 July 2010.

TABLE 2

Name	Date Appointed	Meetings Attended	Gender	Race
Dr SG Mabizela (Chairperson)	08-06-2010	4 / 4	Male	Black
Professor D Singh (Deputy Chairperson)	08-06-2010	3 / 4	Female	Indian
Ms A Bird	08-06-2010	1 / 4	Female	White
Ms F Dada	08-06-2010	3 / 4	Female	Indian
Professor TT Dunne	08-06-2010	2 / 4	Male	White
Mr A Essop	08-06-2010	1 / 4	Male	Indian
Professor M Fourie	08-06-2010	3 / 4	Female	White
Mr SBA Isaacs	08-06-2010	4 / 4(*)	Male	Coloured
Professor ND Kgwadi	08-06-2010	4 / 4	Male	Black
Ms L Mlanjana	08-06-2010	3 / 4	Female	Black
Mr A Mocke	08-06-2010	4 / 4	Male	White
Professor R Moletsane	08-06-2010	1 / 4	Female	Black
Mr E Mosuwe	08-06-2010	3 / 4	Male	Black
Mr CS Ndaba	08-06-2010	4 / 4	Male	Black
Dr RA Patel	08-06-2010	3 / 4	Male	Coloured
Dr MS Rakometsi	08-06-2010	4 / 4	Male	Black
Dr ZC Sosibo	08-06-2010	3 / 4	Female	Black
Ms P Vinjevold	08-06-2010	3 / 4	Female	White
Professor DM Zinn	08-06-2010	3 / 4	Female	Coloured

* Mr J Samuels attended three Council meetings in the capacity as Acting CEO (SAQA) in the official absence of Mr SBA Isaacs

Executive Committee

The members are appointed for the specific knowledge and skills they bring to the Committee. They are, amongst other things, responsible for monitoring:

- financial spending according to the budget;
- implementing strategies and policies as approved by the Council;
- adherence to the work programme;
- adequacy of resources and staff;
- compliance with relevant legislation; and
- any special investigations undertaken by the organisation.

The Committee is also responsible for any other functions delegated to it by the Council. The Committee met on five occasions during the period under review.

The Executive Committee for the period 8 June 2006 to 7 June 2010 comprised of five Council members.

Table 3 contains information about the members and their attendance at meetings. Their last meeting was on 21 July 2010.



Professor Divya Singh Dr Raymond Patel Dr MS Rakometsi Dr SG Mabizela (Chairperson)

TABLE 3

Name	Date Appointed	Meetings Attended	Gender	Race
Professor JD Volmink (Chairperson)	09-06-2006	3 / 3	Male	Coloured
Dr SG Mabizela (Deputy Chairperson)	09-06-2006	3 / 3	Male	Black
Dr RA Patel	09-06-2006	2 / 3	Male	Coloured
Dr MS Rakometsi	01-01-2009	3 / 3	Male	Black
Dr PJN Steyn	09-06-2006	3 / 3	Male	White

The present Executive Committee consists of four members.

Table 4 contains information about the current members and their attendance at meetings since their first meeting on 27 October 2010.

TABLE 4

Name	Date Appointed	Meetings Attended	Gender	Race
Dr SG Mabizela (Chairperson)	08-06-2010	2 / 2	Male	Black
Professor D Singh (Deputy Chairperson)	08-06-2010	2 / 2	Female	Indian
Dr RA Patel	08-06-2010	2 / 2	Male	Coloured
Dr MS Rakometsi	08-06-2010	2 / 2	Male	Black

Internal controls

Systems of financial and internal controls are in place to provide reasonable assurance that the assets are safeguarded, and that liabilities and working capital are efficiently managed. The Chief Executive Officer is the

Accounting Officer to the Council and is charged with accounting for moneys received, payments made and moveable property purchased. The Internal and External Auditors liaise closely, and any material weaknesses are brought to the attention of the Audit and Executive Committees for consideration and remedial action.

Audit and Risk Committee

The Council has an Audit Committee which meets at least twice a year in terms of the PFMA. The Audit Committee met three times during the period under review. This Committee has an advisory function and meets to scrutinise the performance of Internal and External Auditors and their appointment or retention. They are, amongst other things, responsible for the following:

- review and scope of audits;
- review the effectiveness of internal controls;
- monitor the remedial action put in place to deal with any shortcomings;

- ensure that audits address critical risk areas;
- ensure that adequate measures are in place to prevent fraud;
- review the adequacy of financial policies;
- review financial statements and finalise them before submission.

In terms of Treasury Regulation 27.1.7 the Audit and Risk Committee has adopted a final terms of reference captured in the Audit Committee Charter and has satisfied its responsibility according to this charter.

Table 5 shows the composition of the Audit Committee as well as attendance at meetings for the period 1 September 2008 to 31 August 2010. Their last meeting was on 24 June 2010.

TABLE 5

Name	Date Appointed	Meetings Attended	Gender	Race
Ms T Fubu (Chairperson)	01-09-2008	2 / 3	Female	Black
Mrs N Molalekoa	01-09-2008	3 / 3	Female	Black
Dr MS Rakometsi	01-09-2008	3 / 3	Male	Black
Ms MM Sedikela	20-01-2010	1 / 1 (*)	Female	Black
Mr CH van der Merwe	01-09-2008	2 / 3	Male	White
Ms D Voges	01-09-2008	2 / 3	Female	White

(*) Resigned on 7 June 2010.

New Council members were appointed for the period 8 June 2010 to 7 June 2014. Subsequently, Council re-appointed the members mentioned in Table 5 from

1 September 2010 to 31 August 2012 (**Table 6**). Their first meeting was on 11 November 2010.

TABLE 6

Name	Date Appointed	Meetings Attended	Gender	Race
Ms T Fubu (Chairperson)	01-09-2010	2 / 3	Female	Black
Mrs N Molalekoa	01-09-2010	3 / 3	Female	Black
Dr MS Rakometsi	01-01-2009	3 / 3	Male	Black
Ms L Rossouw	22-03-2011	0 / 0 (*)	Female	White
Mr CH van der Merwe	01-09-2010	2 / 3	Male	White
Ms D Voges	01-09-2010	2 / 3	Female	White

(*) Appointed on 22 March 2011.

Risk Management

A risk management policy and strategy is in place to enable management to identify, evaluate and assess risks effectively. The Internal Auditors monitor the prescribed procedures. The Internal Auditors have direct access to the CEO, the Executive and the Audit Committees.

Environment, Health and Safety

The Council considers that reasonable precautions are taken to ensure a safe working environment and conducts its business with due regard for environmental concerns.

Code of Ethics

The Council and employees are required to observe the highest ethical standards to ensure that business practices are conducted in a manner that is beyond reproach. These principles are incorporated in the Code of Ethics and Service Standards, which have been approved and implemented. These provide clear guidelines regarding expected behaviour of all employees.

Materiality and Significance Framework

Treasury Regulation 28.3.1 requires that the Council develop and agree on materiality and significance framework appropriate to its size and circumstances and this has been approved by the Minister of Basic Education.

Public Finance Management Act (PFMA)

The PFMA focuses on financial management with related outputs and responsibilities. The Council members comply with their fiduciary duties, as the Accounting Authority, as set out in the PFMA.



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**Eugenie Rabe
Chief Operations Officer**

Report on Operations 2010/2011

Umalusi has continued to strengthen its significant role in the education and training system of South Africa in consolidating its amended mandate as captured in the National Qualifications Framework (NQF) Act (no 168 of 2009) and its establishment act, the General and Further Education and Training Quality Assurance (GENFETQA) Act (no 58 of 2001), amended in 2008, for the financial year 2010/2011.

The Council's approaches to setting and monitoring standards of education and training are located in sound practices and these are reflected both in the quality assurance work it has done since 2001 and in the new work it has undertaken around qualifications and curriculum development and evaluation. While ensuring that its mandatory obligations were carried out effectively, the organisation also participated rigorously in ongoing educational debates and provided well founded research to inform its strategies in an ever changing education and training environment. Umalusi's work was effected with due consideration for its capacity and budget, and developments and interventions were prioritised for maximum effectiveness in the education and training system.

In taking on the responsibility of setting standards and managing a sub-framework of qualifications for General and Further Education and Training (GFET), Umalusi embarked on substantial research and conceptual work to support the development of new qualifications and policies to support the sub-framework and the attendant quality assurance processes.

Umalusi views the credibility of its certificates as central evidence of acceptable standards in general and further education and training. Umalusi is of the view that standards are developed and maintained through the design and quality of qualifications and curricula that are benchmarked locally and internationally; through practices in the

enactment of the curriculum; and through the integrity of the internal assessment and national examinations. This approach, informed by penetrating and insightful research, has ensured that Umalusi has remained grounded, sustainable and steadfast in an ever changing quality assurance landscape.

The mandate is met through the work of four national operations units that carry out the professional work Umalusi is tasked with, namely the Qualifications, Curriculum and Certification Unit (QCC), the Quality Assurance of Assessment Unit (QAA), the Evaluation and Accreditation Unit (E&A), and the Statistical Information and Research Unit (SIR).

Umalusi has continued to strengthen its significant role in the education and training system of South Africa in consolidating its amended mandate

Conceptually the intended, enacted and assessed curriculum form a continuum; therefore setting standards and quality assuring these aspects which are reliant on each other, cannot be divided artificially into separate processes. To that end the organisation has continued to refine efficiency through cross-unit co-ordination of its work and information sharing through the introduction of service level agreements between units involved in cross-unit work. A number of cross-unit projects were completed and reported on in this financial year, which included:

Development and management of the GFET framework of qualifications:

The standards of existing qualifications and curricula were benchmarked and reported on; the QCC Unit completed two benchmarking curriculum evaluations in 2009 the reports for which were published and shared with the relevant department of education in 2010, namely the foundation phase curriculum and the NSC. Two new qualifications were also developed and approved for the adult stream on the General and Further Education and Training Qualifications Framework (GFETQF) in the form of the National Senior Certificate for Adults (NASCA) and the National Independent Certificate (NIC). The QCC Unit led these projects with valuable inputs from the QAA, SIR and E&A Units.

Quality assurance of assessment:

Three national qualifications that Umalusi currently certifies, the National Senior Certificate (NSC), National Certificate Vocational (NCV) and the General Education and Training Certificate (GETC) for adults, were successfully quality assured. Continued work on a year-on-year comparative analysis of the cognitive demand of NSC examinations papers informed quality assurance processes and an exercise in post-exam analysis of learner responses was used to confirm standardisation decisions. The primary initiative was taken by the QAA Unit, assisted in some respects by the QCC, SIR and E&A Units.

Quality assurance of provision:

The E&A Unit initiated cross-unit work related to the convener system established in 2009 for adult and vocational providers by setting up committees to co-ordinate and support private Further Education and Training (FET) Colleges in assessment standards and in the case of private adult learning centres, to set standards for Adult Basic Education and Training (ABET) Level 3 assessments. The work was led by the E&A Unit with substantial support from the QCC and QAA Units.

Research:

A number of important educational research projects were undertaken, with particular focus on the area of languages. This resulted in two reports, namely a report on the language offering in the foundation phase and a second report on the cognitive demand of selected home language assessments in the NSC. The SIR Unit also continued to work on research that will culminate in a report on indicators of quality. Initiated by the SIR Unit the senior managers of three units (SIR, QAA and QCC) received training in Item Response Theory (IRT) from Educational Testing Services (ETS) in the United States. The SIR Unit was supported in its work by the QCC, QAA and E&A Units.

Policy development and approval:

- The QCC Unit revised and finalised the GFETQF and after Council approval it was once again submitted to the Minister of Higher Education and Training for promulgation. In addition, Umalusi submitted the policy documents for two new qualifications namely the National Senior Certificate for Adults (NASCA) and the National Independent Certificate (NIC) to the Minister for regulation.
- The policy and criteria for the accreditation of private FET colleges, Adult Learning Centres and Assessment bodies was finally regulated by the Minister and Umalusi was able to take the full accreditation process forward through a pilot with FET and Adult Education and Training (AET) providers.

- The policy and criteria for the accreditation of independent schools and assessment bodies was gazetted for public comment by the Department of Basic Education and awaits finalisation.

While the projects listed above were the highlights of 2010, the various units continued to deliver on their routine processes. These included the accreditation and monitoring of assessment bodies; accreditation of independent schools, private FET colleges, and private AET centres; the quality assurance of 11 national examinations and related internal assessment and certification; verification of certificates; conducting research; hosting a seminar series and contributions to various international and national conferences.

Umalusi has always actively promoted co-operative and supportive relationships with stakeholders and role players, as well as other bodies in the wider education and training community with 2010 being no exception. With the requirement for collaboration in articulating the NQF and the change in the education ministries, new relationships had to be forged and old ones maintained while continuing to position Umalusi strategically in the

national landscape. This took the form of consultative processes; partnerships and workshops with role players and stakeholders in the system that included the Department of Higher Education and Training (DHET), the Department of Basic Education (DBE), South African Qualifications Authority (SAQA), Quality Council for Trades and Operations (QCTO), Council on Higher Education (CHE), Centre for Education Policy Development (CEPD), SETAs, universities and others. The Council also consolidated its relationship with accredited private providers through provincial workshops conducted in September 2010; the Provider Conference in September 2010, and the annual Provider Forum (for adult and vocational education) which took place in March 2011.

Through a structured media strategy, participation in national structures and the dissemination of its research reports and seminars Umalusi continued to inform public debates and policy initiatives.

The sub-units that comprise Corporate Services have supported the work of the four National Operations Units in respect of leadership and governance, Information Technology Development, Financial Management and Administration, and Human Resources Management and Development. These contributions have ensured successful delivery on the Council's mandate.

A number of important educational research projects were undertaken, with particular focus on the area of languages.

Once again the staff of Umalusi Council demonstrated their continued commitment to the values of integrity, rigour, innovation, service excellence and professionalism. The high level of commitment to ensuring standards in general and further education and training in South Africa was reflected in the very positive results of a client survey conducted in the third quarter of 2010.

The reports on the eight programmes that comprise Umalusi's scope of work reflect accomplishments of which the Council is justly proud. They also provide details on the deliverables achieved during the 2010/2011 financial year.

National Operations Programmes:

Programme A:

- **Quality Assurance of Assessment (QAA)**

Programme B:

- **Evaluation and Accreditation (E&A)**

Programme C:

- **Qualifications, Curriculum and Certification (QCC)**

Programme D:

- **Statistical Information and Research (SIR)**

Corporate Services Programmes:

Programme E:

- **Management Support Structures and Governance (MSS)**

Programme F:

- **Information Technology (IT)**

Programme G:

- **Finance and Administration (F&A)**

Programme H:

- **Human Resources Management and Development (HRM&D)**





Confidence Dikgole, Marisa du Toit, Heather Erasmus, Bellinah Molaudzi, Eardley Twigg, Josephine Pitje, Vijayen Naidoo, Sarah Madigo, Sheila Phora, Nthabiseng Matsobane, Siphamandla Nxumalo, Frans Mashilo, John April, Charity Kanyane, Andy Thulo

Vijayen Naidoo Senior Manager and Team

In terms of the General and Further Education and Training Quality Assurance (GENFETQA) Act (no 58 of 2001), Umalusi is required amongst others things to assure the quality of all exit point assessments and approve the release of examination results. The goal of the Quality Assurance of Assessment Unit (QAA) is therefore to assure the quality of assessments leading to the attainment of qualifications on the General and Further Education and Training Qualifications Framework (GFETQF).

The framework for the quality assurance of Learner Achievement is firmly "rooted" on established and existing practices in assessment for certification- viz. centralised examinations. The fact that through its quality assurance processes Umalusi could declare the examinations for the 2010, National Senior Certificate (NSC), National Senior Vocational (NCV) and General Education & Training Certificate (GETC) for adults as credible, bears testimony once again to the rigour with which examinations are administered in the country. There are of course many and varied challenges which exist, but these must be considered in the context of the magnitude of the examination and assessment enterprise and the fact that the NSC and the NCV are "saplings" requiring much attention in the formative stages.

Umalusi quality assurance processes assure the standard of assessments and monitor the annual "state of readiness" of examination systems. Umalusi Council approves the release of results if, in its judgment, it is found that the examinations were conducted in a credible manner, i.e. complied with the relevant examination policies and regulations, and if there were no reports (at the time of approval) of any irregularities which could compromise the examinations and/or its outcomes.

In certain respects 2010 was a watershed moment in the history of examinations nationally and internationally. It is for the first time that the actual standardisation decisions for such a high stakes examination were disclosed – Umalusi's investigations indicated that many international examinations authorities still consider this information as classified. This willingness to disclose in itself bears testimony to the credibility and integrity of Umalusi and the processes it employs to assure that standards are maintained and improved. The disclosure has certainly resulted in a more enlightened and

confident public, has put paid to the uninformed commentary emanating from various sources and entrenched the key role of Umalusi in ensuring quality examinations and assessments.

Umalusi has once again succeeded in fulfilling its quality-assurance mandate ensuring credible examinations and assessment outcomes. The focus, going forward, will be to ensure that assessment standards continue to be of an acceptable standard, thus upholding the credibility and value of the certificates issued to successful candidates.

The framework for the quality assurance of Learner Achievement is firmly "rooted" on established and existing practices in assessment for certification- viz. centralised examinations.

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Quality assurance of assessment maintained and improved	Question papers for: NSC, SC (sample), NCV and GETC externally moderated – multiple examinations across assessment bodies	All papers moderated and approved within examination cycle time frames: NSC (DBE, IEB & ERCO): 363 NCV: 234 SC: 101 GETC: 76	NSC (DBE, IEB & ERCO): 99% NCV: 95% SC: 100% GETC: 100%	ERCO used a question paper which was not approved by Umalusi Continued scarcity of suitably qualified people to appoint as external moderators for NCV
	ISAT instruments moderated	ISAT tasks for 2011 approved: 39	100%	
	Internal assessment i.r.o: NSC, NCV Level 2,3 & 4, and GETC monitored and moderated	Internal assessment systems monitored per policy Internal assessment of sample of subjects across assessment bodies moderated NSC (DBE, IEB & ERCO): 11 subjects across assessment bodies. NCV ICASS: 29 subjects across L2,3,4 NCV ISAT: 71 GETC: 19 learning areas across assessment bodies	NSC (DBE, IEB & ERCO): 88% NCV ICAS: 100% NCV ISAT: 96% GETC: 98%	Unavailability of moderators Assessment bodies not submitting evidence for prescribed samples Moderation affected by Industrial action at college sites
	Conduct of examinations monitored and reported on	The conduct of examinations monitored across assessment bodies annually: NSC: 162 centers NCV: 46 centers GETC: 60 centers	100%	Successfully completed
	Reliable assessment outcomes	Marking centers monitored per exam: NSC: 52 NCV: 1 central + 46 centers GETC: 19 Representative sample of scripts moderated per exam: NSC: 22 subjects NCV: 50 subjects GETC: 31 learning areas Assessment outcomes Standardised for 11 examinations	100% NSC: 100% NCV: 94% GETC: 84% 100%	Successfully completed Unavailability of moderators Assessment bodies not making available required samples Successfully completed

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Standards for assessment articulated and maintained	Policies and processes regulating quality assurance of assessment developed and implemented	Policy and Directives reviewed for quality assuring the NSC, NCV and GETC	100%	Successfully completed
	Computer applications for the verification of the resulting process developed and implemented	Standardisation and resulting modules developed and tested prior to December 2010 examinations	100%	Successfully completed
	The quality of exam products and administration of examinations, reviewed, monitored, and reported on annually	Monitoring of the annual implementation of assessment practices completed and reported on	100%	Successfully completed
Stakeholder relations established and managed	Collaborative stakeholder relations fostered and maintained through stakeholders' bilateral meetings; consultative workshops; and effective communication	Regular communication maintained with stakeholders through letters, circulars, and attendance of relevant meetings	100%	Successfully completed

Interesting facts:

Number of examinations quality assured: 11
 Number of papers externally moderated across exams: 774
 Number of moderators employed: 162
 Number of monitors employed: 32

List of quality assurance reports produced:

- *Report on the Quality Assurance of the National Senior Certificate Assessment and Examination*
- *Report on the Quality Assurance of the Examinations and Assessment for Vocational Education and Training*
- *Report on the Quality Assurance of the Examinations and Assessment of the General Education and Training Certificate: ABET Level 4*





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Chris Nyangintsimbi, Gugu Chili, Kabelo Lekala, Grace Nhlapo, Ethel Mathebe, Tsholofelo Mokonoto, Anushka Thaver, Mary-Louise Madalane, Dr Ronel Blom, Kholofelo Rabotho, Khensani Motsi, Veenay Bennideen, Faith Ramothale, Vani Chatty, Chaile Makaleng, Nombuyiselo Mabitsele

Dr Ronel Blom Senior Manager and Team

The Evaluation and Accreditation Unit (E&A) is responsible for the quality assurance of provision, and in the year under review, the unit has made substantial strides in assessing the quality of provision across the provider sectors it is responsible for - independent schools, Further Education and Training (FET) colleges, Adult Education and Training (AET) centres, as well as public and private assessment bodies.

Not only has the E&A Unit continued to support the Adult and Vocational Education and Training (AVET) Forum established in 2009, giving a voice to institutions serving the needs of these sectors, it has provisionally accredited more institutions than ever before. In total across the three sectors the unit visited almost 400 provider sites. The E&A Unit also continued to monitor large numbers of these institutions during 2010.

Substantial numbers of private FET colleges were referred and recommended to the Department of Higher Education and Training (DHET) for registration which included providers accredited by SETAs. The challenge now is managing the transitional period and moving towards meeting the mandate of a Quality Council, as determined by the NQF Act, (no 67 of 2008), which requires Umalusi to only accredit private institutions that offer qualifications certified and quality assured by Umalusi.

The unit has consulted on a protocol for consultation with provider bodies; established a convener system to set standards for ABET Level 3 assessments and support private FET colleges; reviewed the accreditation system for private assessment bodies and developed new evaluation instruments.

A revised accreditation process was piloted in FET colleges and ABET centres and reported on at the AVET Provider Forum in March 2011. A similar pilot commenced with independent schools during the fourth quarter and will be completed in the next financial year.

The E&A Unit monitored the public assessment system and private assessment bodies of the NSC against accreditation standards and reported on the progress made in respect of improvements to the system.

A highlight of the year was the annual Provider Conference that was well attended. The theme, Adult and Vocational Education and Training: Theory, Practice and Promise, drew great interest and was the third such conference since 2008.

In total across the three sectors the unit visited almost 400 provider sites. The E&A unit also continued to monitor large numbers of these institutions during 2010.

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Maintain a system for accreditation and monitoring of institutions of learning	A system for accreditation and monitoring of institutions of education and training is maintained and extended	New provider accreditation applications: Schools: 151 Private FET: 95 SETA providers: 619 Private AET: 9	100%	Successfully completed
		No of providers monitored: Schools: 579 Private FET: 480 sites Private AET: 89		
		Site visits : Schools: 193 Private FET: 175 Private AET: 17		
	Accreditation policies regulated and reviewed and accreditation process piloted	Accreditation policy and criteria for FET colleges, AET centres and assessment bodies regulated by end July 2010	100%	Successfully completed
		Accreditation policy for independent schools gazetted for public comment by March 2011	100%	Successfully completed
FET colleges and AET centres sampled and accreditation process piloted and completed November 2010		100%	Successfully completed	
Pilot for independent schools commenced by March 2011		100%	Successfully completed	

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Maintain and review the accreditation system for assessment bodies; monitor public assessment system	An accreditation system for assessment bodies; and the monitoring of public assessment system is maintained and reviewed	Private assessment bodies (IEB and ERCO) and the public assessment system were monitored and reported on		
		The convener system for ABET Level 3 established and examination question papers set and submitted for external moderation by March 2011	100%	Successfully completed
		NCV assessment committees established by March 2011	100%	Successfully completed
		Accreditation process reviewed and new instruments developed	100%	Successfully completed
Maintain and improve stakeholder relationships	Stakeholder relationships are maintained and extended	Workshops: Schools: 9 AVET colleges: 5	100%	Successfully completed
		AVET Provider Forum hosted by March 2011		
		AVET Steering committee maintained		
		Annual Provider conference hosted by September 2010		
		Framework for consultation with stakeholders developed		

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Conduct unit based studies and reports	Unit based studies are conducted and reported on	Monitoring report on NSC assessment system submitted at the end of the monitoring process Report on AVET accreditation pilots submitted to Council in November 2010	100%	Successfully completed

Interesting facts:

- Ground breaking news was the long awaited regulation of the accreditation policy and criteria for private FET colleges, adult learning centres and assessment bodies
- Umalusi has provisionally accredited two private assessment bodies Independent Examinations Board (IEB) and Eksamen Raad vir Christelike Onderwys (ERCO)) and monitors and reports on the public assessment system against the same standards
- The Provider Forum for the Adult and Vocational Education and Training system continued to grow in leaps and bounds with an attendance of 275 participants attending the third annual AVET Provider Forum in March 2011
- In excess of 700 sites of learning were recommended and referred to the Department of Higher Education and Training (DHET) for registration as private Further Education and Training Institutions
- Currently Umalusi has provisionally accredited 1, 115 private education and training providers



Tello Motti

Celia Booyse

Annemarie Janse Van Rensburg

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Zolile Hlabeni

Liz Burroughs Senior Manager and Team

The past year has been one of burgeoning responsibilities for the Qualifications, Curriculum and Certification (QCC) Unit. The work of the unit has branched out to fulfill all three of the major functions represented in its name.

The certification sub-unit has had a second consecutive eventful year as the various systems grappled with certifying the National Certificate Vocational (NCV) and the National Senior Certificates (NSC), especially for those candidates who wrote across two or more examination sessions. Umalusi provided material assistance to the Department of Basic Education (DBE) in order to ensure that certification systems were bedded down nationally, and, as a result, the National Senior Certificate (NSC) was certified towards the end of April 2011. This process indicates that the schooling system is returning to the norm. Umalusi also provided assistance to the Department of Higher Education and Training (DHET) to ensure that the results for the new General Education and Training Certificate (ABET Level 4), which was offered for the first time in 2010, complied with the requirements stipulated in the policy and the directives for certification issued by Umalusi. The NCV and the General Education and Training Certificate (GETC) (ABET Level 4) still pose some challenges which has resulted in delays in the certification of these qualifications.

The huge volume of curriculum research work undertaken in 2009 resulted in the publication and launch of no less than four reports in 2010, all of which help to confirm the standing of the qualifications that Umalusi quality assures. This research provides Umalusi, assessment bodies, universities and institutions at home and abroad with insights into the nature of the qualifications on the General and Further Education and Training Qualifications Framework (GFETQF). While earlier research had ensured an understanding of the continuity between the Senior Certificate (SC) and the new National Senior Certificate (NSC), the new research establishes its standing in relation to selected international qualifications.

The work of the unit has branched out to fulfill all three the major functions represented in its name.

As a result of the undoubted value emerging from the qualification and curriculum research, the Department of Basic Education has requested Umalusi to quality assure the Curriculum and Assessment Policy Statements (CAPS) which will replace the National Curriculum Statements associated with the twelve years of schooling. This request signals a significant shift in the national understanding of Umalusi's role in respect of curricula, but is very much in line with its own commitment to standards in education. The year ahead will see Umalusi determining what it would mean to quality assure a curriculum rather than evaluate it. Umalusi has already begun to formulate national policy about how qualifications and curricula should be introduced, evaluated, revised and implemented.

In the light of recent developments concerning the National Qualifications Framework, Umalusi re-submitted its policy, the GFETQF, to the DHET for regulation. Its formal acceptance and regulation is a matter of urgency as Umalusi has proposed two new NQF Level 4 qualifications for adults. To guide the growth in this area of work, which is new to Umalusi, a Committee of Council - the Qualifications Standards Committee (QSC) - was established in January 2011.

While the 2010/2011 financial year has been every bit as demanding as predicted, and growth of expertise evidenced in all the areas of the work, the coming year requires purposeful nurturing to ensure the deep-rootedness of these capacities within the organisation.

Qualifications, Curriculum and Certification (QCC) (continued)

Report on Operations
Programme C

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Establish a sub-framework of qualifications for GFET	The GFETQF is developed and submitted for regulation	Submitted by end March 2011	100%	The policy was re-submitted to the Minister in February 2011
	Policy and Guidelines that support the development and evaluation of qualifications and curricula revised and piloted	Policy revised by March 2011	100%	Successfully completed
	A new Committee of Council is formed to support qualifications framework responsibilities	The Qualifications Standards Committee (QSC) is appointed and functioning by February 2011	100%	The QSC has been appointed, inducted and begun to support Council's responsibilities regarding qualification development
	New qualifications, identified on the Qualifications Framework, are developed	Two new qualifications developed by March 2011	100%	Successfully completed
	Existing qualifications on the GFETQF are evaluated	The report in which the NSC is self-referenced against Cambridge International and International Baccalaureate qualifications is launched, August 2010	100%	Report successfully launched
	The Minister is advised on the proposed review of the NCV	Advice submitted October 2010	100%	Advice submitted and Umalusi to serve on Ministerial task team tasked with the review
	Curricula are evaluated and approved	Subject curricula from selected qualifications are identified and evaluated: NSC and NCV	Report launched May 2010	100%
Comparative evaluation of NCV Engineering curricula and the N-2 and N-3 Engineering subjects conducted		Research completed March 2011	100%	Evaluation completed
Curriculum and Assessment Policy Statements (CAPS) – Foundation Phase comments to DBE		Comments from Umalusi experts submitted to the Minister, December 2010	100%	Comment submitted and DBE requests Umalusi to quality assure CAPS for Grades R -12, a new responsibility

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Certification of learner achievements is ensured	Learner certification processes are maintained and improved for NSC, NCV and GETC	November 2009 certificates issued by August 2010 and continuously on request	100%	Successfully completed
	Certification Systems for all qualifications revised and enhanced as required	NCV Level 4 certification system enhanced GETC: ABET Level 4 programme developed and tested	100%	Umalusi has significantly supported DBE, DHET and SITA to ensure resulting and certification systems are fully developed
	Directives for the certification of all qualifications developed and consulted	Directives for NSC include combinations across more than one exam sitting and for the NSC (Abitur) Directives for the certification of the new GETC: ABET Level 4 developed	100%	Successfully completed
	Quality assurance of resulting processes undertaken	Testing to ensure that resulting has been done correctly after standardisation completed by 30 December 2010	100%	Successfully completed
Verification services provided	Processing of certificate verifications is maintained at a consistently high standard	Verifications undertaken in accordance with the Service Level Agreement	100%	Almost 220 000 verifications completed, up by almost 58 000 from the previous financial year
	All major clients move over to e-verification system	All major clients move over to e-verification system by January 2011	100%	Successfully completed
Provider and stakeholder relationships extended and maintained	Existing stakeholder relationships are maintained with assessment bodies, SITA, verification clients and strategic partners and new relationships fostered to deal with changes in the legislative environment	Ongoing participation in IPEAC and its sub-committees; IECS user group; ITC Consultative meetings and workshops hosted and attended with DBE, DHET, SAQA, HEQC and QCTO Certification workshops conducted NSC and NCV and GETC (ABET Level 4)	100%	Continued participation and consultation in a terrain that is continually changing

Certificates printed for the period 01 April 2010 to 31 March 2011	
Senior Certificate with endorsement (first issue)	337
Senior Certificate (first issue)	4,141
N3 (first issue)	1,542
Senior Certificate endorsement (combinations)	369
Senior Certificate (combinations, re-issues, duplicates)	64,877
N3 (combinations, re-issues, duplicates)	5,386
GETC (ABET Level4)	1,934
Subject certificates: Senior Certificate	77,244
Subject certificates: N3 certificates	29,419
Learning Area Certificates: GETC (ABET Level 4)	18,309
National Senior Certificate: (college qualification)	123
National Senior Certificate: (college combinations, re-issues)	768
National Senior Certificate: Schools (New)	365,106
Subject Statement (New NSC)	251,727
National Certificate Vocational	15
Subject Statements (NCV)	3,197
TOTAL	620,045

Verification Figures for the period 01 April 2010 to 31 March 2011

	Verification Types				Total
	Manual	E-Verifications	Internet	Full Verification	
Tariff	R20,00	R16,00	R17,00	R32,00	
First Quarter April – June 2010	1,429	39,820	1,573	9,437	52 259
Second Quarter July – Sept 2010	1,215	43,327	400	9,723	54 665
Third Quarter Oct- Dec 2010	1,074	37,297	-	5,342	43 713
Fourth Quarter Jan – March 2011	962	63,478	-	4,745	69 185
TOTAL	4,680	183,922	1,973	29,247	219 822

Reports produced by QCC Unit in the period 1 April 2010 – 31 March 2011

- Houston J, Booyse C, and Burroughs E. (May 2010): *The 'F' in the NCV: Benchmarking common subjects in the NSC and the NCV*
- Grusseendorff, S. (May 2010): *2009 Maintaining Standards Report: Overview – Accounting, Business Studies, Economics and History*
- Grussendorf S, Booyse C and Burroughs E. (August 2010): *Evaluating the South African National Senior Certificate in relation to selected international qualifications: A self-referencing exercise to determine the standing of the NSC; Overview Report.*
- Booyse C, Beets P, Dempster E, Grussendorf S, Bowie L and de Jager L. (August 2010): *Evaluating the South African National Senior Certificate in relation to selected international qualifications: A self-referencing exercise to determine the standing of the NSC. (Subject Reports for Geography, Life Sciences, Physical Sciences, Mathematics and English First Additional Language)*



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The mandate of the Statistical Information and Research Unit (SIR) is to conduct research as identified by the needs of the organisation and report on the key indicators of quality and standards in the general and further education and training sector as it pertains to Umalusi's mandate; and to undertake research projects, the findings of which must provide a firm foundations for Umalusi's strategic approaches and quality assurance processes.

In the last financial year, the SIR Unit analysed the standards of the home languages examinations across six official languages at the level of the National Senior Certificate (NSC). The languages analysed were English, Afrikaans, IsiZulu, IsiNdebele, SiSwati and IsiXhosa. The research was situated within the broader Umalusi Maintaining Standards research project first conducted in 2008. The aim of the research was to evaluate the difficulty level of each examination, in its own right, and in relation to other home language examinations and to determine whether the skills/knowledge examined in these home languages were the same. The remaining home languages will be analysed in the next financial year.

The other research conducted in the 2010/11 was around the compilation of a quality indicators report. The purpose of the indicator report, which over time will be published at

regular intervals, is to report on indicators for setting, monitoring, and evaluating standards in education and training in respect of qualifications, curricula, provision, and assessment, as seen within the context of Umalusi's mandate.

In the last financial year, the SIR unit analysed the standards of the home languages examinations across six official languages at the level of the National Senior Certificate.

The SIR Unit also conducted various projects and workshops on Item Response Theory (IRT). This was intended to build internal capacity to understand and manage the quality assurance of pre-standardisation processes that lead to the banking of pre-tested items for use in future examinations.

The SIR Unit jointly with the Centre for Education Policy Development (CEPD) and Wits University organised two seminars in the last financial year. The topics of these seminars were 'Will grade R really improve the quality of South African education?' and 'Adult and vocational education: constraints and promise'.

The aim of the seminars was to address issues of common interest in relation to the enhancement of the quality of teaching and learning and assessment in the sectors for which Umalusi is responsible for quality assuring.

In 2011, the unit will focus on a number of other identified research projects. All Umalusi's research reports as well as information on research currently underway, can be viewed on Umalusi's website: www.umalusi.org.za

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
A conceptual framework of indicators of quality and standards in education is developed	Draft report on the indicators of quality in general and further education and training developed	March 2011	100%	Successfully completed
Research is planned, managed and implemented and findings shared	Research projects are commissioned and conducted: Maintaining Standards research – home languages conducted GET Report – foundation phase languages published Item Response Theory - Related Research conducted	As per research agenda	100%	Successfully completed Research completed in a given financial year is published only in the next financial year
Stakeholders engaged through seminars, conferences and published research	Seminars and workshops were successfully held	2 annual seminars conducted	100%	Successfully completed
Research Forum is maintained	Research Forum meetings conducted	2 meetings conducted annually	100%	Successfully completed
Statistical support is provided to other units	In-house data bases related to reporting requirements established and maintained	Ongoing	100%	Successfully developed and maintained
Resource Centre is maintained and extended	Resource Centre improved to support Umalusi's work and staff development	New resources acquired and existing systems improved as per planning	100%	Successfully completed

Research and seminar publication highlights:

Research reports published:

- *Comparing the Learning Bases: An evaluation of Foundation Phase curricula in South Africa, Canada (British Columbia), Singapore and Kenya*
- *Comparing the Learning Bases: A comparative evaluation of African Languages Foundation Phase curricula in South Africa, Botswana, Lesotho, Swaziland and Zimbabwe*

Seminar reports:

- *Will grade R really improve the quality of South African education?*



Dr MS Rakometsi
CEO

Jeremy Thomas
CFO

Eugenie Rabe
COO

Executive Management

The Management Support Structures (MSS) unit comprises of the offices of the Chief Executive Officer, the Chief Operations Officer, and the Chief Financial Officer as well as Communications and PR sub-unit.

MSS ensured that a strategic plan and budget was in place and that the organisation fulfilled its mandate within its capacity. The Unit supported the work of Council and its committees through appointed secretariats and ensured that the Council and its committees were informed and able to carry out their functions. All operational work was planned and co-ordinated in an efficient and effective manner and progress was monitored and reported on quarterly. Organizational risks were minimized through a quarterly review of the risk register and actively managing the risks identified. Management and professional policies were developed and reviewed quarterly. The quality of work was monitored through internal audit processes.

The Unit supported the work of Council and its committees through appointed secretariats and ensured that the Council and its committees were informed and able to carry out their functions.

The office of the Chief Executive Office met with many strategic partners and stakeholders as well as media houses to strengthen and forge relationships and partnerships.

Umalusi's internal and external communications was planned and carried out by the Communications and PR sub-unit. The Communications and PR sub-unit raised the profile of Umalusi Council through events, publications, conferences, exhibitions and the development and content management of the Umalusi web portal. As the custodian of the Umalusi brand, the sub-unit also managed relations with the print and broadcast media.

A series of six articles profiling Umalusi was published in the Mail & Guardian newspaper and numerous interviews were conducted for radio and television. All these activities contributed enormously to profiling the organisation and bringing greater understanding of the work Umalusi Council does.

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Organisational plans in place, implemented and reviewed	Strategic plans developed and implemented	PFMA and other targets met	100%	Met PFMA targets i.t.o. planning, budgets and review
	New management cycle & calendar drawn up, and implemented	Annually 1 April		Successfully completed and maintained
	Operational plans co-ordinated	Ongoing		
	Reports are available for managerial decisions and submitted quarterly to the DBE	Quarterly		
	Organisational policies developed and vetted before Council approval and implementation	Ongoing		
	Monitoring and review takes place regularly	Quarterly		
Organisational governance is maintained	Council meetings efficiently arranged and supported	Ongoing effective governance practices	100%	Successfully implemented and maintained
	Council meetings minuted and decisions implemented and followed up			
	Budgets and strategic plans approved by the Ministry of Basic Education	Before 1 April 2010		



Eugenie Rabe

Eugene Du Plooy

Dr MS Rakometsi

Jeremy Thomas

Mike Khuboni

Estella Michael

Lebogang Mabunda

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Stakeholder relations established and maintained	Meetings with political structures; education administration	At least quarterly	100%	Successfully implemented and maintained
Communication and Public relations programme implemented	Meetings with other statutory bodies	Ongoing	100%	Successfully completed
	Engagement and collaborative work with other stakeholders	Ongoing	100%	Completed
	Development, management and production of new website	Ongoing	95% Complete	To be completed in July 2011
	Media monitoring and responses	Ongoing	100%	Successfully completed
	Arranged Radio and TV interviews	Ongoing	To-date 8 TV interviews and 50 Radio interviews were held	Completed
	Production and distribution of Makoya newsletter and the Annual Report	Ongoing	100%	Successfully completed
	Participation in Career Exhibitions	Ongoing	100%	Successfully completed
	Developed and implemented the annual PR plans	Ongoing	100%	Successfully completed
	Organise external stakeholder meetings for the CEO	Ongoing	100% Achieved	Successfully completed
	Assist and organise the launch of Research reports	Ongoing	100%	Successfully completed

Jeremy Thomas Chief Financial Officer



The Corporate Services Unit ensures the effective, efficient and economical use of all organisational resources. As the 'trunk of the tree', it offers strong, centralised and co-ordinated support to the core business units of the Umalusi organisation through provision of:

Information Technology Systems (IT) (Programme F), Finance and Administration (G1), and Human Resources Management and Development. The IT systems maintained and/or developed for the organisation can be grouped into two main categories, viz. system development and support; and network and hardware support which include hardware and/or software applications installation and support.

System development and support comprises of a mainframe certification system and a Management Information System (MIS). The mainframe certification system covers the following three areas: certification of qualifications; quality assurance of the resulting process; and the verification of issued qualifications. The end product of the certification process is a certificate that is printed after verification is done to ensure that the learner qualifies and complies with the requirements for the qualification. The quality assurance of the resulting process involves the quality assurance of the standardisation, statistical moderation and resulting processes for the National Senior Certificate (NSC); the

As the 'trunk of the tree' It offers strong, centralised and co- ordinated support to the core business units of the Umalusi organisation

National Certificate Vocational (NCV) and the General Educational and Training Certificate (GETC) for adults. This process improves the validity of the examinations by ensuring that the prescribed procedures and formulas are correctly implemented and applied by the various Assessment Bodies.

The Management Information System is continuously evolving and improved according to user requirements and requests. Areas that are addressed are workflows for accreditation of providers; management of claims for contract workers and maintenance and improvement of the website. There is also a definite drive in Umalusi to convert from a paper based system to a computerised and electronic system. General support and assistance with regard to software and other systems was provided to staff.

The organisation's needs for network and hardware support were met through the installation of the latest IT infrastructure and services to ensure that work was well supported and information kept safe. IT processes and hard/software were continuously monitored and improved to meet changing requirements. In the past year we focused on improving support to the end-user through the implementation of a system for automated IT Systems Management and Network Management Software.

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
IT systems established, maintained and improved	Management Information System (MIS) to support the day to day operations of the organisation	The development and maintenance of the MIS managed and monitored by the MIS Steering Committee in accordance with a priority task list	70% of all requests registered and completed	Requests for on-going development and or changes to the system exceeds the available human capacity and therefore work is prioritised without negatively affecting organisational performance
	Website maintained and updated with latest information to be operational	Website updated bi-weekly	100%	The website was updated as requested by end-users
	Users supported	User support was delivered to all service requests from staff members	100%	User support is checked through the MIS steering committee and promptly satisfied
Certification process effectively supported	Certification system functional for Senior Certificate, NATED programs, GETC and NCV maintained and ensured	A functional certification system for all the respective national examinations: March, April, June, August and November 2010 for NATED; GETC in October and Senior Certificate in June and November 2010	100%	All service requests received were successfully completed The certification system for G12, N3, GETC and NCV were maintained in order for the certificates to be issued
	Certification system for the National Senior Certificate implemented and operated	To provide a functional certification system for the NSC 2009 and the 2010 supplementary examination in March and May respectively	100%	The system was implemented on time for certification and the issuing of the NSC certificates took place
	Verification processes computerised	Maintained and enhanced verification system. Implemented a system to programmatically verify qualifications in October 2009	100%	All verifications processed electronically and improved with control measures implemented
	Computerised system for the quality assurance of the standardisation, statistical moderation and resulting of the NSC examination	Computerised system for the quality assurance of the 2010 NSC and NCV examination results during December 2010	100%	The computerised system was maintained and enhanced to improve on the quality assurance process

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Adequate computer hardware and software in place to support operations	Adequate computer hardware and software in place and operations supported	Equipment procured, maintained and installed as required	100%	Equipment procured and installed as required
		Software licenses acquired and are up to date	100%	Software licenses managed
		SLA with designated providers was effectively managed to meet demands	100%	SLA with designated providers was effectively managed
		Network support was adequately provided	100%	Network support provided as requested
		Effective high availability and Disaster Recovery measures in place	100%	All preparatory work for the implementation of Disaster Recovery Solution is completed and proceeding according to plan
		Operating system, application software and hardware is upgraded on all the Umalusi servers	100%	All servers are now running on Windows 2008 server
		Implementation of Kaseya IT Systems Management Software and Network Management Software is completed	100%	The server is installed and is fully operational



Dakalo Mudau

Matlhodi Mathebula

Olga Matlala

Shakuntla Khatri

Marie Botha

Johanna Choba

Makoena Mokgadi

Sam Gohla

Simon Mosaka

Innocent Gumbochuma

Kgabo Mmola

Archie Ntini

This programme maintains a sound and credible finance and accounting system which is monitored by the Council's Audit Committee, EXCO and the Council. The finance function also includes supply chain management, security, asset and facilities management.

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Finance and accounting systems maintained and improved	Accounting systems in line with PFMA maintained and improved requirements	Policy implemented in terms of PFMA and various committees'	100%	Internal and external audits met compliance requirements and improved systems
		90% of debt collected	100%	Audit recommendations were effected Successfully completed: 96,57% of debt was collected
		Investments wisely managed	100%	Surplus cash invested at Corporation for Public Deposits (CPD)
		Assets carefully managed	100%	All assets labeled and registered in asset register
Supply Chain Management system maintained and improved	Procure goods and services within policy regulations	Creditors paid on time	100%	Creditors are paid well within thirty days of statement
		Organisation adequately resourced according to priorities	100%	
Building and security systems maintained and improved	Alterations effected to accommodate organisational requirements	Alterations in accordance with action plan	100%	Successfully completed
	Buildings and security systems managed against the budget and management requirements	Preventative maintenance program implemented	100%	Successfully completed



Philemon Lefape

Gerit Jansen van Vuuren

Jacques Bouwer

Pinkie Pule

Neo Mmope

Tarina Pretorius

Letseba Tosa

Gerhard Boozye

Thinus Wessels

Ulrike Badenhorst

Human Resource Management and Development (HRM&D)

Programme G2

This programme provides effective, efficient and friendly support to all units within Umalusi in terms of recruitment and selection, provision of service benefits, training and skills development, policies and procedures and general services.

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Human resources (HR) managed and developed	HR polices listed realigned, amended and made available electronically	All relevant HR policies in terms of Labour legislation to ensure good labour practices implemented and maintained	100%	<p>Policies and procedures were reviewed and aligned with best practice/legal requirements and are available to staff on the Intranet</p> <p>The Employment Equity Committee and the Remuneration and HR Committee (REMCOM) met on a regular basis as per annual planning cycle</p>
	HR plan in place and implemented	HR plan implemented as per organisational priorities	100%	Effective and efficient human resource planning implemented as per organisational requirements
	Recruitment, selection, placement, termination	Recruitment, selection, placement and terminations processed	100%	Appointments to 7 permanent positions and 5 contract positions were made. 3 Terminations were processed. 20 new Moderators for NSC were appointed, 88 were renewed and 23 renewals for AET were processed
	Negotiations and Labour Relations	Investigate grievances and complaints		No grievances were lodged
Staff development processes in place	Performance management processes managed	Staff performance managed and evaluated March 2011	100%	All staff members enter into a performance agreement on 1 April each year. Annual assessments are conducted. Performance Management system implemented as per organisational policy

Outcome	Key Performance Indicators	Target	Performance Results	
			% Achieved	Motivation / Comment
Staff development processes in place (continued)	Skills and competency needs identified	Staff development strategies in place	100%	Skills required by staff are identified from Staff Personal Development Plans as well as interviews with individual staff members, managers and senior managers
	Training plan implemented	Training programmes implemented	100%	Training conducted, arranged and co-ordinated as per approved training plan for 2010/11.
Staff development processes in place	Workplace skills plan (WSP)/report submitted to the ETDP Seta	WSP and annual strategies in place training report submitted to ETDP Seta	100%	WSP submitted to ETDP Seta with annual training report on 30 June 2010
	Employee Wellness programme implemented	Conduct Wellness days	100%	Three successful staff wellness days were conducted during the year
	Occupational Health and Safety	Co-ordinate Occupational Health and Safety	100%	Occupational Health and Safety Committee met on a regular basis as per organisational policy
General services provided	Reception services and telephone links maintained and improved	Reception and telephone services provided and maintained	100%	A fully operational reception and telephone system is in place
	Provision of daily cleaning services	Cleaning services provided and maintained	100%	A fully operational cleaning service is in place
Document Management System	Document Management System and Registry established	Document Management System and Registry established and maintained	100%	The File plan was implemented and a Central Registry is fully operational. Policies and procedures were approved and implemented including a retention and disposal program

Contents

The reports and statements set out below comprise the annual financial statements presented to the Council:

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Council's Responsibilities and Approval

The Council is required by the Public Finance Management Act (PFMA) (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Council to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practices (GRAP) and South African Statements of Generally Accepted Accounting Practice (GAAP) where a relevant statement of GRAP is not yet issued.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2012 and, in the light of this review and the current financial position, is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Council is primarily responsible for the financial affairs of the entity, it is supported by the entity's Internal Auditors.

The External Auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been audited by the entity's External Auditors and their report is presented on page 45.

The annual financial statements set out on pages 50 to 66, which have been prepared on the going concern basis, were approved by the Executive Committee of Council on 27 July 2011.



Dr SG Mabizela
(Chairperson)
Umalusi

Report of the Audit and Risk Committee

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2011.

Audit committee responsibility

We report that we adopted appropriate formal terms of reference in our Charter in line with the requirements of section 55(1)(a) of the PFMA and Treasury Regulation 27.1. We further report that we have conducted our affairs in compliance with this Charter.

The effectiveness of internal control

The system of internal control applied by Umalusi over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management letter of the External Auditor, SizweNtsaluba VSP, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations there from. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective as well as the quality of in year management and monthly and quarterly reports submitted in terms of the PFMA.

We are satisfied with the content and quality of monthly and quarterly reports prepared and issued by the auditors of the entity during the year under review.

Evaluation of annual financial statements

We have:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the approved External Auditor, SizweNtsaluba VSP;
- reviewed the management letter and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entity's compliance with legal and regulatory provisions;
- reviewed the significant adjustments resulting from the audit.

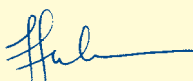
We concur with and accept the auditors' report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditors - SizweNtsaluba VSP.

Internal audit

We are satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

External audit

We have met with the External Auditor to ensure that there are no unresolved issues.



Chairperson of the Audit and Risk Committee

Date: 30 June 2011

Report of the Independent Auditors to the Council

To the Council of Umalusi

Introduction

We have audited the accompanying annual financial statements of Umalusi (Council for Quality Assurance in General and Further Education) which comprise the report of the Council, the statement of financial position as at 31 March 2011, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies other explanatory information, as set out on pages 47 to 66.

Council's responsibility for the financial statements

The entity's Council is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of GRAP and in the manner required by the PFMA (Act 1 of 1999), as amended. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the entity as at 31 March 2011, and its financial performance and its cash flows for the year then ended, in accordance with South African Standards of GRAP and in the manner required by the PFMA (Act 1 of 1999), as amended.

Supplementary information

We draw attention to the fact that the detailed supplementary information set out on page 67 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Report on other legal and regulatory requirements

In terms of the Public Audit Act of South Africa and General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 we include below our findings on the report on predetermined objectives, compliance with the PFMA (Act 1 of 1999), as amended and financial management.

Report of the Independent Auditors to the Council (continued)

Findings and Predetermined objectives

No matter to report.

Compliance with laws and regulations

No matter to report.

Internal control

We considered internal control relevant to our audit of the financial statements and the report on predetermined objectives and compliance with the PFMA (Act 1 of 1999), as amended and Public Audit Act, 25 of 2004, but not for the purposes of expressing an opinion on the effectiveness of internal control.

SizweNtsaluba VSP

SizweNtsaluba VSP
Partner: M Mthimkhulu
Registered Auditor
30 June 2011
Woodmead

Report of the Council

The Council submit their report for the year ended 31 March 2011.

1. Incorporation

Umalusi is listed as a national public entity in terms of schedule 3A of the PMFA (Act 1 of 1999), as amended. Umalusi was established in accordance with the General and Further Education and Training Quality Assurance Act of 2001.

2. Review of activities

Main business and operations

Umalusi, Council for Quality Assurance in General and Further Education and Training, is the quality assurer in general and further education and training, of the National Qualifications Framework (NQF). The Council ensures that continuous enhancement of quality is achieved in the delivery and outcomes of the general and further education and training sectors of the national education system.

The operating results and state of affairs of Umalusi are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net deficit of the entity for the year was R 3,680,484 (2010: surplus R 51,435).

3. Subsequent events

The Council is not aware of any matter or circumstance which has arisen between the end of the financial year and the date of approval of the financial statements.

4. Internal controls

In accordance with the PFMA, (Act of 1999), as amended, Council is accountable for internal control. The Council has the responsibility for maintaining a sound system of internal control that supports achievement of Umalusi's objectives and reviews its effectiveness.

5. Losses through fraud, fruitless and wasteful expenditure and irregular expenditure

The Council has considered the PFMA provisions relating to fruitless and wasteful expenditure. In terms of the materiality framework as agreed with the Executive Authority and Section 55(1) (d) of the PFMA, any material losses due to criminal conduct or irregular or fruitless and wasteful expenditure must be reported in the annual financial statements. Counterfeit Bafana Bafana soccer T-shirts valued at R40,612.50 were fraudulently supplied to Umalusi. The money has not been recovered and has been written off the books of Umalusi and legal processes are in progress to recover this money.

Report of the Council (continued)

6. Council

The members of Umalusi Council during the year and to the date of this report are as follows:

Name

Dr SG Mabizela(Chairperson)	
Prof JD Volmink	Term ended 27 May 2010
Mr GR Agocs	Term ended 27 May 2010
Ms AP Bird	
Prof M Fourie	
Mr SBA Isaacs	
Prof HA Louw	Term ended 27 May 2010
Dr MA Makhafola	Term ended 27 May 2010
Mr HM Mweli	Term ended 27 May 2010
Ms J Naidoo	Term ended 27 May 2010
Mr N Nengovhela	Term ended 27 May 2010
Dr RA Patel	
Mr MQ Potterton	Term ended 27 May 2010
Dr MS Rakometsi (CEO)	
Dr ZC Sosibo	
Dr PJN Steyn	Term ended 27 May 2010
Prof RH Stumpf (As acting CEO of CHE)	Term ended 30 April 2010
Ms PT Tyobeka	Term ended 27 May 2010
Prof DS Zinn	
Prof D Singh	Appointed 08 June 2010
MS F Dada	Appointed 08 June 2010
Mr A Essop	Appointed 08 June 2010
Prof ND Kgwadi	Appointed 08 June 2010
Mr A Mocke	Appointed 08 June 2010
Prof R Moletsane	Appointed 08 June 2010
Mr E Mosuwe	Appointed 08 June 2010
Mr CS Ndaba	Appointed 08 June 2010
Ms P Vinjevold	Appointed 08 June 2010

Note: Where there is no indication above, these council members continue together with those appointed on 8 June 2010, until this term ends on 7 June 2014.

Report of the Council (continued)

7. Council and Executive Management emoluments

Council

Non-Executive Members	Total Fees 2011	Total Fees 2010
Dr SG Mabizela	52,102	33,642
Prof ND Kgwadi	29,538	-
Dr MA Makhafola	7,266	3,550
Mrs L Mlanjana	6,427	-
Ms J Naidoo	4,692	9,760
Mr J Pampallis	-	9,532
Dr ZC Sosibo	2,628	9,364
Dr PJN Steyn	14,776	36,828
Prof JC Volmink	21,518	100,888
	<u>138,947</u>	<u>203,564</u>

Executive management	Salary	Performance & other related payments	Retirement fund contributions	Medical contributions	Total package 2011	Total package 2010
Dr MS Rakometsi	1,366,486	113,270	104,334	-	1,584,090	1,520,811
Mrs E Rabe	867,310	155,657	65,658	-	1,088,625	925,302
Mr JR Thomas	848,107	71,281	65,658	12,168	997,214	922,959
Mr VD Naidoo	645,998	34,119	50,284	12,168	742,569	751,653
Dr JP Blom	686,105	34,119	50,284	11,154	781,662	690,137
Mrs EM Burroughs	639,588	26,494	48,809	-	714,891	638,596
Mr E Sibanda	630,225	32,629	48,087	-	710,941	631,005
Mr M Khuboni (*)	453,075	-	47,377	-	500,452	289,900
	<u>6,136,894</u>	<u>467,569</u>	<u>480,491</u>	<u>35,490</u>	<u>7,120,444</u>	<u>6,370,363</u>

(*) Mr M Khuboni was appointed on 4 October 2009, thus partly employed during 2010.

8. Secretary

The secretary of the entity is Mr EP du Plooy of:

Business address

37 General van Reyneveld Street
Persequor TechnoPark
Pretoria, 0121

Postal address

Postnet Suite 102
Private Bag X1
Queenswood
Pretoria, 0121

9. Auditors

SizweNtsaluba VSP term of office expires this financial period in accordance with section 25(2) of the Public Audit Act.

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Current Assets			
Trade and other receivables	3	5,674,759	4,894,810
Cash and cash equivalents	4	23,458,892	25,768,174
		<u>29,133,651</u>	<u>30,662,984</u>
Non-Current Assets			
Property, plant and equipment	5	13,639,755	14,037,128
Intangible assets	6	320,204	72,102
		<u>13,959,959</u>	<u>14,109,230</u>
Total Assets		<u>43,093,610</u>	<u>44,772,214</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	7,613,653	5,611,773
Total Liabilities		<u>7,613,653</u>	<u>5,611,773</u>
Net Assets		<u>35,479,957</u>	<u>39,160,441</u>
Net Assets			
Accumulated surplus		<u>35,479,957</u>	<u>39,160,441</u>

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Revenue	9	39,893,455	33,394,307
Other income	10	17,907,291	17,118,722
Operating expenses		(63,145,238)	(52,391,296)
Operating deficit	19	(5,344,492)	(1,878,267)
Investment revenue	12	1,664,008	1,929,702
(Deficit) surplus for the year		<u>(3,680,484)</u>	<u>51,435</u>

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus
Balance at 01 April 2009	39,109,006
Changes in net assets	
Surplus for the year	51,435
Total changes	<u>51,435</u>
Balance at 01 April 2010	39,160,441
Changes in net assets	
Deficit for the year	(3,680,484)
Total changes	<u>(3,680,484)</u>
Balance at 31 March 2011	<u>35,479,957</u>

Cash Flow Statement

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Receipts			
Cash receipts from customers		39,670,797	34,160,637
Grants		17,350,000	16,494,000
Interest income		1,664,008	1,929,702
		<u>58,684,805</u>	<u>52,584,339</u>
Payments			
Cash paid to suppliers and employees		(59,699,915)	(50,810,186)
Net cash flows from operating activities	15	<u>(1,015,110)</u>	<u>1,774,153</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(987,219)	(1,108,465)
Proceeds from sale of property, plant and equipment		-	77,738
Purchase of other intangible assets	6	(306,953)	(98,052)
Net cash outflow from investing activities		<u>(1,294,172)</u>	<u>(1,128,779)</u>
Net increase/(decrease) in cash and cash equivalents		(2,309,282)	645,374
Cash and cash equivalents at the beginning of the year		25,768,174	25,122,800
Cash and cash equivalents at the end of the year	4	<u>23,458,892</u>	<u>25,768,174</u>

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the effective South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in Note Changes in accounting policy.

1.1 Significant judgements and sources of estimation uncertainty

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

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Accounting Policies (continued)

1.2 Property, plant and equipment (continued)

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Land is not depreciated.

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

Item	Average useful life
Buildings	20 years
Furniture and fixtures	4 - 6 years
Office equipment	5 years
Computer equipment	3 years
Communication equipment	5 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

1.3 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the entity or from other rights and obligations.

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

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

Accounting Policies (continued)

1.3 Intangible assets (continued)

Amortisation is provided on a straight line basis over their useful life.

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

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	2 years

1.4 Financial instruments

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Accounting Policies (continued)

1.5 Impairment of cash-generating assets (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases – lessee

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

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Accounting Policies (continued)

1.7 Employee benefits (continued)

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.8 Revenue from exchange transactions

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

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

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

1.9 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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

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

Accounting Policies (continued)

1.9 Revenue from non-exchange transactions (continued)

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imburement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

1.10 Investment income

Investment revenue is recognised on a time-proportion basis using the effective interest method.

1.11 Comparative figures

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

1.12 Fruitless and wasteful expenditure

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

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

Notes to the Financial Statements

2. New standards and interpretations

Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- depreciated replacement cost approach
- restoration cost approach
- service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by an entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable amount of the asset. When estimating the value in use of an asset, an entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an entity applies the appropriate discount rate to those future cash flows.

Notes to the Annual Financial Statements (continued)

2. New standards and interpretations (continued)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

IFRIC 14 (AC 447) IAS 19 - The limitation on a defined benefit asset, minimum funding requirements and their interaction

The interpretation addresses the limitation of a defined benefit asset in accordance with paragraph 58 of IAS 19 (AC 116) Employee Benefits. The interpretation provides guidance in the determination of the amount of economic benefits available in the form of refunds and reductions in future contributions, which will affect the maximum amount which may be measured as a defined benefit asset.

The effective date of the interpretation is for years beginning on or after 01 January 2008.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the interpretation will have a material impact on the entity's annual financial statements.

Notes to the Annual Financial Statements (continued)

2. New standards and interpretations (continued)

GRAP 24: Presentation of budget information in the financial statements

Subject to the requirements of paragraph 1.9, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting, i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

3. Trade and other receivables

Trade receivables	5,674,239	4,637,170
Deposits	520	233,898
Other receivables	-	23,742
	5,674,759	4,894,810

Trade Receivable Analysis

Current	1,800,451	1,500,685
Past due 31 - 60 days	235,152	175,441
Past due 61 - 90 days	1,452,935	1,080,120
Past due 91 - 120 days	995,155	432,000
Past due >120 days	1,190,546	1,448,924
Total	5,674,239	4,637,170

Reconciliation of provision for impairment of trade and other receivables

Opening balance	400,664	97,098
Provision for impairment	166,144	303,566
	566,808	400,664

4. Cash and cash equivalents

Figures in Rand	2011	2010
Cash and cash equivalents consist of:		
Cash on hand	2,000	-
Bank balances	1,343,403	817,578
Short-term deposits	22,113,489	24,950,596
	23,458,892	25,768,174

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
AAA	1,343,403	-

5. Property, plant and equipment

Figures in Rand	2011			2010		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	3,118,432	-	3,118,432	3,118,432	-	3,118,432
Buildings	10,442,627	(1,792,641)	8,649,986	10,442,627	(1,270,509)	9,172,118
Plant and equipment	491,749	(235,876)	255,873	491,749	(137,526)	354,223
Furniture and fixtures	1,313,289	(1,106,749)	206,540	1,305,743	(999,969)	305,774
Office equipment	671,354	(435,420)	235,934	603,799	(351,443)	252,356
Computer equipment	3,896,621	(2,821,294)	1,075,327	2,984,503	(2,283,071)	701,432
Leasehold improvements	221,617	(221,617)	-	221,617	(221,617)	-
Other fixed assets	311,239	(213,576)	97,663	311,239	(178,446)	132,793
Total	20,466,928	(6,827,173)	13,639,755	19,479,709	(5,442,581)	14,037,128

5. Property, plant and equipment

Reconciliation of property, plant and equipment – 2010

Figures in Rand	Opening balance	Additions	Depreciation	Total
Land	3,118,432	-	-	3,118,432
Buildings	9,172,118	-	(522,132)	8,649,986
Plant and equipment	354,223	-	(98,350)	255,873
Furniture and fixtures	305,774	7,546	(106,780)	206,540
Office equipment	252,356	67,555	(83,977)	235,934
Computer equipment	701,432	912,118	(538,223)	1,075,327
Other fixed assets	132,793	-	(35,130)	97,663
	14 037,128	987,219	(1,384,592)	13,639,755

Reconciliation of property, plant and equipment – 2010

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Land	3,125,682	-	(7,250)	-	3,118,432
Buildings	9,567,289	125,259	-	(520,430)	9,172,118
Plant and equipment	258,648	193,925	-	(98,350)	354,223
Furniture and fixtures	308,332	119,557	-	(122,115)	305,774
Office equipment	170,432	145,653	-	(63,729)	252,356
Computer equipment	768,143	454,103	(19,216)	(501,598)	701,432
Other fixed assets	92,140	69,968	-	(29,315)	132,793
	14,290,666	1,108,465	(26,466)	(1,335,537)	14 037,128

Other information

Property, plant and equipment fully depreciated and still in use (Gross carrying amount)

Computer equipment	2,693,503	1,794,019
Leasehold Improvements	221,617	221,617
Furniture and fixtures	797,864	797,444
Office equipment	203,488	203,488
Other fixed assets	157,375	157,375
	4,073,847	3,173,943

The land and building acquired on 26 July 2007 are described as portion 2 of Erf. 2 Perseuor Township, Gauteng Province, measuring 5 721 square meters with office building thereon. The premises are owner-occupied.

6. Intangible assets

Figures in Rand	2011			2010		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1,633,064	(1,312,860)	320,204	1,326,111	(1,254,009)	72,102

Reconciliation of intangible assets – 2011

Figures in Rand	Opening balance	Additions	Amortisation	Total
Computer software	72,102	306,953	(58,851)	320,204

Reconciliation of intangible assets – 2010

Figures in Rand	Opening balance	Additions	Amortisation	Total
Computer software	163,131	98,052	(189,081)	72,102

6. Intangible assets (continued)

Other information

Figures in Rand	Opening balance	Additions	Amortisation	Total
Fully amortised intangible assets still in use			1,228,059	1,228,059

7. Trade and other payables

Figures in Rand	2011	2010
Trade payables	2,281,167	1,987,687
Amounts received in advance	1,100,000	-
Other accrued expenses	1,574,131	1,145,762
Sundry creditors	2,658,355	2,478,324
	7,613,653	5,611,773

8. Retirement benefits

Defined benefit plan

All employees of the entity are members of the Associated Institutions Pension Fund, a defined benefit pension fund. Any surplus or deficit based on the difference between the benefits due to employees in accordance with the actuarial valuation and the fund assets is borne directly by the South African Government. The contributions to the retirement benefits are included in staff costs.

9. Revenue

Figures in Rand	2011	2010
Accreditation fees	1,615,685	1,968,435
Certification fees	34,556,960	29,245,516
Verification fees	3,720,810	2,180,356
	39,893,455	33,394,307

The amount included in revenue arising from exchanges of goods or services are as follows:

Accreditation fees	1,615,685	1,968,435
Certification fees	34,556,960	29,245,516
Verification fees	3,720,810	2,180,356
	39,893,455	33,394,307

10. Other revenue

Figures in Rand	2011	2010
Grant: Department of Basic Education	17,350,000	16,494,000
Sundry revenue	557,291	573,450
Gain on disposal of assets	-	51,272
	17,907,291	17,118,722

11. Employee related costs

Figures in Rand	2011	2010
Basic salary	28,316,886	24,522,250
Skills development levy	243,503	204,872
Leave pay provision charge	251,119	768,833
	28,811,508	25,495,955

12. Investment revenue

Figures in Rand	2011	2010
Interest revenue		
Bank deposit	<u>1,664,008</u>	<u>1,929,702</u>

13. Taxation

The entity has obtained approval for exemption from Income Tax in terms of Section 10(1)(cA)(i)(bb) of the Income Tax Act.

14. Auditors' remuneration

Figures in Rand	2011	2010
External Audit fees	224,352	212,069
Internal Audit fees	<u>196,080</u>	<u>150,956</u>
	<u>420,432</u>	<u>363,025</u>

15. Cash (used in) generated from operations

Figures in Rand	2011	2010
(Deficit) surplus	(3,680,484)	51,435
Adjustments for:		
Depreciation and amortisation	1,443,442	1,524,618
Gain on sale of assets	-	(51,272)
Impairment deficit	166,144	303,566
Other non-cash items	-	(2)
Changes in working capital:		
Trade and other receivables	(946,093)	(150,935)
Trade and other payables	<u>2,001,881</u>	<u>96,743</u>
	<u>(1,015,110)</u>	<u>1 774,153</u>

16. Commitments

Figures in Rand	2011	2010
Authorised capital expenditure		
Not yet contracted for and authorised by members		
• Property, plant and equipment	<u>6,000,000</u>	<u>-</u>
The entity did not have any capital expenditure commitments as at the reporting date,		
Operating leases - as lessee (expense)		
Minimum lease payments due - office equipment		
- within one year	4,734	63,875
- in second to fifth year inclusive	<u>-</u>	<u>34,878</u>
	<u>4,734</u>	<u>98,753</u>

17. Related parties

Relationships
Affiliated Companies by Government

SITA
Telkom

Responsible Ministry
Associated Institution

Department of Basic Education
Associated Institutions Pension Fund
Higher Education South Africa

17. Related parties

Related party transactions

Figures in Rand	2011	2010
SITA	2,733,663	1,718,897
Telkom	412,493	293,138
Department of Basic Education	17,350,000	16,694,910
Associated Institutions Pension Fund	2,776,287	2,430,475
Higher Education South Africa	50,000	150,000

18. Risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	6,513,653	-	-	-

At 31 March 2010	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	3,761,618	-	-	-

Credit risk

Financial assets, which potentially subject Umalusi to the risk of non-performance by counter-parties and thereby subject the organisation to concentrations of credit risk, consist mainly of cash and cash equivalents, and accounts receivable.

The entity limits its treasury counter-party exposure by only dealing with well-established financial institutions with high credit ratings assigned by international credit-rating agencies. The entity does not expect any treasury counter-parties to fail to meet their obligations, given their high credit rating.

Credit risk with respect to accounts receivable is limited as major customers are government departments and local authorities. Trade receivables have been adequately assessed for impairment.

Figures in Rand	2011	2010
Financial assets exposed to credit risk at year end were as follows:		
Government - Provincial Departments	3,154,887	167,383
Further Education & Training Colleges	1,304,102	1,344,283
Schools and other providers	1,182,658	2,025,664

19. Operating deficit

Figures in Rand	2011	2010
Operating deficit for the year is situated after accounting for the following:		
Operating lease charges		
Equipment		
• Contactual amounts	64,434	65,768

19. Operating deficit (continued)

Figures in Rand	2011	2010
Gain on sale property, plant and equipment	-	51,272
Impairment on trade and other receivables	166,144	303,566
Depreciation on property, plant and equipment	1,443,442	1,524,618
Employee costs	28,811,508	25,495,955
Research and development	126,890	149,102

20. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net (deficit)/surplus per the statement of financial performance	(3,680,484)	51,435
Adjusted for:		
Revenue higher than budget	(9,396,546)	1 349,730
Expenses lower than budget	13,398,358	423,732
Gain on the sale of assets	-	51,272
CAPEX in budget	1,281,476	1,206,517
Depreciation and amortisation	(1,602,804)	(3,082,686)
Net surplus per approved budget	-	-

21. World Cup expenditure

Bafana Bafana Soccer T-shirts	82,688	-
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Counterfeit Bafana Bafana soccer T-shirts valued at R40,612,50 were fraudulently supplied to Umalusi. The money has not been recovered and has been written off the books of Umalusi and legal processes are in progress to recover this money.

Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Revenue			
Accreditation fees		1,615,685	1,968,435
Certification fees		34,556,960	29,245,516
Verification fees		3,720,810	2,180,356
	9	<u>39,893,455</u>	<u>33,394,307</u>
Other income			
Grant: Department of Education		17,350,000	16,494,000
Interest received	12	1,664,008	1,929,702
Sundry revenue		557,291	573,450
Gains on disposal of assets		-	51,272
		<u>19,571,299</u>	<u>19,048,424</u>
Expenses			
		<u>(63,145,238)</u>	<u>(52,391,296)</u>
(Deficit)/surplus for the year			
		<u>(3,680,484)</u>	<u>51,435</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Detailed Statement of Financial Performance

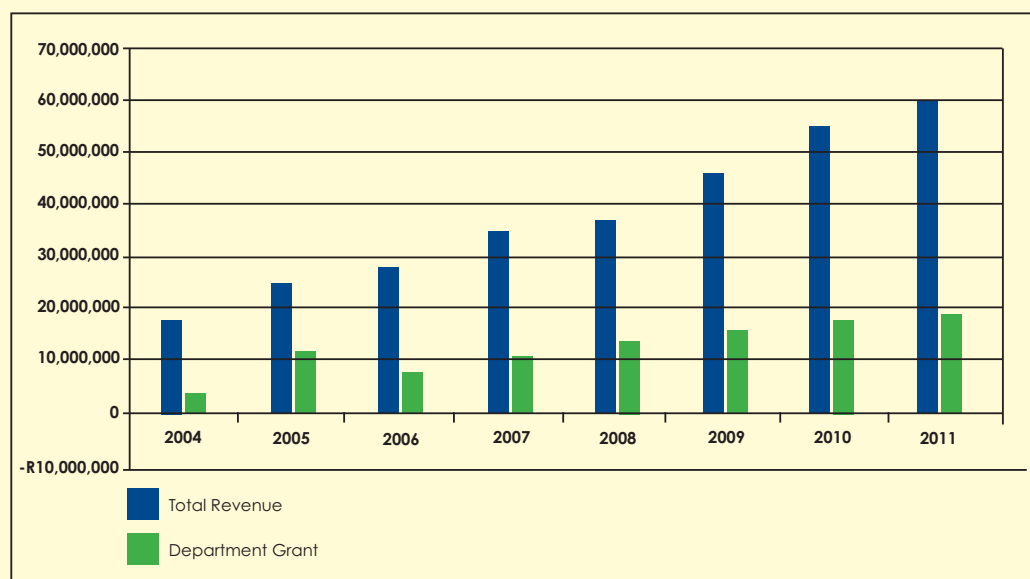
Figures in Rand	Note(s)	2011	2010
Operating expenses			
Advertising		133,518	149,472
Audit Committee expenses	(a)	11,662	4,587
Auditors remuneration	14	420,432	363,025
Bank charges		47,802	40,809
Certification expenses		4,251,299	3,066,474
Cleaning		179,832	171,817
Computer expenses		1,536,488	1,359,013
Conference and workshops		486,887	382,294
Consulting and professional fees		2,674,688	3,259,117
Council related expenses		94,703	270,544
Depreciation, amortisation and impairments		1,609,586	1,828,184
Electricity		297,890	260,343
Employee costs		28,811,508	25,495,955
General expenses		81,745	64,881
Insurance		112,184	99,275
Lease rentals on operating lease		64,434	65,768
Legal expenses	(b)	165,317	49,484
Levies		154,909	150,917
Meeting expenses	(c)	863,260	408,251
Membership fees	(d)	27,461	6,473
Moderator and verifier costs	(e)	10,752,434	6,520,865
Postage		127,349	137,537
Printing and stationery		1,391,151	1,035,903
Promotions		436,033	455,655
Repairs and maintenance		274,101	408,611
Research and development costs		126,890	149,102
Security	(f)	230,653	92,877
Staff welfare and refreshments	(g)	243,453	135,756
Subscriptions		1,200	3,030
Telephone and fax		412,293	336,777
Training		389,132	465,049
Travel and accommodation - local		6,520,159	5,007,399
Travel and accommodation- overseas		214,785	146,052
		<u>63,145,238</u>	<u>52,391,296</u>

Additional Notes Regarding Operational Expenses (Year on Year)

- a) Audit committee expenses increased by 154 % because some members did not claim for honorarium in the prior year and only claimed in the current financial year.
- b) Legal fees increased by 234% due to an increased number of legal opinions sought from legal experts compared to previous year.
- c) Meeting expenses increased by 111% as a result of the increase in the number of workshops held as well as the provider conference which attracted a huge number of delegates. The expenses include venue, equipment hire, catering, traveling and accommodation.
- d) Membership fees increased by 324% because payment for the 2012 AEAA membership was done in the current financial year to take advantage of huge discounts offered for future years membership fees.
- e) The increase of 64% was mainly a result of increased tariffs in line with the PAM document used by the Department of Basic Education as well as increased number of moderators employed due to the increase in the sample sizes of the areas covered in quality assurance processes.
- f) Security costs increased by 148% as a result of overall improvement in the security of the building which emanated from a number of burglaries and burglary attempts experienced during the financial year.
- g) Staff Welfare and refreshments increased by 79% as a result of an increase in staff compliment. (See page 71 of annual report)

Finance Year on Year Statistics

	2004	2005	2006	2007	2008	2009	2010	2011
Total Revenue	R 18,076,902	R 23,547,626	R 28,603,979	R 32,972,345	R 36,013,566	R 46,434,368	R 52,442,731	R 59,467,754
Total Income Year on Year Increase		30%	21%	15%	9%	29%	13%	13%
Total Expenditure	R 15,705,633	R 18,391,033	R 21,329,502	R 28,024,527	R 30,887,357	R 41,378,380	R 51,155,142	R 63,145,238
Total income Year on Year Expenditure		17%	16%	31%	10%	34%	24%	23%
Surplus/Deficit	R 2,371,269	R 5,156,593	R 7,274,477	R 4,947,823	R 5,126,209	R 5,055,988	R 51,435	-R 3,680,484
Department Grant	R 3,050,000	R 12,869,000	R 7,690,000	R 10,286,000	R 12,8625,000	R 16,044,000	R 16,494,000	R 17,350,000
% YOY Increase/Decrease		322%	-40%	34%	23%	27%	3%	5%
Revenue Streams								
Accreditation Fees	R 317,564	R 275,628	R 483,284	R 622,553	R 1,852,102	R 1,126,359	R 1,968,435	R 1,615,685
Certification Fees	R 10,021,632	R 6,233,693	R 16,510,584	R 16,986,851	R 16,390,172	R 22,945,515	R 29,245,516	R 34,556,960
Verification Fees	R 335,242	R 661,969	R 1,437,951	R 2,579,780	R 3,440,224	R 2,948,040	R 2,180,356	R 3,720,810
Interest Received	R 1,058,498	R 936,169	R 1,307,700	R 1,726,545	R 1,586,972	R 2,811,885	R 1,929,702	R 1,664,008
USAID Funding	R 3,236,130	R 2,515,211	R 595,375	R 0	R 0	R 0	R 0	R 0
Departmental Grant	R 3,050,000	R 12,869,000	R 7,690,000	R 10,286,000	R 12,652,000	R 16,044,000	R 16,494,000	R 17,350,000
Other	R 57,836,902	R 55,956	R 579,085	R 770,616	R 92,096	558,569	R 624,722	R 560,291
Total	R 18,076,902	R 23,547,626	R 28,603,979	R 32,972,345	R 36,013,566	R 46,434,368	R 52,442,731	R 59,467,754
Accreditation Fees YOY Increase/Decrease		-13%	75%	29%	198%	-39%	75%	-18%
Certification Fees YOY Increase/Decrease		-38%	165%	3%	-4%	40%	27%	18%
Verification Fees YOY Increase/Decrease		97%	117%	79%	33%	-14%	-26%	71%



Oversight Report

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister for the Public Services and Administration.

Information on key human resources issues are provided in the statistical tables below. The information aims to empower legislators, the media, the public and other stakeholders to monitor whether public entities:

- exercise the powers granted under Public Service and Public Finance legislation in a responsible manner, and
- achieve national transformation priorities established by the Cabinet, (e.g. affirmative action).

1. Expenditure

Umalusi budgets in terms of clearly defined programmes. The following tables summarise the expenditure programme (Table 1.1) and salary bands (Table 1.2) in particular. An indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within Umalusi is provided.

These figures reflect the permanent employees of Umalusi. An average of 200 employees were appointed as moderators and monitors and are reflected as consultants, and were remunerated on a claim-per-task basis.

Table 1.1 Personnel cost by programme 2010/11

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)	Number of Employees
Evaluation and Accreditation	8,840	5,702	55	65	300	19
Corporate Services	16,549	6,892	268	42	265	26
Management Support Structures	7,332	4,975	-	68	622	8
Qualifications, Curriculum and Certification	6,051	3,221	58	53	293	11
Quality Assurance of Assessment	19,698	5,468	16	28	365	15
Statistical Information and Research	4,574	2,554	-	56	365	7
Total	63,044	28,812	397	46	335	86

Table 1.2 Personnel cost by salary bands 2010/11

Salary bands	Personnel expenditure cost (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Number of Employees
Lower skilled (Level 1 - 2)	271	1	90	3
Skilled (Level 3 - 5)	3,845	13	128	30
High skilled production (Level 6 - 8)	2,709	9	181	15
High skilled supervision (Levels 9 -12)	14,874	52	496	30
Senior Management (Levels 13 - 16)	7,113	25	889	8
Total	28,812	100	335	86

Tables 1.3 and 1.4 provide a summary per programme and salary bands of expenditure incurred as a result of salaries, employer's contribution to pension fund, home-owner's allowance and medical allowance. The table provides an indication of the percentage of the personnel budget that was used for these items.

Table 1.3 Salaries, pension fund, home owner's allowance, medical aid assistance by programme 2010/11

Programme	Salaries		Employer's contribution to Pension Fund		Home-owner's Allowance		Medical Aid Assistance	
	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost
Evaluation and Accreditation	5,702	18	218	0,76	60	0,21	163	0,57
Corporate Services	6,892	23	205	0,71	-	-	52	0,18
Management Support Structures	4,975	16	295	1,02	17	0,06	33	0,11
Qualifications, Curriculum and Certification	3,221	11	113	0,39	-	-	24	0,08
Quality Assurance of Assessment	5,468	18	220	0,76	20	0,07	152	0,53
Statistical Information and Research	2,554	8	104	0,36	-	-	5	0,02
Total	28,812	94	1,155	4,01	97	0,34	429	1,49

Table 1.4 Salaries, pension fund, home owner's allowance, medical aid assistance by salary bands 2010/11

Programme	Salaries		Employer's contribution to Pension Fund		Home-owner's Allowance		Medical Aid Assistance	
	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost
Lower skilled (Level 1 - 2)	271	0,90	18	0,06	-	-	10	0,03
Skilled (Level 3 - 5)	3,845	13	150	0,52	-	-	155	0,54
High skilled production (Level 6 - 8)	2,709	9,2	138	0,48	-	-	89	0,31
High skilled supervision (Levels 9 -12)	14,874	52	489	1,70	55	0,17	140	0,49
Senior Management (Levels 13-16)	7,113	24,9	360	1,25	42	0,15	35	0,12
Total	28,812	94	1,155	4,01	97	0,34	429	1,49

Table 2.1 Employment and vacancies by programme 31 March 2011

Programme	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Evaluation and Accreditation	19	16	16	3
Corporate Services	26	25	4	-
Management Support Structures	8	8	-	1
Qualifications, Curriculum and Certification	11	10	9	1
Quality Assurance of Assessment	15	15	-	-
Statistical Information Research	7	7	-	-
Total	86	81	6	5

Table 2.2 Employment and vacancies by salary bands 31 March 2011

Programme	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1 - 2)	3	3	-	-
Skilled (Levels 3 - 5)	30	25	17	5
High skilled production (Levels 6 - 8)	15	15	-	-
High skilled supervision (Levels 9 - 12)	30	30	-	-
Senior Management (Levels 13 - 16)	8	8	-	-
Total	86	81	6	5

Table 2.3 Employment and vacancies by critical occupation 31 March 2011

Programme	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Administrative related	30	25	17	5
Cleaners/Housekeeper	3	3	-	-
Communication related	1	1	-	-
Financial related	4	4	-	-
Human Resource related	4	4	-	-
Secretarial related	2	2	-	-
Information Technology related	5	5	-	-
Assessment	9	9	-	-
Accreditation	9	9	-	-
Statistic & Research	5	5	-	-
Qualifications	6	6	-	-
Senior Management	8	8	-	-
Total	86	81	6	5

3. Job evaluation

Job evaluations were done during the 2010/11 financial year. Levels 9 to 10 were adjusted. An independent remuneration review of 34 positions within Umalusi was done during December 2010. The Assistant Manager salaries were adjusted to the 50th percentile?

4. Employment changes

This section provides information on changes in employment over the financial year. The turnover rates provide an indication of trends in the employment profile of Umalusi. The following tables provide a summary of turnover rates by salary band (Table 4.1) and by critical occupations (Table 4.2)

Table 4.1 Annual Staff turnover by salary band

Salary Band	Number of employees per band as on 1 April 2010	Appointments	Terminations	Turnover Rate %
Lower skilled (Levels 1 - 2)	3	-	-	-
Skilled (Levels 3 - 5)	30	5	3	10
High skilled production (Levels 6 - 8)	12	-	-	-
High skilled supervision (Levels 9 -12)	34	3	1	3
Senior management service band A	5	-	1	20
Senior management service band B	2	-	-	-
Senior management service band C	1	-	-	-
Total	86	10	5	6

Table 4.2 Identifies the major reason why staff left Umalusi

Termination type	Number	% of total employment
Resignation	5	6
Total	5	6
Total number of employees who left as a % of the total employment		6

5. Employment equity

The tables in this section are presented in the formats prescribed by the Employment Equity Act, No 55 of 1998.

Table 5.1 Total number of employees (including employees with disabilities) in each of the occupational categories as on 31 March 2011.

Occupational Categories	Male	Male	Male	Male	Female	Female	Female	Female	Foreign Nationals	Foreign Nationals	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Legislators, senior officials and managers	7	2	1	4	2	-	1	7	-	-	24
Professionals	9	1	1	1	10	-	2	3	2	-	29
Technicians and Associate professionals	-	-	-	-	-	-	-	-	-	-	-
Clerks	5	-	-	-	23	-	1	-	1	-	30
Elementary Occupations	1	-	-	-	2	-	-	-	-	-	3
Total permanent	22	3	2	5	37	-	4	10	3	-	86
Non-permanent	-	-	-	-	-	-	-	-	-	-	-
Total	22	3	2	5	37	-	4	10	3	-	86
Employees with disabilities	-	-	-	-	-	-	-	-	-	-	-

Table 5.2 Total number of employees (including employees with disabilities) in each of the occupational bands as on 31 March 2011

Occupational Bands	Male	Male	Male	Male	Female	Female	Female	Female	Foreign	Foreign	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	1	1	-	-	-	-	-	1	-	-	3
Senior management	2	-	1	-	-	-	-	2	-	-	5
Professionally qualified and experienced specialists and mid-management	4	1	-	4	2	-	1	4	-	-	16
Skilled technical and academically qualified workers, junior management	9	1	1	1	10	-	2	3	2	-	29
Semi-skilled and discretionary decision making	5	-	-	-	23	-	1	-	1	-	30
Unskilled and defined decision making	1	-	-	-	2	-	-	-	-	-	3
Total	22	3	2	5	37		4	10	3		86
Non-permanent	-	-	-	-	-	-	-	-	-	-	-
Total	22	3	2	5	37		4	10	3		86

Table 5.3 Recruitment 2010/11

Occupational Bands	Male	Male	Male	Male	Female	Female	Female	Female	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	1	-	-	-	-	1
Skilled technical junior management supervisors	1	-	-	-	1	-	-	-	2
Semi-skilled and discretionary decision making	3	-	-	-	3	-	-	-	6
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total permanent	5	-	-	1	4	-	-	-	10
Non-permanent									
Total	5	-	-	1	4	-	-	-	10

Table 5.4 Terminations 2010/11

Occupational Bands	Male	Male	Male	Male	Female	Female	Female	Female	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	-	-	-
Senior Manager	-	-	-	-	-	-	-	1	1
Professionally qualified and experienced specialists and mid-management									
Skilled technical junior management supervisors	1	-	-	-	1	-	-	-	2
Semi Skilled and defined decision making	1	-	-	-	1	-	-	-	2
Total permanent	2	-	-	-	2	-	-	1	5
Non-permanent									
Total	2	-	-	-	2	-	-	1	5

6. Performance rewards

To encourage good performance, Umalusi granted the following performance rewards during 2010/11. The information is presented in terms of race, gender and disability (Table 6.1) salary bands (Table 6.2) and critical occupations (Table 6.3)

Table 6.1 Performance rewards by race, gender and disability

	Number of beneficiaries	Number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	26	26	100	252	10
Female	32	36	89	131	4
Asian					
Male	2	2	100	51	26
Female	4	4	100	38	10
Coloured					
Male	3	3	100	112	37
Female					
White					
Male	5	5	100	137	27
Female	10	10	100	254	25
Employees with with a disability	-	-	-	-	-
Total	82	86	95	975	12

Table 6.2 Performance rewards by salary bands for personnel below senior management service 2010/11

	Beneficiary profile	Beneficiary profile	Beneficiary profile	Cost	Cost
	Number of beneficiaries	Number of Employees in group	% of total within group	Cost (R'000)	Average cost Per employee
Lower skilled (Levels 1 - 2)	1	3	33	2	2
Skilled (Levels 3 - 5)	29	30	97	59	2
Highly skilled Production (Levels 6 - 8)	15	15	100	107	7
Highly skilled Supervision (Levels 9 - 12)	30	30	100	601	20
Total	75	78	96	664	9

Table 6.3 Performance related rewards (cash bonus) by salary band for senior management services

	Beneficiary profile	Beneficiary profile	Beneficiary profile	Cost	Cost
	Number of beneficiaries	Number of Employees in group	% of total within group	Cost (R'000)	Average cost Per employee
Band A	6	7	86	254	42
Band B	-	-	-	-	-
Band C	-	-	-	-	-
Band D	1	1	100	57	57
Total	7	8	88	311	44

7. Leave utilisation for the period 1 January 2010 to 31 December 2010

The need for monitor sick leave within the Public Service, was identified by the Public Service Commission. An indication of the use of sick leave (Table 7.1) and disability leave (Table 7.2) is provided in the following tables.

Table 7.1 Sick leave 1 January 2010 – 31 December 2010

Salary band	Total days	% days with medical certificates	Number of employees using sick leave	Averagedays per employee
Lower skilled (Levels 1-2)	10	0.3	3	2
Skilled (Levels 3 - 5)	96	31	30	5
Highly skilled production (Levels 6-8)	20	75	15	5
Highly skilled supervision (Levels 9 - 12)	35	86	3	5
Senior Management (Band A-C)	26	30	8	5
Total	187	46	86	2

Table 7.3 summarises the utilisation of annual leave. Management prevents high levels of annual leave accrued being paid at the time of termination of service by encouraging the optimum use of leave.

Table 7.2 Annual leave 1 January 2010 – 31 December 2010

Salary band	Total days taken	Average per employee
Lower skilled (Levels 1 - 2)	12	4
Skilled (Levels 3 -5)	183	6
Highly skilled Production (Levels 6 - 8)	73	5
Highly skilled Supervision (Levels 9 -12)	190	6
Senior Management (Band A -C)	71	9
Total	529	18

The tables following summarises payments made to employees as a result of leave that was not taken and paid out.

Table 7.3 Leave payouts

Salary band	Total amount (R'000)	Number of employees	Average payment per employee (R'000)
Current leave payout on termination of service for 2010/11	240	5	48
Total		5	48

8. HIV/AIDS and health promotion programmes

Table 8.1 Steps taken to reduce the risk of occupational exposure

Units /categories of employees identified to be at risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risks
None	HIV/AIDS organisational policy implemented

Table 8.2 Details of health promotion and HIV/AIDS programmes

Questions	Yes	No	Details if yes
Has the organisation designated a member of the Senior management services implement the provisions contained in Part VI.E of Chapter 1 of the Public Service Regulations, 2001?		X	
Does the organisation have a dedicated unit or has it designated specific staff members to promote the health and well being of the employees?	X		Human Resources sub-unit
Has the organisation introduced an employee assistance or health promotion programme for the employees?	X		EWP implemented through Human Resource Sub-unit. HIV&AIDS Workplace management (Distribution of condoms, policy) Wellness management (3 Wellness days per annum)
Has the organisation established (a) committee(s) as contemplated in Part VI E.5(e) of Chapter 1 of the Public Service Regulations, 2001?		X	
Has the organisation reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status?	X		HIV/AIDS Policy , Recruitment & selection policy,
Has the organisation introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination?	X		HIV/AIDS Policy
Does the organisation encourage its employees to undergo voluntary counseling and testing?	X		Through the Employee Wellness Programme managed by Human Resources.
Has the organisation developed measures /indicators to monitor and evaluate the impact of its health promotion programme?	X		EWP implemented through HR who manages three Wellness days per annum.

Table 9.1 Grievances lodged 2010/11

No grievances lodged during 2010/11.

Table 9.2 Disputes lodged with Labour Relations Councils 2010/11

No disputes were lodged during 2010/11.

10. Skills development

Table 10.1 Training needs identified and training provided 2010/11

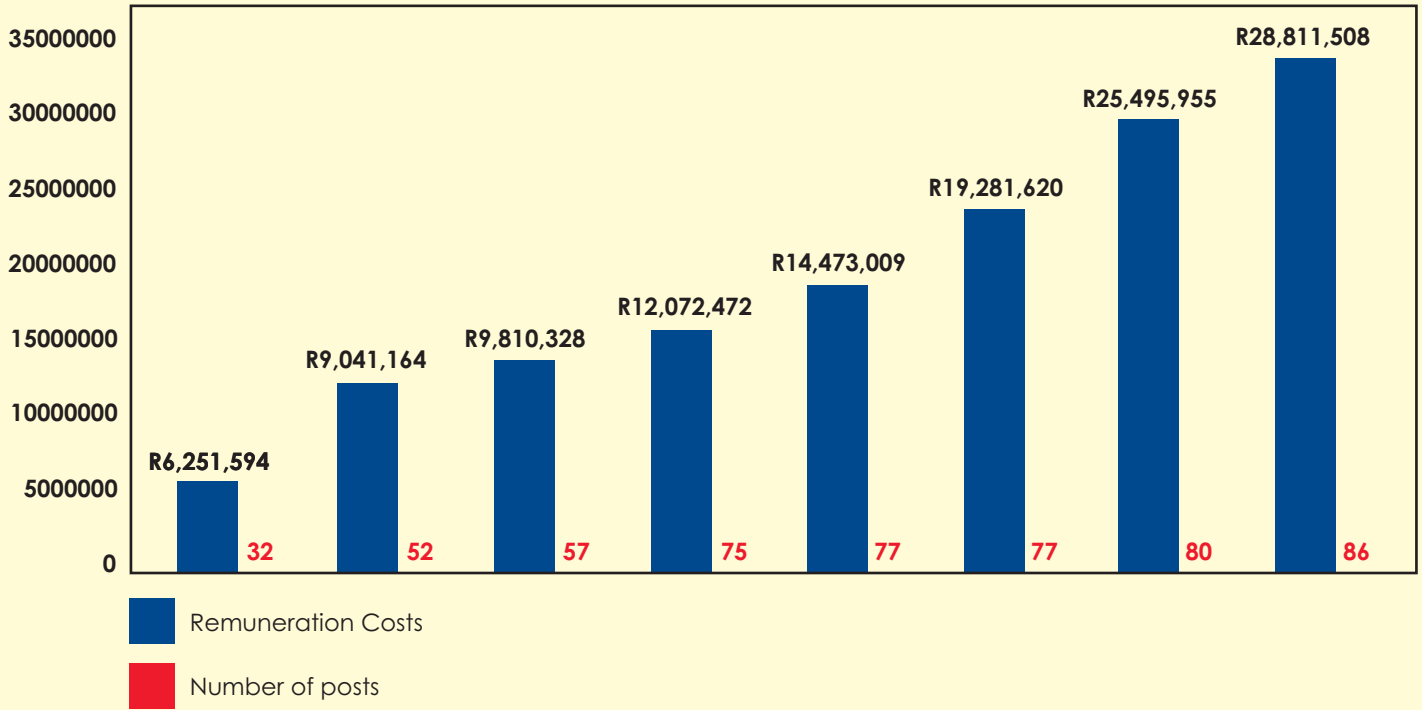
Occupational categories	Gender	Number of employees as at 1 April 2010	Skills Programmes and other short courses identified	Skills Programmes and other short courses provided
Legislators, senior officials and managers	Male	14	13	12
	Female	10	13	12
Technicians and Associate professionals	Male	14	13	30
	Female	15	13	30
Clerks	Male	6	5	25
	Female	24	5	25
Elementary occupations	Male	1	-	-
	Female	2	-	-
Subtotal	Male	35	31	67
	Female	51	31	67
Total		86	62	134

Table on Moderator and Consultant numbers and expenditure since 2004/5 to 31 March 2011

	2004/05		2005/06		2006/07		2007/08		2008/09		2009/10		2010/11	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
Moderators	300	2,946	210	3,788	256	3,889	334	4,304	456	5,111	310	6,520	347	10,752
Consultants	-	-	43	347	39	999	46	1,147	136	856	135	3,259		
	300	2,946	253	4,135	295	4,888	380	5,451	592	5,967	445	9,779	347	10,752

	2004	2005	2006	2007	2008	2009	2010	2011
Remuneration costs	R 6,151,594	R 9,041,164	R 9,810,328	R 12,072,472	R 14,473,009	R 19,281,620	R 25,495,955	R 28,811,508
Remuneration Year On Year Increase		47%	9%	23%	20%	33%	32%	13%
Total Expenditure	R 15,705,632	R 18,391,033	R 21,329,502	R 28,024,522	R 30,887,357	R 41,378,379	R 52,391,296	R 63,145,238
% of Total Expenditure	39%	49%	46%	43%	47%	47%	49%	46%
Number of posts	32	52	57	75	77	77	80	86
Posts YOY% Increase	63%	10%	32%	3%	0%	4%	8%	8%
Posts filled	26	45	48	49	54	67	75	81
Additional posts (contract)	6	4	5	5	4	6	5	5
Vacancy rate	19%	13%	16%	35%	30%	13%	6%	6%
Staffing levels								
Lower skilled (levels 1 - 2)	1	1	1	1	1	1	3	3
Skilled (Levels 3 - 5)	10	10	13	14	17	21	27	30
High skilled production (levels 6 - 8)	8	9	6	6	6	13	11	15
High skilled supervision (levels 9 - 12)	9	20	22	22	23	25	31	30
Senior management (levels 13 - 16)	4	5	6	6	7	7	8	8
Training costs	R 39,000	R 29,000	R 60,000	R 140,000	R 194,000	R 335,914	R 465,049	R 389,132
Training YOY% Increase		-26%	107%	133%	39%	73%	38%	-16%
Senior management costs	R 1,605,368	R 2,314,000	R 2,934,000	R 3,775,000	R 3,432,000	R 5,223,000	R 6,326,817	R 7,120,444
SMS % of remuneration costs	26%	26%	30%	31%	24%	27%	25%	25%
Number of SMS posts	4	6	6	7	7	7	8	8
SMS Posts YOY% Increase		50%	0%	17%	0%	0%	14%	0%

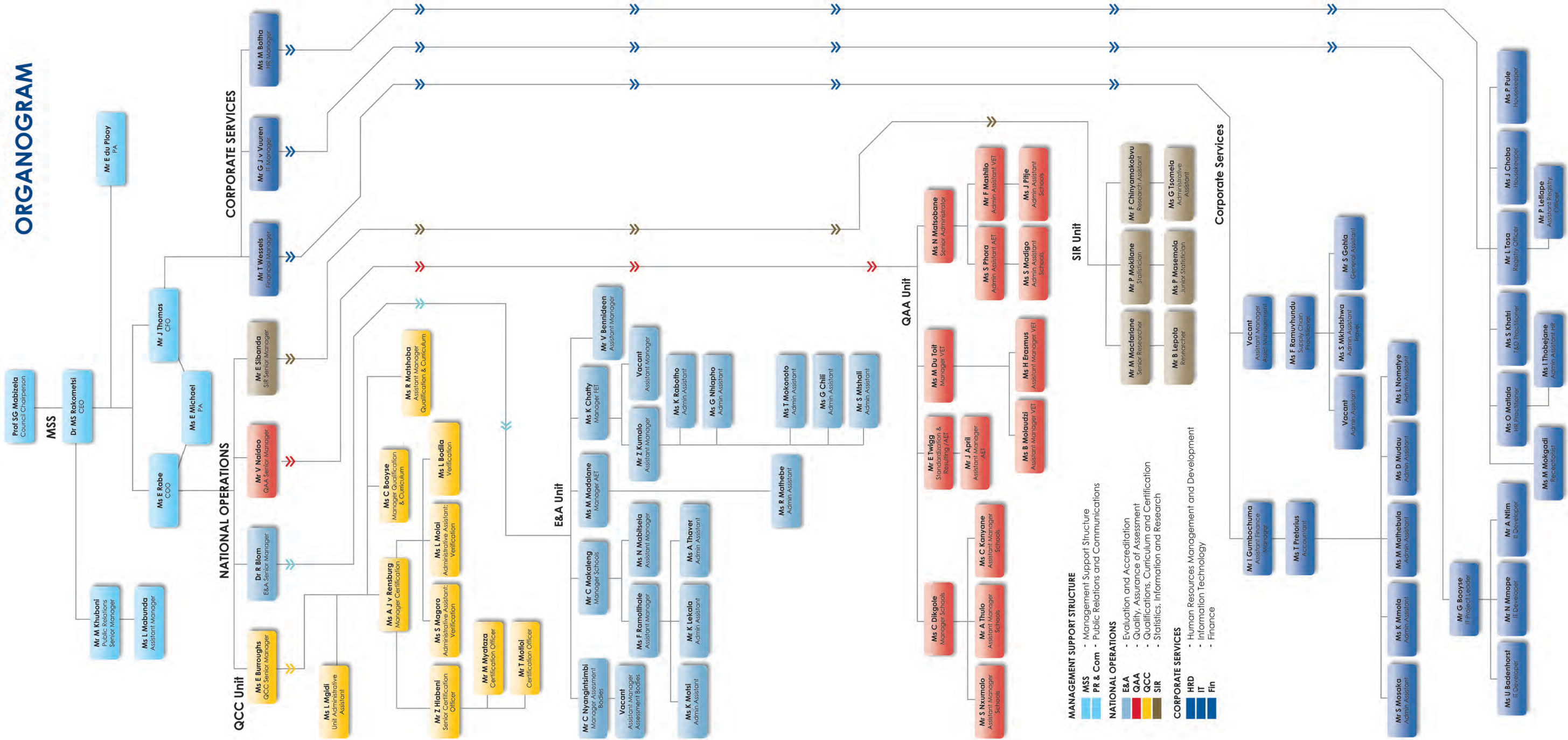
Remuneration Costs



Area of Training	Type of Training	Cost	Employees
Administrative Justice Act	MacRobert Attorneys	5,301	All staff
Advanced Premier Workshop	SoftlineVIP	3,990	Assistant Manager : Finance
MS Access Course	Bytes People Solutions	2,497	Assistant Manager : E&A
Premier HR Employee Management	SoftlineVIP	13,634	All HR Staff
Supervisory Skills Training	SATelelink	31,464	22 Staff from various units & levels
.NET Programming	Bytes People Solution	11,628	2 IT Developers
Fire fighting Course	NOSA	1,500	Fire Fighters
Annual Labour Law Seminar	SoftlineVIP	1,455	HRM&D Manager
CFO's Africa Summit	Amabhubesi Conferencing	8,539	CFO
Advanced Excel Course	CTU Training Solutions	855	Assistant Manager : Finance
Personnel History	SoftlineVIP	3,409	HR Staff
Premier Basic Workshop	SoftlineVIP	3,933	Assistant Manager : Finance
AIDS Awareness Workshop	Workinfo.com	2,565	HR Staff
Fraud and Corruption Workshop	Business Circle Consultation	6,839	CFO
Human Resources Management	Execuprime	6,509	T&D Practitioner
Skills Development Facilitator Course	Behavioural Systems Development - ETDP Seta sponsored	-	T&D Practitioner
Assessor RPL Course	Behavioural Systems Development	912	T&D Practitioner
Basic Fire Fighting Course	National Occupational Safety & Health Consultancy	1,357	Health & Safety Representatives
Payroll Managers Refresher Course	LexisNexis	2,000	Accountant
Maintaining SQL Server 2008 Database Course	Bytes People Solutions	6,270	IT Developer
Maintaining SQL Server 2008 Database Course	Bytes People Solutions	7,490	Systems Analyst
Labour law Workshop	Express Employment Professionals	998	HRM&D Manager
Access Level 1 - 3 Course	CTU Training Solutions	3,725	Manager : E&A
Monitoring and Evaluation Course	CJ Development Research Consultation	20,450	Staff in various units
Telephone Etiquette	Presented by Shakuntla	-	All staff
Excel Intermediate Course	CTU training Solutions	755	Assistant Manager QCC
Medical aid schemes	France Loate - Sanlam Healthcare	-	All staff
Academic Writing Skills Course	University of Pretoria - ETDP SETA sponsored	-	Staff in various units
Stress management	Presented by Shakuntla	-	All staff
Excel Intermediate Course	CTU Training Solutions	1,380	Registry Staff
AIDS Awareness Programme	In house	-	All staff
Claims Procedure Training	Presented by G Booyse and A Ntim	-	All staff
Printing of Organogram	4 Images	815	Umalusi
Interviewing Workshop	SoftlineVIP	2,964	HR staff
Premier Leave	SoftlineVIP	1,932	HR Practitioner
IAEA Conference		58,598	QCC Staff
Recruitment, Selection Workshop		58,862	All staff
	Training 2010/11 sub total	R 272,625	

Area of Training	Type of Training	Cost	Employees
Study assistance for 9 staff members	BCom Accounting Honours	8,000	Assistant Manager: Finance
	BCom HR Management Course	6,967	HR Administrator
	BCOMPT Accounting Science	3,072	Accountant
	BA Honours	8,000	Assistant Manager: QAA
	Certificate in English improvement	3,300	Registry Staff
	MBA	8,000	Snr Manager
	Diploma in Office Management	5,802	Receptionist
	National Diploma in Management	964	Admin Assistant: Debtors
	M Ed Assessment and Quality Assurance	5,952	Assistant Manager: QAA
	Sub total study assistance	R 50,057	
Wellness Days X 3			
Friday, May 21, 2010	Eye Screening	-	All staff
	Soccer Festival	12,756	
	Medi Clinic	2,280	
	Catering	6,720	
	Competition gifts	500	
	Sub total	22,256	
Friday, October 08, 2010	Catering	2,592	All staff
	Self defense	800	
	Laughter Coaching	5,500	
	Medi Clinic	2,280	
	Scio testing	6,840	
	Massages	4,000	
	Gifts (Umbrellas)	4,696	
	Sub total	26,708	
Friday, March 04, 2011	Catering	3,064	All staff
	Vitamin B12 , B complex and flu injections	2,708	
	Health screening	2,736	
	Massages	4,500	
	Gifts (bags)	4,480	
	Sub total	17,487	
	Total: Wellness days	66,451	
	Grand total	R 389,132	

ORGANOGRAM





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