

MAKING CONNECTIONS



ANNUAL REPORT **2012/2013**

UMALUSI



Council for Quality Assurance in
General and Further Education and Training



GUARDIANSHIP

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
CAPS	Curriculum and Assessment Policy Statements
CASS	Continuous Assessment
CATHSSETA	Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority
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
GET	General Education and Training
GETC	General Education and Training Certificate
GFETQF	General and Further Education and Training Qualifications Framework
GOCEO	Governance and Office of the Chief Executive Officer
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
ITC	Information Technology and Computers
KPA	Key Performance Area
LAN	Local Area Network
MIS	Management Information System
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 Unit
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SADC	Southern African Development Community
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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Professor SG Mabizela



It is my pleasure to present this Annual Report on the work of Umalusi for the 2012/2013 financial year. In the year under review, Umalusi has continued to deliver on its mandate as the Council for Quality Assurance in General and Further Education and Training. Once again, Umalusi has made enormous strides in meeting its legislative, governance and financial mandate as a public entity. The core values of the Council embrace the principles of good corporate governance as outlined in the King III Report on Corporate Governance for South Africa. This report will take you through some of Umalusi's significant achievements in the year 2012/2013.

showcase its conceptual leadership role within general and further education and training.

The conference was academically focused and attracted scholars, researchers and experts from around the world to present their research findings on issues of standards in education.

In total, 304 delegates registered, representing institutions in South Africa, Australia, Botswana, Ghana, Ethiopia, Bangladesh, Nigeria, Tanzania, United Kingdom, United States, Zambia and Zimbabwe. Our sincere thanks and appreciation go to the management and staff of Umalusi whose commitment to



Education is more than a luxury: it is a responsibility that society owes to itself."

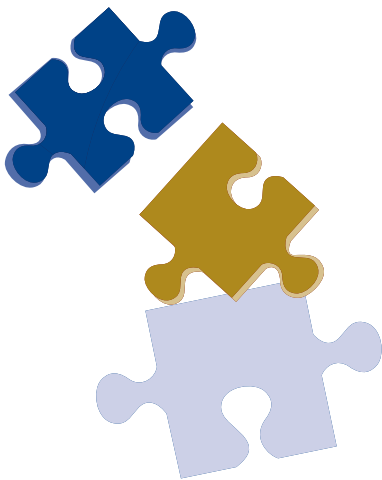
ROBIN COOK

Umalusi's accomplishments serve in part as testimony to the collegial and synergistic relationship between the Council and staff. In carrying out its duties and responsibilities, Council relies on the competency and proficiency of Umalusi staff to ensure a smooth execution of daily organisational activities. It is at this time that the role and mandate of Council also come into sharp focus as there is no doubt that in giving direction to management, the Council needs to be clear on what constitutes the effectiveness of its mission and to decide, explicitly, how it will evaluate the effectiveness of the organisation. The role of Council is to discharge its fiduciary duties and monitor organisational performance, governance and financial management.

the task, dedication and hard work ensured this conference was a resounding success.

In 2011 Umalusi Council took an unprecedented decision to disclose the standardisation decisions of examinations it certifies. In line with this, we communicated the 2012 standardisation decisions to the public, through print and electronic media. As part of the disclosure, Umalusi declared the 2012 National Senior Certificate results fair, valid and credible. This indicates that public and independent assessment bodies have developed a sustained capacity to administer credible examinations.

I am delighted to report that Umalusi Council has, once again, obtained a clean, unqualified audit report. Credit should be given to Umalusi management and the diligent work of the Audit Committee under chairperson Ms Tantie Fubu. The Council is in regular communication with the Portfolio Committee on Basic Education. It has fulfilled its



Professor SG Mabizela

commitment to the Department of Basic Education (DBE) and the Department of Higher Education and Training (DHET) in maintaining the standards of general and further education and training. By maintaining high standards in basic education, Umalusi seeks to ensure that our nation's children and young adults have access to education and training that is as good as the best in the world.

Sadly, we bade farewell to Professor DM Zinn, who resigned from the Council in October 2012 after serving almost two terms. Her significant contribution is greatly appreciated. We are, however, delighted to welcome Professor MLE Monnapula-Mapesela as a new member of Council. We wish her a rewarding and successful tenure in Council.

- The Honourable Minister of Basic Education: Mrs Angie Motshekga, MP, the Honourable Minister of Higher Education and Training: Dr Blade Nzimande, MP, the Director-General of Basic Education: Mr Bobby Soobrayan, and the Director-General of Higher Education and Training: Mr Gwebinkundla Qonde, whose support for the work of Umalusi is a source of inspiration and strength.
- The Chairperson, Ms Hope Malgas, and members of the Portfolio Committee on Basic Education, for their unwavering support and guidance to Umalusi Council. It is always a great pleasure and a singular privilege for us to report and account to our people through their elected representatives in the Portfolio Committee.

“

Umalusi Council has, once again, obtained a clean, unqualified audit report.”

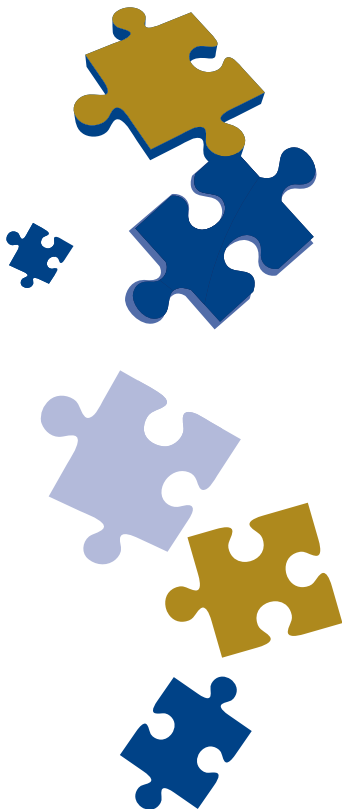
As you read through this Annual Report, you will realise that we have good reason to celebrate the many achievements recorded in the 2012/2013 financial year. We cannot, however, afford to rest on our laurels. We can do more, we must do more! We owe it to millions of young people in this country, in particular those who come from poor, rural and working class communities, to redouble our efforts to ensure that they have access to quality education. It is through access to quality education that they, too, can live fulfilling lives, in dignity, as engaged and contributing citizens of our constitutional democracy. In conclusion, I would like to express our sincere thanks and appreciation to:

- All members of Umalusi Council who have given so freely and so generously of their time, energy and wisdom to ensure that Umalusi remains true to its mission.

- All members of various committees of Council for their sterling contribution in the work of Umalusi.
- All staff of Umalusi – cleaning staff, receptionist, secretaries, personal assistants, managers and senior managers – for their continued dedication, loyalty, professionalism and hard work. Their commitment to service excellence and dedication fill us with pride.
- Umalusi's Chief Executive Officer: Dr Mafu Rakometsi, Chief Operating Officer: Ms Eugenie Rabe, and Chief Financial Officer: Mr Jeremy Thomas, for providing steady, dynamic and visionary leadership for Umalusi.



Professor SG Mabizela
Chairperson: Umalusi Council



Dr MS Rakometsi

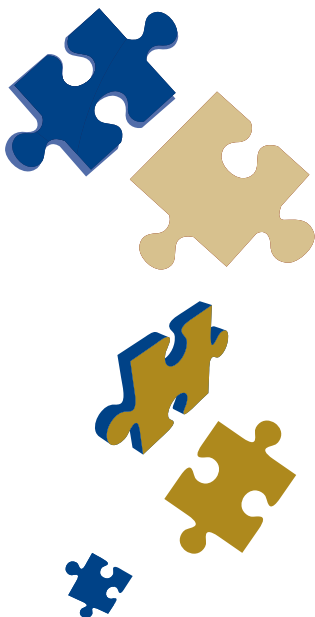


High achievement begins with high expectations. When I joined Umalusi five years ago, we publicly stated that Umalusi would target becoming a top Quality Council. I believed in the capabilities of our talented people. Our activities attest to the fact that Umalusi Council is the cornerstone on which the country's education and training aspirations and standards are anchored and built. Our "back to basics" strategy has remained unchanged and is the foundation of our continued success.

We remained steadfast and focused in the realisation of our mandate: the quality assurance of education in the general and further education and training sector of South Africa's education system. By staying true to Umalusi's core strategy we delivered on our promise to be a Quality Council of note. Umalusi maintained an emphasis on operational excellence and continued its disciplined use of resources. Umalusi has continued to acquire unqualified audits,

Without a doubt, the period under review was active and exciting. Umalusi continued to work closely with SAQA and the other QCs. The three sub-frameworks of qualifications on the NQF were gazetted and subjected to a public comment process, with which SAQA engaged in a discussion with the QCs. This culminated in the SAQA Board's advice to the Minister of Higher Education and Training. In response to SAQA's advice, the Minister directed that each QC amend its draft sub-framework document without delay, to publish it as a QC Policy Document in the Government Gazette. On the proposal of Umalusi for the introduction of a Further Certificate at Level 5 of its sub-framework, the Minister directed SAQA, in collaboration with the QCs, to advise him on this matter by June 2013. These are exciting milestones in the growth of the work of Umalusi as a Quality Council. Umalusi will make meaningful inputs to these processes, while waiting for the White Paper on Post School Education and Training, which is the culmination of the processes

“**By staying true to Umalusi's core strategy we delivered on our promise to be a Quality Council of note.**”



a sign of financial prudence, sound administration and efficacy, and will, indeed, continue to strive to guard this legacy.

Umalusi, like the South African Qualifications Authority (SAQA) and the other Quality Councils (QCs), reports to the Ministry of Higher Education and Training on the National Qualifications Framework (NQF). We report to the Ministry of Basic Education on the Strategic Plan, budget and the Annual Report. We service both departments, respectively, in relation to learner qualifications that are on our sub-framework of qualifications. This relationship works very well.

initiated by the Ministry through the publication of the Green Paper on Post School Education and Training (2011).

Umalusi has, in collaboration with SAQA and the other QCs, been involved in the following:

- The completion of the transition from the SAQA Act to the NQF Act,
- The development of a system of collaboration between SAQA and the QCs
- Coordination of the three sub-frameworks of the NQF
- Establishment of standard setting and quality assurance mechanisms within each of the three sub-frameworks

Dr MS Rakometsi

- Completion and operation-alisation of the progression apparatus of the NQF, and
- Further development and improvement of the information apparatus of the NQF.

In a system punctuated by many innovative and exciting develop-ments in the education and training sector, I appeal for caution and prudence with regard to wholesale changes in some areas and to allow the system to evolve organically.

The Council has steered many policy issues towards finalisation, one of which was the recent gazetting of the accreditation policy. Previously, Umalusi could provide only provisional accredi-tation, but under the new policy, full accreditation will be given. Accreditation will require considerable effort in the nearfuture, given the number of independent schools, Further Education and Training (FET) colleges and Adult Education centres with provisional accreditation in the country. This is a huge mandate for Umalusi, but one which we are prepared to fulfil.

Umalusi Council and staff are committed to ongoing improve-ment in standards and quality in general and further education and training. In order to issue learners with credible certificates, Umalusi, through its leadership and expert knowledge, develops and secures standards through rigorous research. Council has clearly set its sights on supporting credible and sustainable education for all South Africans. To this end, Umalusi conducts and commissions research projects to enhance its systems and processes of quality assurance. In May 2012 Umalusi hosted an international conference with the theme 'Stan-dards in education and training; the challenge'. This conference was a resounding success. Umalusi is planning another international conference. I found it fitting to meet the Members of the Executive Committee (MECs) for Education in the different provinces to discuss

the work of Umalusi. These meetings have been mutually beneficial and it is my intention to continue with these fruitful engagements. Umalusi has also held discussions with the Heads of Education Departments Committee (HEDCOM) on the major aspects of Umalusi's work. The standardisation procedures of our quality assurance mandate have become an interesting point of our discussions.

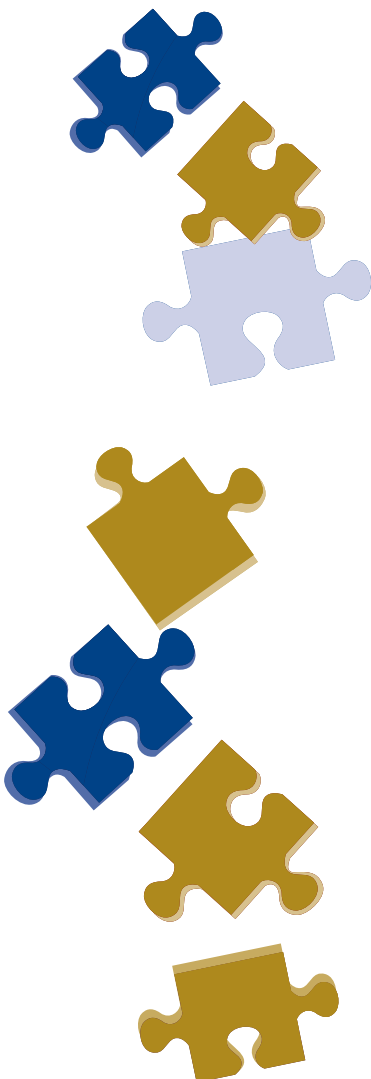
Umalusi is working determinedly to strengthen its links with assessment and examination bodies across the globe. To this end, Umalusi is a member in good and regular standing with associations in the Southern Africa Development Community (SADC) through the Southern African Association for Educational Assessment (SAAEA); in Africa, through the Association for Educational Assessment in Africa (AEAA); and globally, through the International Associa-tion for Educational Assessment (IAEA). Umalusi has earned itself the position of leading the research agenda of SAAEA, and holds the chair of the SAAEA Research Forum.

I would like to thank the Chair- person of Umalusi Council, Profes- sor Sizwe Mabizela, members of Council, Council Committees and Umalusi staff for their unstinting support. I would like to thank them for their resilience and their coop- eration in identifying opportuni- ties to deliver the best for the people of South Africa.

In conclusion, much remains to be done. We rely on the support of Umalusi Council and staff, the Departments of Basic Education and Higher Education and Training, SAQA, the three QCs and all our stakeholders, to ensure the delivery of high quality education in South Africa.



Dr MS Rakometsi
CEO: Umalusi



Mr Jeremy Thomas



The Council is required, in terms of the PFMA, to maintain adequate accounting records. It is responsible for the content and integrity of the financial statements and related information. The Council therefore has a management team in place to ensure that this is achieved.

Treasury Regulation 27.3.2 reads: "Without limiting the right of the accounting authority to assign specific responsibilities, the general responsibility of the Chief Financial Officer is to assist the accounting authority in discharging the duties prescribed in Part 2 of Chapter 6 of the Act."

In order to discharge this function the Chief Financial Officer was appointed in November 2001.

We welcomed the decision that Umalusi, from the next financial year, will no longer be required to collect revenue for certification from provincial Departments of Education. Instead it will receive this portion of funding in a grant from the Department of Basic Education, as part of its baseline allocation.

Umalusi ended the financial year with a deficit of R7,5 million, a result of revenue for certification received in the previous financial year. This did not hamper planned operations as all surpluses from prior years are invested with the Corporation for Public Deposits at the Reserve Bank, in terms of National Treasury Regulation 31.3.3. As such, these were available for the strategic operations of this year.



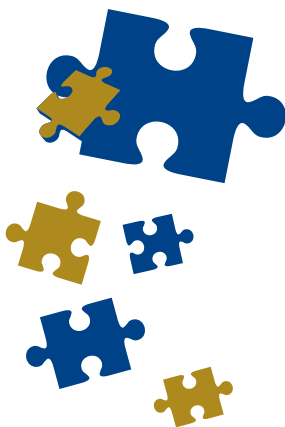
Without limiting the right of the accounting authority to assign specific responsibilities, the general responsibility of the Chief Financial Officer is to assist the accounting authority in discharging the duties prescribed in Part 2 of Chapter 6 of the Act."

The 2012/13 financial year was an eventful year as Umalusi's national operations mandate increased. This requires us to look ahead and ensure that planning and budgeting becomes even more intentional, to ensure sustainability.

This will require additional funding, for example for rolling out functions like full accreditation and increasing sample sizes in the quality assurance of assessment function. This year's budget increased by 18% over that of last year and, going forward, should increase at an average of approximately 13% year on year, provided there are no new mandatory activities.

Umalusi obtained a clean audit for the 2012/13 financial year. This is a result of a staff complement that is keenly aware of its role in terms of Section 57 of the PFMA and an Executive and Council that take their fiduciary responsibilities seriously. The Council performed its functions in good faith, honestly and with integrity, giving full effect to the spirit and obligations of the GENFETQA Act and the PFMA.

The Executive Committee of Council and the Audit Committee executed their functions rigorously. Our appreciation goes to the members for their diligence in the execution of their role. In terms of



Mr Jeremy Thomas

the delegation of financial authority, the Chief Financial Officer has the duty of compiling a risk strategy for the institution. The organisation-wide risk management framework, policies and strategies are duly executed and have become part of the organisational culture, ensuring that risks are mitigated through avoidance, reduction, control or transfer.

Overall support to strategic and organisational matters were provided during the financial year through ensuring the establishment of systems and processes that are continuously improved.

The Corporate Services Branch in Umalusi is a support service under the leadership of the Chief Financial Officer that is distinguished by its emphasis on accuracy and

effectiveness of services. The branch contributes to the overall mission of Umalusi by providing prompt, efficient and consistently reliable services to all its internal and external clients.

Corporate Services is divided into three sub-Units:

- Information Technology Infrastructure and systems
- Finance and Supply Chain Management
- Human Resources Management and Development.

In the pages that follow, the performance information of the branch is outlined with the Annual Financial Statements, with specific notes and tables that will lend added value to our principals and conventional readers.



Introduction

Umalusi Council endorses the principles in the Code of Corporate Practices and Conduct recommended by the third King Report on Governance for South Africa 2009 (the King III Report). The Council adopts the principles of openness, integrity and accountability.

The Council operates within the terms of the Public Finance Management Act, 1999 (Act No 1 of 1999, as amended), and this forms the context for corporate governance in which the Council operates. Corporate governance embodies processes and

systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA). It is run in tandem with the principles contained in the King III Report on Corporate Governance. Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

Portfolio Committees

Meetings with the Portfolio Committee on Basic Education:

(a) 18 April 2012: Budget Review

The following was discussed:

- Umalusi mandate
- Vision, mission, goals and KPAs
- 2011/12 Revenue & Expenditure (Current)
- 2012/13 Budget (Forecast)
- Three Year Budget (Forecast)

(b) 24 April 2012: Joint meeting: Portfolio Committee on Basic Education and of Higher Education and Training:

The issue of what exactly were the expectations from Higher Education and Training on the quality of learners produced by our schooling system currently, as opposed to what Basic Education was producing.

(c) 16 October 2012: Annual Report Briefing 2012

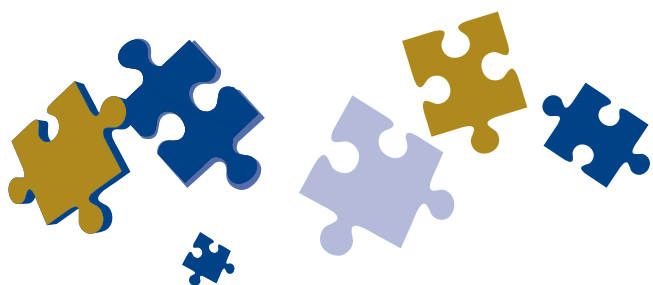
- Purpose / mandate summarised
- External environment: impact on Umalusi
- Organisational performance per unit
- Financial Information
- Current Issues and way forward
 - Umalusi is working hard to ameliorate relations with the other QCs through collaboration
 - Promulgation of the GENFET Sub-framework of Qualifications in order for Umalusi to take its 'new' work forward.

(d) 21 December 2012:

Members invited to attend the Umalusi / Department of Basic Education National Senior Certificate Standardisation meeting.

(e) 12 February 2013:

Briefing by Umalusi on the Outcomes of the National Senior Certificate Examinations 2012.



Executive Authority

Umalusi is a Schedule 3 A public entity reporting administratively to the Minister of Basic Education, with the Department of Basic Education as the Executive Authority. Umalusi also engages the Department of Higher Education and Training in all matters relating to the development and maintenance of the National Qualifications Framework, i.e., Umalusi's sub-framework of qualifications, as well as adult and vocational education and training, for which Umalusi also sets standards.

The Accounting Authority / Council



THE COUNCIL

(L-R) Dr MS Rakometsi, Mr A Mocke, Ms F Dada, Professor TT Dunne, Professor SG Mabizela, Dr RA Patel, Professor MLE Monnapula-Mapesela, Professor M Fourie-Malherbe, Professor R Moletsane, Mr E Mosuwe, Ms L Mlanjana, Mr CS Ndaba, Dr ZC Sosibo



(L-R) Professor D Singh, Mr A Essop, Mr JS Samuels, Ms P Vinjevod, Ms GJ Mashabela, Professor ND Kgwadi

The Accounting Authority / Council

The Council for the period 8 June 2010 to 7 June 2014 consists of 15 members and the Chief Executive Officers of the South African Qualifications Authority (SAQA) and the three Quality Councils appointed by the Minister of Basic 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, 2001 (Act No. 58 of 2001, as amended), 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.

The Council met on four occasions during the period under review.

The Council's role is to:

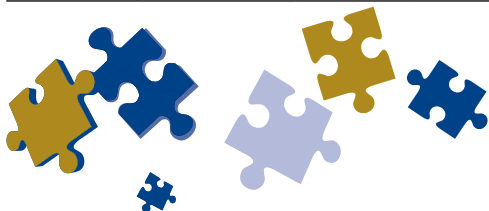
- Effectively discharge its fiduciary duties
- Monitor organisation performance of Umalusi
- Monitor the governance and financial management of Umalusi; and
- Oversee the appointment of the Chief Executive Officer of the organisation.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings attended
Professor SG Mabizela	Chairperson	08-06-2010	n/a	PhD	Mathematics Education	Eastern Cape Socio-Economic Consultative Council (ECSECC)	Executive Committee	3 / 4
Professor D Singh	Deputy Chairperson	08-06-2010	n/a	BA(Law) LLB LLM LLD Advocate of the High Court of South Africa	Law HE Management Corporate Governance	n/a	Executive Committee Appeals Committee	3 / 4
Dr MS Rakometsi	Chief Executive Officer	08-06-2010	n/a	Bachelor of Arts Bachelor of Arts Honours (History) Master of Arts (History) Management Development Programme Doctor of Philosophy (PhD)	Education	Helderberg College Council South African Qualifications Authority (SAQA) Council on Higher Education (CHE) Quality Council for Trades and Occupations (QCTO)	Executive Committee Audit Committee Remuneration and Human Resources Committee Assessment Standards Committee	4 / 4
Ms F Dada	Member	08-06-2010	n/a	BA Senior Management and Leadership Finance and Strategy	Senior Management and Leadership Strategy and Planning Organisation Analysis and Resourcing Education Policy Development Curriculum Analysis and Reform Schools Reform and Improvement Organisation Development	CTI Education Group Pearson Southern Africa Oasis Asset Management Africa Ignite Media in Education Trust	Executive Committee Remuneration and Human Resources Committee	2 / 4

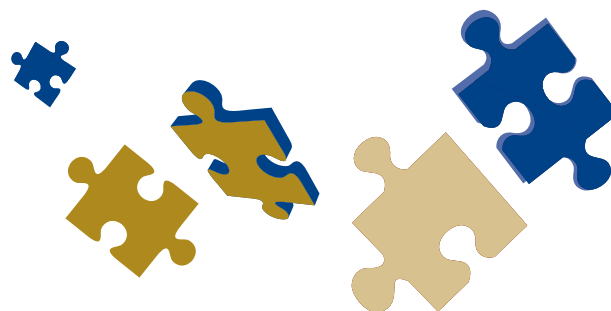
Composition of the Board Continued

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings attended
Professor TT Dunne	Member	08-06-2010	n/a	BA Honours BSc Honours UED B Ed PhD CStat	Statistical Sciences	Board of Institute of Applied Statistics (NPO)	Assessment Standards Committee Research Forum	3 / 4
Mr A Essop	Member	08-06-2010	n/a	BA Honours (Sociology) MA (International Development Education)	Higher Education	SAQA QCTO Old Mutual Education Trust	n/a	3 / 4
Professor M Fourie-Malherbe	Member	08-06-2010	n/a	PhD M Ed B Ed BA HED	Higher Education Governance, Leadership and Management Teaching and Learning The Student Experience	CHE Higher Education South Africa Admissions Committee	n/a	2 / 4
Professor ND Kgwadi	Member	08-06-2010	n/a	BSc (Education) (Physics, Chemistry) MSc (Physics) MPhil (Environmental Law) PhD (Physics Education)	Physics	Council and Senate of North West University	Executive Committee Assessment Standards Committee	3 / 4
Ms GJ Mashabela	Member	01-04-2012	n/a	MA MBA MS	Teaching and Administration	CHE QCTO SAQA	n/a	4 / 4
Ms L Mlanjana	Member	08-06-2010	n/a	BA (Education) NQF Level 8 BEd (Curriculum Theory)	English and Education Curriculum Theory Senior Deputy Chief Education Specialist at FET College Directorate since 1996 (Vocational Field: Education)	Chair, Ginsberg Primary SGB Member Helderberg College Council (HE) Chair, Provincial FET-SETA Forum (All SETAs)	Accreditation Committee of Council Appeals Committee	4 / 4
Mr A Mocke	Member	08-06-2010	n/a	BA (Honours) MA (Counselling Psychology) HED	Special Schools and Inclusive Education	n/a	Audit Committee	4 / 4



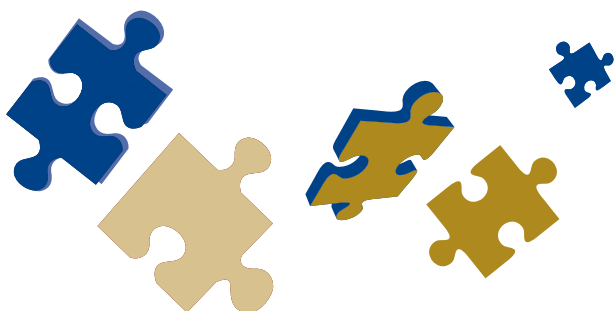
Composition of the Board Continued

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings attended
Professor R Moletsane	Member	08-06-2010	n/a	BA BEd MSc PhD	Curriculum Studies Teacher Education Gender and Education Health and Education Social Justice Education	Agenda Feminist Media 2003–2008: ChildrenFirst	n/a	2 / 4
Profesor MLE Monnapula-Mapesela	Member	08-06-2010	n/a	PhD (Higher Education) MEd (Comparative Education and Education Management) BEd (Education Leadership and Management) BSc Ed. (Biology and Chemistry)	Higher Education Transformation Job Satisfaction Change Management Capacity Development Policy and Policy Analysis The Applicability of Indigenous Knowledge Systems in Higher Education Postgraduate Supervision and Research Development Student Preparedness and Development	n/a	n/a	0 / 0
Mr E Mosuwe	Member	08-06-2010	n/a	MSc (Physiology), B Tech (Business Administration) BSc (Honours) BSc	Education	KwaZulu-Natal Science Centre South African Actuaries Development Programme (SAADP) Trustee of the JSE Education Fund	Remuneration and Human Resources Committee Qualifications Standards Committee	4 / 4



Composition of the Board Continued

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings attended
Mr CS Ndaba	Member	08-06-2010	n/a	BA BA Honours MA DIP TEFL UED Certificate in Adult Basic Education Certificate in School Management	School Education Higher Education Adult Education Private Education Skills training and Vocational Education Curriculum, Examinations and Assessment Executive Management Strategic Planning Organisational Development Operations Management Human Capital Development Writing Editing	Independent Schools Associa- tion of Southern Africa (ISASA) Independent Examinations Board (IEB) Independent Quality Assurance Agency (IQAA)	n/a	4 / 4
Dr RA Patel	Member	08-06-2010	n/a	PhD (Education Management)	Strategy Human resources Finance Education Skills Development	MERSETA HRDC University of UWC Venda Council African Academy Chairperson of Cherry Pop (Pty) Ltd	Executive Com- mittee Remuneration and Human Resources Committee	1 / 4
Mr JS Samuels	Member	01-03-2012	n/a	BSc Honours (Physiology) MPhil (Adult Education)	Qualifications frame- work Policy Adult Education	Council on Higher Education QCTO SAQA	n/a	4 / 4



Composition of the Board Continued

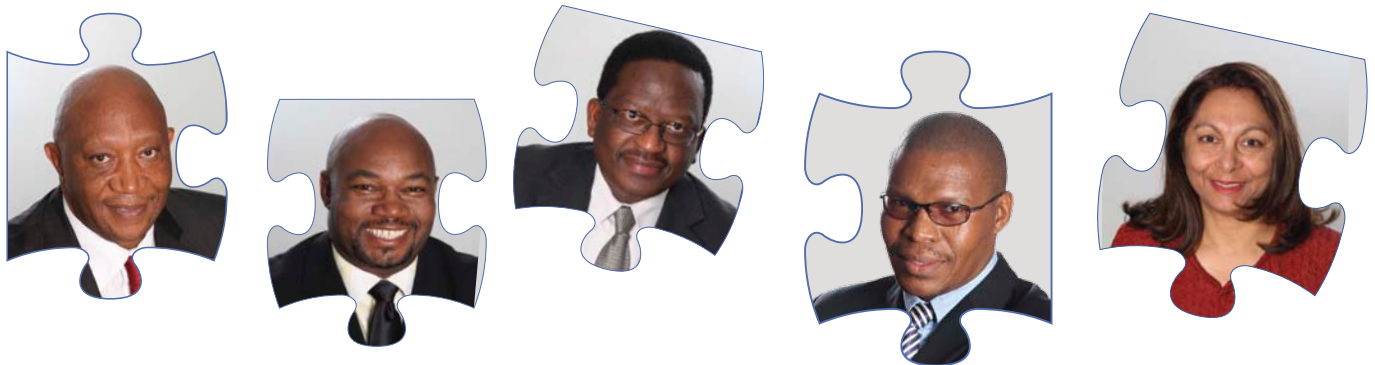
Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees)	No. of Meetings attended
Dr ZC Sosibo	Member	08-06-2010	n/a	PhD (Adult Education) MSc Ed (Adult Education and Curriculum Development) Postgraduate Diploma in International Ethics Postgraduate Diploma in Adult Education BA Honours BA JSTC	Teacher Education (T&L) Curriculum Development Diversity and Transformation in Education Education Mmanagement Research (developing area)	CHE	Adult and Vocational Education and Training Advisory Committee	3 / 4
Ms P Vinjevold	Member	08-06-2010	n/a	Higher Education Diploma Master in Education BA	Teacher for 16 years Co-edited the book 'Getting Learning Right' Extensive research into the results of the Senior Certificate examination Experience in both quantitative and qualitative research methodology	n/a	n/a	3 / 4



Composition of the Board Continued

Name	Designation (In terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings attended
Professor DM Zinn	Member	08-06-2010	01-10-2012	D Ed M Ed BA Honours (English) Higher Diploma in Education Post Graduate (Secondary), (UCT) 1979 BA	Teacher Education and Thinking and Transformation Humanising Pedagogies Intercultural / Multicultural, Antiracist Education and Training, Diversity and Equity Language and Literacy Development Gender Equity	HERS-SA Nelson Mandela Institute for Education and Rural Development: member of Board of Trustees, from 2007 Umalusi Board member (appointed by Minister of Education from 2007 to 2012) EC Teacher Education Association 2008 to date, current chairperson Trustee/ Board Of Trustees: All Saints Education Development Trust, King Williamstown, 1998–2000 Harvard Educational Review Editorial Board, Chairperson 1994–5, Board member, 1993–5 Member, TESOL International (Professional Association for Teachers of English to Speakers of Other Languages) Member, AERA: American Educational Research Assoc (1994–7) Other Languages)		1 / 2

EXECUTIVE COMMITTEE OF COUNCIL



(L-R) Dr MS Rakometsi • Dr RA Patel • Professor SG Mabizela • Professor ND Kgwadi • Ms F Dada

Committees

Committee	No. of meetings held	No. of members	Name of members
Quality Promotion Committee (QPC)	Four	Eight	1. Dr ZC Sosibo (Chairperson) 2. Professor I van der Merwe 3. Professor R du Pré 4. Ms K Janssens 5. Ms S Blignaut 6. Mr M Khalo 7. Ms C Prins 8. Mr M Matlala
Accreditation Committee of Council (ACC)	Eight	Twelve	1. Ms L Mlanjana (Chairperson) 2. Ms N Young 3. Mr J Scarrott 4. Mr M Netshandama 5. Ms H de Clercq 6. Dr V Scherman 7. Ms D Phutsisi 8. Mr B Phillips 9. Mr R Pettitt 10. Ms S Kruger 11. Professor M Nokaneng 12. Ms D Mampuru
Research Forum	Two	Sixteen	1. Dr J Gamble (Chairperson) 2. Dr S Akojee 3. Dr D Daniels 4. Professor TT Dunne 5. Professor C Foxcroft 6. Professor S Mahlomaholo 7. Dr U Hoadley 8. Dr M Maistry 9. Professor A Mji 10. Professor M Modiba 11. Dr J Papier 12. Dr H Narsee 13. Professor M Robinson 14. Dr P Rule 15. Professor N Yeld 16. Dr V Wedekind
Qualifications Standards Committee	Three	Nine	1. Mr E Mosuwe (Chairperson) 2. Ms S Carthy 3. Dr C Long 4. Mr T Madibeng 5. Mr A Mathekga 6. Mr T McBride 7. Ms H Brown 8. Dr R Naidoo 9. Ms AK Oberholzer
Assessment Standards Committee	General meetings: 3 Standardisation and Approval meetings: 9	Nine	1. Professor ND Kgwadi (Chairperson) 2. Professor TT Dunne 3. Professor M Moodley 4. Professor JD Volmink 5. Professor JJW Aitchison 6. Professor SJ Howie 7. Dr J Gamble 8. Mr BK Schreuder 9. Professor LP Fatti
Executive Committee	Four	Six	10. Professor SG Mabizela (Chairperson) 11. Professor D Singh 12. Dr MS Rakometsi 13. Ms F Dada 14. Professor ND Kgwadi 15. Dr RA Patel
Remuneration and Human Resources Committee	Four	Four	1. Dr RA Patel (Chairperson) 2. Mr E Mosuwe 3. Dr MS Rakometsi 4. Ms F Dada



FRAMEWORK

Risk Management

Umalusi is committed to the optimal management of risk in order to achieve the vision and mission, principal tasks and key strategic objectives and to protect Umalusi's core values.

Umalusi Council is committed to a process of risk management that is aligned to the principles of the King III Report on Corporate Governance. The features of this process are outlined in the Enterprise Risk Management Policy Framework of Umalusi. It is understood that all units, support functions, processes and projects under the control of Umalusi will be subject to the Enterprise Risk Management Policy.

Effective risk management is imperative to Umalusi with reference to its risk profile. The realisation of Umalusi's strategy depends on the ability to take calculated risks in a manner that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable Umalusi to anticipate and respond to changes in the educational environment, as well as to enable the organisation to make informed decisions under conditions of uncertainty.

Umalusi adopts an enterprise-wide approach to risk management, which means that each key risk in every part of Umalusi must be included in a structured and systematic process of risk management. All key risks are managed within a unitary framework that is aligned to Umalusi's corporate governance responsibilities.

It is expected that risk management processes are embedded in all the systems and processes of Umalusi, to ensure that the organisation's responses to risk remain current and dynamic. All key risks associated with major changes and significant actions by Umalusi will also fall within the processes of risk management. The nature of Umalusi's risk profile demands that the organisation adopts a prudent approach to corporate risk and our decisions regarding risk tolerance, as well as risk mitigation will reflect this. Controls and risk interventions will be chosen to assist Umalusi in fulfilling its commitments to stakeholders.

The risk strategy directs internal audit efforts and priorities, and determines the skills required of managers and staff to improve controls and to manage these risks. It also includes a fraud prevention plan. Internal audit and the Audit Committee are responsible for the strategic document with policy and procedure manuals.

The Risk Management Committee, in consultation with senior managers, identifies strategies to deal with key risks. The four principle strategies for dealing with risk are:

- **Avoidance:** Risk avoidance involves eliminating the risk-producing activity entirely (or never beginning it). Although avoidance is highly effective, it is often impractical or undesirable, either because the public entity is legally required to engage in the activity or because the activity is so beneficial to the community that it cannot be discontinued.
- **Reduction:** Risk reduction strategies reduce the frequency or severity of the losses resulting from a risk, usually by changing operations in order to reduce the likelihood of a loss, reduce the resulting damages, or both. An example of a risk reduction strategy is the preparation, before a loss occurs, of contingency plans to expedite recovery from the loss.
- **Control:** After a loss has occurred, risk control strategies keep the resulting damages to a minimum. Examples include the effective administration of third party claims and the use of previously established contingency plans to reinstate discontinued services as quickly as possible.
- **Transfer:** Risk transfer strategies turn over the responsibility of performing a risky activity to another party, such as an independent contractor, and assign responsibility for any losses to that contractor. (When used as a risk financing method, such strategies transfer the liability for losses to another party, such as an insurance carrier.)

The Risk Management Committee is responsible for choosing a suitable strategy for dealing with a key risk and for assigning responsibility to a senior manager. The implementation and eventual operation of this strategy is the responsibility of the relevant senior manager.

The management of risks has become engrained within the culture of Umalusi and regular meetings and review of the risk register take place. Reporting is done by the Risk Committee to the Audit Committee for subsequent approval at Council level.

Internal control

Internal control is defined as a process affected by an organisation's structure, work and authority flows, people and management information systems, designed to help the organisation accomplish specific goals or objectives.

It is a means by which Umalusi's resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organisation's resources, both physical (e.g. property) and intangible (e.g. intellectual property such as trademarks).

At the organisational level, internal control objectives relate to the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals, and compliance with laws and regulations. At the specific transaction level, internal control refers to the actions taken to achieve a specific objective (e.g., how to ensure the organisation's payments to third parties are for valid services rendered).

Management implements and maintains a system of internal control which ensures the attainment of the principal control objectives.

Internal audit

The internal auditors of the organisation also measure the effectiveness of internal control through their efforts. They assess whether the controls are properly designed, implemented and working effectively, and make recommendations on how to improve internal control. They also review Information Technology controls, which relate to the IT systems of the organisation.

Umalusi appointed Aurco Group (Pty) Ltd. to perform the internal audit function during this financial year. The scope of the audit covered follow up procedures performed to determine whether the previously reported findings have been adequately addressed together with all new areas of work.

The audit approach, based on Committee of Sponsoring Organisations of the Treadway Commission (Coso), is risk driven and focused on the following four control objectives:

- Effectiveness and efficiency of operations
- Reliability of financial and management reporting
- Compliance with the applicable laws and regulations
- Adequacy of procedures to safeguard assets.

Audit evidence was obtained using procedures performed on a test basis and accordingly, the findings reported did not necessarily disclose all of the deficiencies which may exist.

AUDIT COMMITTEE

Inset: Ms Tantie Fubu (Chairperson)



(L-R) Ms N Molalekoa • Ms D Voges • Dr MS Rakometsi • Mr A Mocke • Mrs L Rossouw • Mr CH van der Merwe

Audit and Risk Committee

The Council has an Audit and Risk 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 responsible for, amongst other things:

- Reviewing and scope of audits
- Reviewing the effectiveness of internal controls
- Monitoring the remedial action put in place to deal with any shortcomings
- Ensuring that audits address critical risk areas
- Ensuring that adequate measures are in place to prevent fraud
- Reviewing the adequacy of financial policies.
- Reviewing financial statements and finalising these before submission.

Materiality and Significance Framework

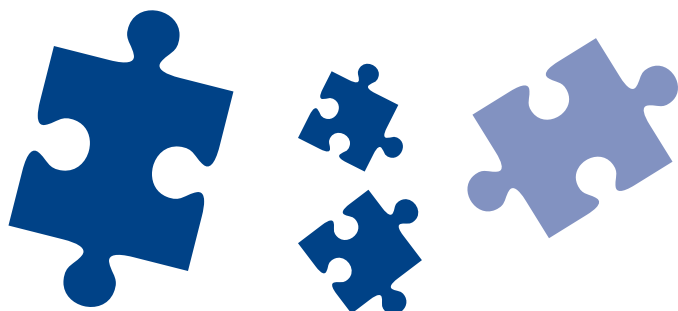
Treasury regulations require that the Council developed and agreed on a materiality and significance framework appropriate to its size and circumstances, as approved by the Minister of Basic Education.

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.

Compliance with laws and regulations

The Council has an Audit Committee which states what the public entity has done in order to ensure compliance with regulations.



Fraud and corruption

Umalusi's Anti-Fraud and Corruption Strategy has been developed in response to Government's expressed commitment to combat fraud and corruption.

In 1997, a National Anti-Corruption campaign was initiated, followed by a National Anti-Corruption Summit held in 1999, at which all sectors of society committed themselves to establishing anti-corruption strategies to fight fraud and corruption in the public sector.

The purpose of the strategy is to:

- Clarify the approach of Umalusi to fraud and corruption
- Create a culture within Umalusi which is intolerant of fraud and corruption or any form of unethical conduct
- Strengthen the participation of employees in the fight against fraud and corruption
- Improve efficiency, transparency, accountability, and effective administration within Umalusi; and
- Demonstrate the action plans that Umalusi will implement to limit its exposure to fraud and corruption.

There were no cases of fraud or corruption reported during the financial year.

Minimising conflict of interest

Council and staff members must avoid any material conflict of interest between their own interests and those of the Council and in particular:

- Must not derive any personal economic benefits to which they are not entitled; and
- Must notify the Council at the earliest possible opportunity in the circumstances, of the nature and extent of any direct or indirect material conflict of interest which they may have in any dealing with the Council.

A member who foresees a conflict of interest at a meeting must not participate in any decision making process which could affect his or her personal interests.

The member must recuse himself or herself from the deliberations and the Council/Committee must make a decision which furthers the interests of the Council or Committee. The recusal must be recorded.

There were no conflicts of interest identified during the financial year, including those applicable to supply chain management.

The table below discloses relevant information on the Audit Committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Ms T Fubu	BAdmin Honours BCom Accountants' Conversion Course Post Graduate Diploma in Accounting Higher Diploma in Banking Law Diploma in Insurance Proficiency Executive Leadership Development (NABA, in association with Harvard Graduate School of Business Administration) ABASA Executive Leadership Development Programme, in association with USB KPMG Executive Leadership Programme, in association with Insead University	External	n/a	1 September 2012	n/a	0/3
Mr CH van der Merwe	FCIS ACMA BCompt (CTA)	External	n/a	1 September 2012	n/a	2/3
Ms N Molalekoa	BCom	External	n/a	1 September 2012	n/a	2/3
Ms D Voges	BA LLB LLM	External	n/a	1 September 2012	n/a	1/3
Ms L Rossouw	BCompt Honours MCom (Taxation) CIA CA(SA)	External	n/a	22 March 2013	n/a	3/3
Mr A Mocke	BA Honours MA Counselling Psychology HED	External	n/a	23 February 2012	n/a	3/3
Dr MS Rakometsi	BA BA Honours (History) MA (History) Management Development Programme Doctor of Philosophy (PhD)	Internal	Chief Executive Officer	1 September 2012	n/a	3/3

Code of conduct / 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.

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.

Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that it has not reviewed changes in accounting policies and practices.

The effectiveness of internal controls

Our review of the findings of the internal audit work, which was based on the risk assessments conducted in the public entity, revealed certain weaknesses which were raised with Umalusi.

The following internal audit work was completed during the year under review:

- Effectiveness and efficiency in all unit operations.
- Reliability of financial and management reporting.
- Compliance with applicable laws and regulations.
- Adequacy of procedures to safeguard assets.

In-Year management and monthly/quarterly report

The public entity has submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by Umalusi.

Auditor's Report

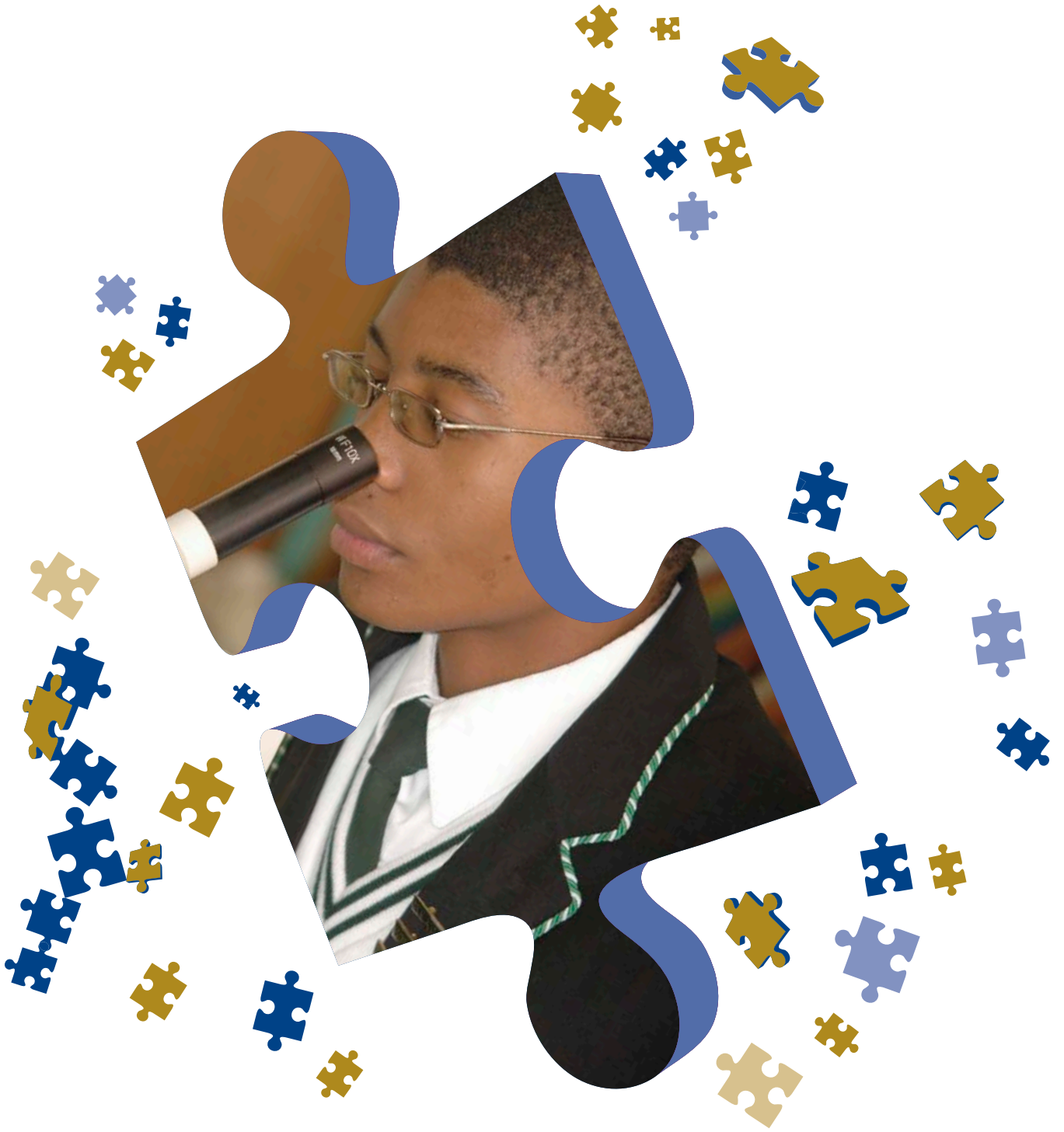
We have reviewed the public entity's implementation plan for audit issues raised in the year prior and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Ms T Fubu
Chairperson: Audit Committee
Umalusi





ETHICS

Ms Eugenie Rabe



In 2012 Umalusi continued to take up challenges in general and further education and training as it moved towards full implementation of the National Qualifications Framework (NQF) Review. It strengthened its role in South Africa's education and training system and consolidated its amended mandate, as captured in the NQF Act (No 168 of 2009) and its amended establishment Act, the General and Further Education and Training Quality Assurance (GENFETQA) Act (No 58 of 2001).

and quality of qualifications and curricula that are benchmarked locally and internationally; through good 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, ensured that Umalusi remained grounded, sustainable and steadfast in a challenging quality assurance landscape in 2012.



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."

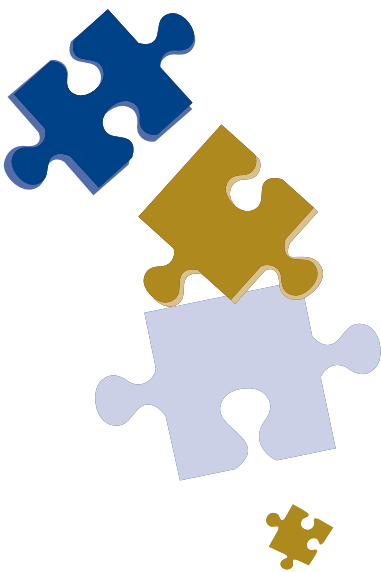
A highlight was the long-awaited ministerial approval of the Sub-framework of Qualifications for General and Further Education and Training, alongside the other two Sub-frameworks of qualifications, those of Higher Education and the Occupational Qualifications, in December 2012. While ensuring that its mandatory obligations were carried out effectively, the organisation also participated in all the NQF structures and hosted a highly successful, well-supported international educational conference, which resulted in journal publications for selected papers.

During 2012 senior Umalusi staff continued to serve on a number of task teams to carry the NQF transition forward. These included:

- The Ministerial Task Team for the Review of the National Certificate Vocational (NCV), for which the brief was extended. The report was completed in September 2012.
- A task team constituted by the South African Qualifications Authority (SAQA) to develop national policy for Recognition of Prior Learning (RPL), which completed its task in March 2013.
- A similar task team to develop a policy for Credit Accumulation and Transfer (CAT) has also been established, but the work was delayed. It commenced in the new financial year.
- A SAQA task team to develop policy and criteria for the registration of qualifications on the NQF, which completed its work in March 2012.
- Umalusi was also requested to serve on a reference group for the Ministerial Task Team to investigate the pass requirements for the National Senior Certificate (NSC).

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.

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



Ms Eugenie Rabe

Umalusi Council's mandate is met through the work of four National Operations Units. These carry out the professional work Umalusi is tasked with: Qualifications, Curriculum and Certification (QCC); Quality Assurance of Assessment (QAA); Evaluation and Accreditation (E&A); and Statistical Information and Research (SIR).

Report was released at a conference hosted jointly with the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) and the Department of Tourism, in March 2012. The Life Orientation Report has also been completed and will form the basis of advice to the Ministers of Higher and Basic Education in 2013.

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 coordination of its work and information-sharing, and through the introduction of service level agreements between units involved in cross-unit work.

In addition, the QCC Unit began the review of the General Education and Training Certificate (GETC) for Adults. It finalised the National Senior Certificate for Adults (NASCA), which was sent for review to the legal service of the Department of Higher Education (DHE) in March 2013 in the final step before submission for registration.

Quality assurance of assessment

The assessments for the three national qualifications that Umalusi currently certifies, the National Senior Certificate (NSC), the NCV and the 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. An exercise in post-exam analysis of learner responses continued to feed into an embryonic project in item analysis and banking. The primary initiative was taken by the QAA Unit, assisted by the SIR, QCC, and E&A Units.

Quality assurance of provision

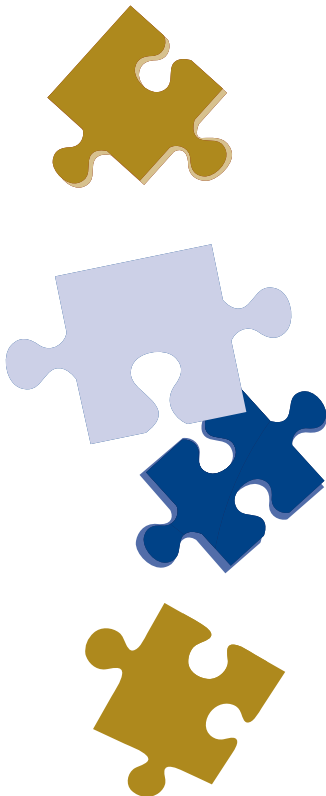
The E&A Unit considers and processes applications for accreditation from independent schools, private FET colleges, private adult learning centres and private assessment bodies. As part of this function, in the 2011 financial year E&A served the Eksamenraad vir Christelike Onderwys (ERCO) with notice of administrative action not to extend their provisional accreditation to assess the 2012 National Senior Certificate. ERCO closed its doors in April 2012 and Umalusi, with the support of the DBE, managed the transfer of ERCO NSC candidates

A number of cross-unit projects were completed and reported on in this financial year. These included:

Development and management of the GFET framework of qualifications

The QCC Unit continued with the immense task of quality assuring the Curriculum and Assessment Policy Statement (CAPS), at the request of the Department of Basic Education (DBE). In 2012 the Foundation Phase was completed. However, the report has been held over until the Intermediate Phase is complete, so that transitional aspects between the two phases can be reported on. The Intermediate evaluation will be completed later in 2013. The Senior Phase is under way simultaneously, and the Further Education and Training (FET) Phase commences in January 2014. While QCC leads the project, it is ably assisted by the SIR Unit.

As part of the CAPS project, the subject Life Orientation (NSC and NCV) was evaluated and a substantial project on Tourism and Hospitality Studies was undertaken. The NCV Tourism and Hospitality



Ms Eugenie Rabe

to the state examinations. This action required substantial work and support from the QAA Unit. The Ministerial Policy for the Quality Assurance of Independent Schools and Private Assessment Bodies was declared in October 2012. This enabled the various pilots to be completed and for intensive planning and consultation in rolling out the accreditation process for all the sectors this unit works with.

The E&A Unit's processes led to the accreditation of the Independent Examinations Board (IEB) in February 2013. The unit's work also resulted in the provisional accreditation of a second private assessment body in 2012, namely the South African Comprehensive Assessment Institute (SACAI). SACAI was provisionally accredited to pilot the NSC examination in 2012 and 2013, with the first NSC examination being set

challenge', attended by 304 delegates. Various seminars were also arranged together with partner organisations the Centre for Education Policy Development (CEPD) and Wits University. The SIR Unit was supported by QAA, E&A and QCC.

While these projects were important cross-unit initiatives for 2012, the various units continued to deliver on their routine processes. These included 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; evaluation of curricula; research; and contributing to various international and national conferences.



In 2011, research on languages was conducted to determine whether the 11 home languages examined in the NSC were set at the same degree of difficulty and cognitive demand."

by this body in 2014. E&A received support from QAA and QCC in this regard.

Research

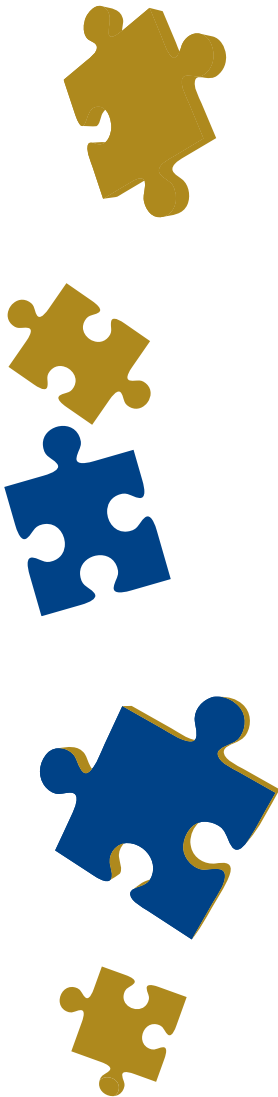
In 2011, research on languages was conducted to determine whether the 11 home languages examined in the NSC were set at the same degree of difficulty and cognitive demand. This research led to the development of a framework for assessing and comparing the cognitive challenge of home languages examinations, which was completed in 2012.

The SIR Unit organised an international conference in May 2012 with the theme 'Standards in education and training: the

Gazetted documents for comment

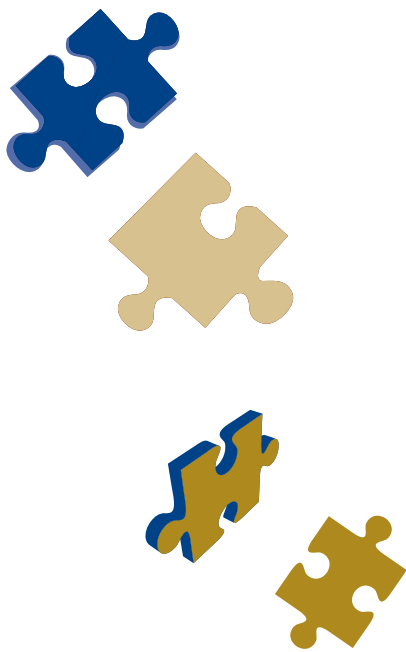
Umalusi provided substantial, in-depth comment on the following documents gazetted for public comment:

- SAQA Draft Policy for articulation of the NQF
- SAQA Draft Policy for the registration of qualifications on the NQF
- SAQA nomenclature document
- SAQA Policy on the Level Descriptors
- SAQA Draft RPL Policy
- Draft regulations on the assessment process and procedures for Adult Education and Training
- FET Colleges Amendment Bill 2012 and the Higher Education Laws Amendment Bill 2012



Ms Eugenie Rabe

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



- Amendments to the policy pertaining to the National Senior Certificate
- Report of the Ministerial Task Team on the establishment of CETCs (community colleges).

Policy development

The following policies were developed or amended in 2012:

- Final revision of the General and Further Education and Training Sub-framework of Qualifications
- Policy on Curriculum Development
- Amendments to the Draft Policy for the Management of Qualifications on the General and Further Education and Training Sub-framework of Qualifications
- Policy for Certification of Qualifications on the General and Further Education and Training Sub-framework of Qualifications
- Revised Policy Document, titled 'Standards and quality assurance for the General and Further Education and Training Sub-framework of Qualifications'
- Policy and processes for the accreditation and monitoring of private assessment bodies.

Stakeholder relationships

Umalusi has always promoted cooperative and supportive relationships with stakeholders, role players and other bodies in the wider education and training community, with 2012 being no exception. With the requirement for collaboration in articulating the NQF, relationships had to be fostered and maintained. This took the form of consultative processes, partnerships and workshops with role players and stakeholders in the system. These included the Department of Higher Education and Training (DHET), DBE, SAQA,

Quality Council for Trades and Operations (QCTO), Council on Higher Education (CHE), CEPD, Sector Education and Training Authorities (SETAs), universities and others. The Council also consolidated its relationship with accredited private providers through provincial workshops in September 2012, a Provider Conference in August 2012 and the annual Provider Forum (for adult and vocational education) in March 2013. Through a structured media strategy, participation in national structures, dissemination of its approaches, research reports and seminars, Umalusi continued to inform public debate and policy initiatives.

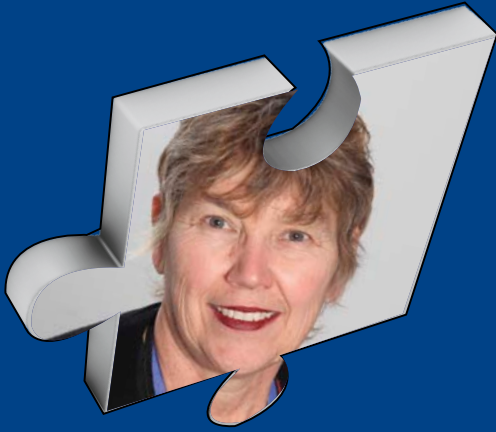
The sub-units that comprise Corporate Services have supported the work of the four National Operations Units in respect of leadership and governance, IT development, financial management and administration, and HR management and development. These contributions have ensured successful delivery on the Council's mandate. 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 2012/2013 financial year.

National Operations Programmes:

- Qualifications, Curriculum and Certification (QCC)
- Quality Assurance of Assessment (QAA)
- Evaluation and Accreditation (E&A)
- Statistical Information and Research (SIR)

Corporate Services Programmes:

- Governance and Office of the Chief Executive Officer (GOCEO)
- Finance and Administration (F&A)
- Information Technology (IT)
- Human Resources and Development (HRD).



Senior Manager - Elizabeth Burroughs

Top to bottom (L-R) Annemarie Janse van Rensburg • Dr Celia Booysse • Helen Matshoba
• Duma Sithebe • Lerato Molai • Tebogo Mashilo • Lilligirl Bodila • Salphina Magoro
• Tello Molloi • Zolile Hlabeni • Lesego Ndala

OCC QUALIFICATIONS, CURRICULUM AND CERTIFICATION UNIT

PROGRAMME A: QUALIFICATIONS, CURRICULUM AND CERTIFICATION (QCC)

Elizabeth Burroughs

Standard setting for qualifications, curriculum and certification

The Qualifications, Curriculum and Certification (QCC) Unit is responsible for setting and monitoring standards for the General and Further Education and Training Qualifications Sub-framework. It does so through three major areas of work:

- Developing and managing the sub-framework itself, which includes developing new qualifications and reviewing existing ones
- Careful research into the curricula to define the qualifications on the sub-framework and, by using that research, refining and strengthening the qualifications
- Managing the certification and verification of the qualifications on the sub-framework.

Qualifications

QCC's work focuses on the strategic foundation on which all Umalusi's work depends. Creating and developing the sub-framework of qualifications forms work critical to its functioning as a Quality Council and forges the connections with the larger NQF environment. In the past year Education Minister Blade Nzimande gazetted the final form of the NQF. In light of his directives, this required a last revision of the sub-framework for which Umalusi is responsible. During this past year, the alternative 'matric' for adults, NASCA, was readied for registration. The GETC for Adults at NQF Level 1 is in the process of revision and should be finalised in 2013.

Curriculum

Curriculum evaluation creates links between the work that Umalusi does and the work of the two Departments of Education, through valuable recommendations for strengthening the curricula associated with the national qualifications. This work also uncovers the links between existing qualifications on the sub-framework, which can then be transformed into formal articulation possibilities – the report on the Engineering NCV and the N programmes is a case in point. Some of the curriculum evaluation work has also forged bonds with other state departments, SETAs, the hospitality and tourism industries and many institutions of higher education that have expressed interest in the work being done. This outreach work flies in the face of perceptions that Umalusi cannot, or does not, engage with business and industry stakeholders. The curriculum evaluation that began in 2012, and which will take centre stage in 2013 – 2014, is the major quality assurance review of the Curriculum and Assessment Policy Statement (CAPS).

Certification and verification

QCC's certificate and verification sub-unit certifies all the qualifications on the sub-framework and verifies the certificates which it, and its predecessor SAFCERT, have issued. This Unit has strengthened its own quality assurance processes in the past year and supplied feedback to the Minister on certification matters in the annual quality assurance report on examinations. It uses these processes to strengthen capacity in both the national and provincial branches responsible for certification, a necessity for credibility of education as a whole.



PROGRAMME A: QUALIFICATIONS, CURRICULUM AND CERTIFICATION (QCC) | continued

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS STRATEGIC OBJECTIVES

Programme A: Qualifications, Curriculum and Certification (QCC)					
Strategic Objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
The General and Further Education and Training Sub-framework of Qualifications is developed and managed	100%	100%	100%	0	None
Curricula are evaluated and approved (CAPS and NCV)	100%	100%	90%	10%	Reconceptualising of CAPS project as its scope became more evident - sub-unit requires additional capacity to deal with work volumes
Learner achievement is certified and verified	100%	100%	100%	0	None

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme A: Qualifications, Curriculum and Certification (QCC)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Percentage of policies as required by the system developed, revised and approved by Council	100%	100%	100%	0	None
Percentage of curriculum evaluations conducted and reported on as per plan	100%	100%	90%	10%	The Foundation Phase (FP) CAPS research was finalised in 2012, but there are some dependencies on the Intermediate Phase research being undertaken. Final reporting on FP CAPS will happen in 2013
Percentage of certification datasets received and processed	100%	100%	100%	0	None
Percentage of verification requests processed	100%	100%	100%	0	None



QUALITY ASSURANCE



Senior Manager - Vijayen Naidoo

Top to bottom (L-R) Confidence Dikgole • Desmond April • Eardley Twigg • Marisa Du Toit
• Siphamandla Nxumalo • Andy Thulo • Nthabiseng Matsobane • Sarah Madigo • Rachel Tladi
• Mmarona Letsholo • Heather Erasmus • Belinah Mulaudzi

QAA QUALITY ASSURANCE OF ASSESSMENT UNIT

PROGRAMME B: QUALITY ASSURANCE OF ASSESSMENT (QAA)

Vijayen Naidoo

In terms of the GENFETQA Act (No 58 of 2001, as amended in 2008), Umalusi has the mandate to assure the quality of all exit point assessments and to approve the release of examination results.

Through the Quality Assurance of Assessment (QAA) Unit, Umalusi quality assures the standard of all exit assessments for qualifications on the GENFET Sub-framework of Qualifications and monitors examination systems. The Assessment Standards Committee (a committee of Council) is responsible for considering the reports emanating from the quality assurance processes, standardising the assessment outcomes and recommending the approval of the release of the results to Council. The Umalusi Council approves the release of results if, in its judgement, it is found that the examinations were conducted in a credible manner, i.e., that the examinations complied with relevant examination policies and regulations, and that there were no reports (at the time of approval) of irregularities that could compromise the examinations and/or its outcomes.

The work of the QAA Unit is divided into the following sub-programmes:

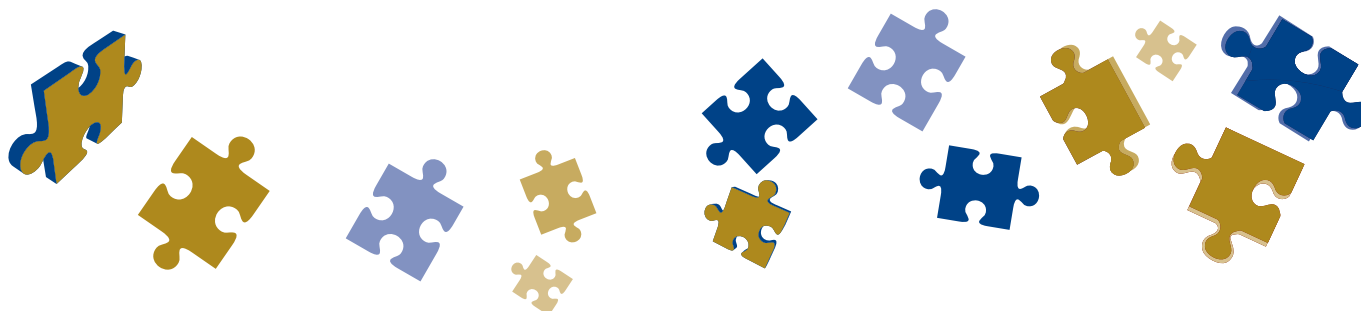
- Quality Assurance of Assessment – Schools
- Quality Assurance of Assessment – Vocational Education and Training
- Quality Assurance of Assessment – Adult Education and Training
- Standardisation and Resulting.

Each of these sub-programmes includes the following functions per examination:

- External moderation of examination products (papers)
- External moderation of Site-Based Assessment (SBA)
- External moderation of marking
- Monitoring of the conduct of examinations
- Reporting on quality assurance
- Standardisations and approval of results.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS STRATEGIC OBJECTIVES

Programme B: Quality Assurance of Assessment (QAA)					
Strategic Objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Quality assurance of assessment processes maintained and improved as per plan (NSC, SC, NCV, NATED & ABET:GETC)	100%	100%	100%	0	None
Standards for assessment articulated and maintained (policy development and monitoring)	100%	100%	100%	0	None
Stakeholder relations established and managed as planned (DBE, DHET, IEB, HESA, IPEAC, FET HEDCOM sub-committee, CMC, etc.)	100%	100%	100%	0	None



PROGRAMME B: QUALITY ASSURANCE OF ASSESSMENT (QAA) | continued

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme B: Quality Assurance of Assessment (QAA)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Percentage of question papers externally moderated: NSC and GETC – % of all subjects as planned	DBE, IEB & ERCO: NSC: 99%	DBE, IEB: NSC: 100%	DBE, IEB, SACAI: NSC: 117%	+ 57	Moderated 57 question papers for SACAI (pilot phase for applicant assessment body) Increase in sample size
NCV, NATED and SC – % per sample of subjects as planned	DBE: SC: 100%	DBE: SC: 100%	DBE: SC: 103%	+2	Increase in sample size
	DHET: GETC: 100%	DHET: GETC: 100%	DHET: GETC: 100%	0	None
	DHET: NCV: 100%	DHET: NCV: 100%	DHET: NCV: 100%	+2	Increase in sample size
	DHET: NATED: 100%	DHET: NATED: 100%	DHET: NATED: 133%	+14	Increase in sample size
Percentage of internal assessment monitored and moderated: per sample for NSC across DBE, IEB and ERCO as planned	NSC: 100%	NSC: DBE and IEB Phase 1: 100% Phase 2: 100%	NSC: DBE and IEB Phase 1: 100% Phase 2: 100%	0	None
DHET: NCV	DHET: NCV ISAT – 100%	DHET: NCV ISAT – 100% of	DHET: NCV ISAT – 100% of	0	None
	DHET: NCV ICASS – 100%	DHET: NCV ICASS – 100%	DHET: NCV ICASS – 100%	0	None
DHET and IEB: GETC	DHET: GETC: 100% IEB: GETC: 100% of 8 learning areas	DHET:GETC: - 100% IEB: GETC: - 100%	DHET:GETC - 88% IEB: GETC: - 100%	12% 0	External moderator not available – no negative impact on outcome
Percentage of examinations monitored and reported on per plan	NSC: 100%	DBE: NSC: 100% DBE: SC: 100% IEB: NSC: 100% SACAI: NSC: 100%	DBE: NSC: 100% DBE: SC: 100% IEB: NSC: 100% SACAI: NSC: 100%	0	None
	DHET: NCV: 100%	DHET: NCV: 100%	DHET: NCV: 103%	3%	Increase in sample size
	DHET: GETC: 100%	DHET: GETC: 100%	DHET: GETC: 100%	0	None

PROGRAMME B: QUALITY ASSURANCE OF ASSESSMENT (QAA) | continued

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS | CONTINUED

Programme B: Quality Assurance of Assessment (QAA)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Percentage of reliable assessment outcomes ensured: sampled marking centres monitored	DBE: NSC: 100%	DBE: NSC: 100% DBE: SC: 100% IEB: NSC: 100% SACAI: NSC: 100%	DBE: NSC: 100% DBE: SC: 100% IEB: NSC: 100% SACAI: NSC: 100%	0	None
	DHET: NCV: 100%	DHET: NCV: 100%	DHET: NCV: 100%	0	None
	DHET: GETC: 100%	DHET: GETC: 100%	DHET: GETC: 100%	0	None
Marking verified: a percentage of sampled subjects as planned	DBE: NSC: 100%	DBE: NSC: 100%	DBE: NSC: 100%	0	None
	DHET: NCV: 100%	DHET: NCV: 100% DHET: NATED: 100%	DHET: NCV: 88% DHET: NATED: 100%	12% 0	Sample reduced to accommodate increase in NATED sample
	DHET: GETC: 100%	DHET: GETC: 100%	DHET: GETC: 100%	0	None
	DBE: SC: 100%	DBE: SC: 100%	DBE: SC: 100%	0	None
Percentage of quality assurance of assessment policies and processes developed and implemented per plan	100%	100%	100%	0	None
Percentage of learner attainments received standardised and results approved for release per plan	100%	100%	100%	0	None
Percentage reported on in respect of the quality of exam products and administration of examinations as per plan	100%	100%	100%	0	None
Percentage of collaborative stakeholder relations fostered and maintained as planned	100%	100%	100%	0	None





Senior Manager - Chaile Makaleng

- Top to bottom (L-R) Vani Chatty • Faith Ramothhale • Chris Nyangintsimbi • Mary Louise Madalane
 • Khensani Motsi • Kgosi Monageng • Dawie Oberholster • Nombuyiselo Mabitsela
 • Veenay Bennideen • Zifha Kumalo • Ethel Mathebe • Kholofelo Rabofo • Gugu Chili
 • Tsholofelo Mokonoto • Philemon Letlape • Phumla Molusi • Grace Nhlapo • Anushka Thaver

EVALUATION AND ACCREDITATION UNIT

EctA

PROGRAMME C: EVALUATION AND ACCREDITATION (E&A)

Chaile Makaleng

As part of Umalusi's integrated quality assurance approach, the Evaluation and Accreditation (E&A) Unit is responsible for the quality assurance of the enacted curriculum at sites of learning that offer qualifications on the GENFET Sub-framework of Qualifications. To that end, E&A accredits:

- Private education institutions (i.e., independent schools, AET centres, FET colleges), and
- Private assessment bodies in accordance with a set of accreditation criteria approved by the Ministers of Higher Education and Training and Basic Education, as contemplated in the GENFETQA Act.

Accreditation relates to the recognition of:

- The capacity of a private education and training institution to offer a qualification on the GENFET Qualifications Framework, and the institution's implementation of the curriculum in support of the qualification, to the required standard.
- The capacity of a private assessment body to assess a qualification on the GENFET Qualifications Sub-framework and the quality and standard of the assessment services and products provided by the private assessment body.

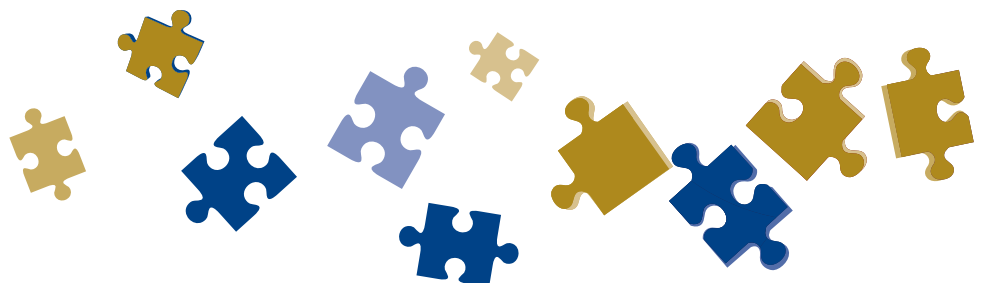
- As part of a quality assurance process, accreditation attests to the capacity and the quality of the private education institution or private assessment body.

While accrediting private assessment bodies, the E&A Unit also conducts systemic evaluations of the national assessment system from time to time, both public and private. In 2012 two such evaluations were conducted, for the GETC: Adults and the NCV.

Maintaining and improving stakeholder relations is central to the accreditation and monitoring of private education institutions and assessment bodies: the E&A Unit facilitates effective communication with stakeholders who are directly and indirectly affected by Umalusi's quality assurance work. Further, the unit implements quality initiatives intended to convene communities of practice to internalise quality assurance standards set by Umalusi. Ongoing quality assurance initiatives include the annual Adult and Vocational Education and Training (AVET) Provider Forum, the biennial AVET Provider Conference, the biennial Independent Schools Conference and annual provincial meetings.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS STRATEGIC OBJECTIVES

Programme C: Evaluation and Accreditation (E&A)					
Strategic Objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Accreditation and monitoring system for private education and training institutions maintained and reviewed as planned	100%	100%	100%	0	None
Accreditation and monitoring system for assessment bodies maintained and reviewed as planned	100%	100%	100%	0	None
Stakeholder relationships maintained and improved as per plan	100%	100%	100%	0	None



PROGRAMME C: EVALUATION AND ACCREDITATION (E&A) | continued

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme C: Evaluation and Accreditation (E&A)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Percentage of accreditation applications and monitoring reports received and processed across provider sectors (schools, FET colleges and AET centres)	100%	100%	100%	0	None
Percentage of accreditation applications processed received from assessment bodies	100%	100%	100%	0	None
Percentage of assessment bodies monitored per plan	100%	100%	100%	0	None
Number of systemic evaluations of the assessment system conducted as per plan	2 (GETC and NCV)	None	2 (GETC and NCV)	0	None
Percentage of annual events i.r.o. stakeholder relations held / attended as planned	100%	100%	100%	0	None





MAINTAINING STANDARDS



Senior Manager - Emmanuel Sibanda

Top to bottom (L-R) Marco MacFarlane • Biki Lepota • Paul Mokilane • Frank Chinyamakobvu
• Paulina Masemola • Grace Tsomele

STATISTICAL INFORMATION
AND RESEARCH UNIT

SIR

PROGRAMME D: STATISTICAL INFORMATION AND RESEARCH (SIR)

Emmanual Sibanda

The mandate of the Statistical Information and Research (SIR) Unit is to:

- Undertake research as identified by the needs of the organisation and, in particular, in respect of the GENFET Sub-framework of Qualifications, the findings of which provide a firm foundation for Umalusi's strategic approaches and quality assurance processes.
- Disseminate research findings by engaging with stakeholders through seminars, conferences and published research.
- Report on the key indicators of quality and standards in the general and further education and training sector, as these pertain to Umalusi's mandate.
- Provide professional knowledge development and support within Umalusi through a well-equipped resource centre, regular academic development meetings that promote quality in Umalusi's professional work, and provision of statistical support for other units.

Research

In 2011 the SIR Unit continued to research the standards of the NSC Home Language examinations, which culminated in a report in 2012. The purpose was to determine whether NSC examinations of the 11 Home Languages were set at the same degree of difficulty and cognitive demand. This research resulted in the development of a framework for assessing and comparing the cognitive challenge of Home Language examinations.

The SIR Unit continued with its work on Item Response Theory (IRT). This is 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, and to inform quality assurance practices in such approaches.

Reporting on quality per qualification

2012 marked the fifth year of the implementation of the NSC. In this period, Umalusi has collected and analysed relevant data to enable it to produce a consolidated report on the quality of the NSC. This is expected later in 2013.

Dissemination and publication

The unit organised an international conference in May 2012 with the theme 'Standards in education and training: the challenge'. The conference was attended by 304 delegates. The SIR Unit also organised various seminars with Umalusi partners CEPD and Wits University. The seminars address issues of common

interest that relate to enhancing the quality of teaching, learning and assessment in the sectors for which Umalusi is responsible.

Research reports produced

- *'Developing a framework for assessing and comparing the cognitive challenge of Home Language examinations'*
- *'The standards of National Senior Certificate Home Language examinations: a comparison of South African official languages'*
- *'NSC pass requirements: a discussion document on the NSC pass mark'*
- *'Towards a construct for assessing high level language ability in Grade 12'*
- *'Academic literacy at Foundation Phase level: an exploratory investigation'*

Seminar reports produced

- *'District reform: challenges and future development'*
- *'The National Senior Certificate Home Language examinations: comparability, construction and cognitive demand'*.

All Umalusi's research reports, as well as information on research currently under way, can be viewed on Umalusi's website, at www.umalusi.org.za

Knowledge development and support

The SIR Unit ensures that the resource centre is fully functional and well resourced, conducts internal professional development workshops and provides data analysis and statistical support to other units.



PROGRAMME D: STATISTICAL INFORMATION AND RESEARCH (SIR) | continued

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS STRATEGIC OBJECTIVES

Programme D: Statistical Information and Research (SIR)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Research is identified, planned, and undertaken	100%	100%	100%	0	None
Research findings and Umalusi positions are disseminated through stakeholder engagement at seminars, conferences and in published research	100%	100%	100%	0	None
Professional knowledge development and support, as well as statistical services provided	100%	100%	100%	0	None
A report generated on the indicators of quality and standards in general and further education and training per qualification	100%	100%	100%	0	None

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme D: Statistical Information and Research (SIR)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Percentage of research completed as per research agenda	100%	100%	100%	0	None
Percentage of reports published as per plan	100%	100%	100%	0	None
Percentage of dissemination events as per plan (seminars, conferences, etc.)	100%	100%	100%	0	None
Percentage of knowledge development workshops held internally as per plan	100%	100%	100%	0	None
Percentage of statistical queries from other units resolved	100%	100%	100%	0	None
Percentage of new resources acquired for the resource centre as per plan	100%	100%	100%	0	None
A framework of indicators developed per qualification, and data collection commenced as per plan	100%	100%	100%	0	None



CORNERSTONE



Executive Management - Dr Mafu Rakometsi (CEO) • Ms Eugenie Rabe (COO)
• Mr Jeremy Thomas (CFO)

Top to bottom (L-R) • Lucky Ditaunyane • Lebogang Mabunda • Eugene du Plooy
• Estella Michael • Rozaan van Wyk • Siphwe Mtshali • Mike Khuboni

GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER

PROGRAMME E: CORPORATE SERVICES

GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER

The Governance and Office of the Chief Executive Officer (GOCEO) Unit comprises the offices of the Chief Executive Officer (CEO), the Chief Operations Officer (COO), the Chief Financial Officer (CFO), as well as the Public Relations and Communications (PR & Communications) sub-unit.

GOCEO ensured that a strategic plan and budget were 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 coordinated in an efficient and effective manner and progress was monitored and reported on quarterly.

Organisational risks were minimised 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 Chief Executive Officer met many strategic partners and stakeholders, as well as media houses, to strengthen and forge relationships and partnerships. Umalusi's internal and external communications were planned and carried out by PR and Communications. This 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 articles profiling Umalusi was published in newspapers 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. The purpose of the Public Relations and Communications Unit is to communicate key organisational messages about the work and mandate of Umalusi to staff and stakeholders.

The success of any organisation relies on timely and apposite communication. Internal communication is characterised by downward and upward communication. In terms of downward communication, strategic decisions made by senior management and Council are communicated to members of staff for appropriation and implementation.

Upward communication keeps senior and Executive Management informed about progress in implementing organisational programmes in relation to the strategic plan.

The PR and Communications Unit also works in collaboration with other units in terms of event management and organisation. Discussions and decisions taken at these forums, seminars, and workshops are disseminated internally via newsletters, email, website and general staff meetings. Various communication platforms are used to communicate with external stakeholders. The following stakeholders have been identified for the purposes of external communication:

- DBE
- DHET
- Provincial Education Departments (PEDs)
- FET colleges, schools and AETs
- Assessment bodies
- SAQA and other quality councils
- Universities
- Parents
- Educational NGOs
- Rural communities
- Unemployed youth.

In order to maximise external communication, the PR and Communications Unit uses different modes of communication. These include the quarterly newsletter, Makoya, exhibitions with a focus on youth and rural development, road shows by senior management, collaboration in coordinating stakeholder events with other units, as well as print and electronic media.

The PR and Communications Unit is also responsible for processing and responding to queries from the public and the media regarding the work of Umalusi.



PROGRAMME E: CORPORATE SERVICES

GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER | continued

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS STRATEGIC OBJECTIVES

Programme E: Governance and Office of the Chief Executive Officer (GOCEO)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Organisational plans reviewed and implemented	100%	100%	100%	0	None
Organisational governance maintained	100%	100%	100%	0	None
Strategic relationships established and managed	100%	100%	100%	0	None
Communications strategy developed and implemented	100%	100%	100%	0	None
External PR functions and communication carried out as planned and in response to external needs	100%	100%	100% (50% Makoya publications)	0	Resignation of Senior Manager PR and Communications
Internal PR functions carried out as planned	100%	100%	100%	0	None
Management of PR and Communications carried out as planned	100%	100%	100%	0	None

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme E: Governance and Office of the Chief Executive Officer (GOCEO)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
New management cycle & calendar drawn up, presented and updated	100%	100%	100%	0	None
Strategic and annual performance plans developed and implemented	100%	100%	100%	0	None
Meeting preparations, agenda and support documentation accurate and on time	100%	100%	100%	0	None
Meetings with political and administrative structures as required	100%	100%	100%	0	None
Communication plan in place and implemented	100%	100%	100%	0	None
Umalusi profiled in media as required	100%	100%	100%	0	None
Corporate identity strengthened as required	100%	100%	100%	0	None
Development of user-friendly website	N/A	100%	100%	0	None

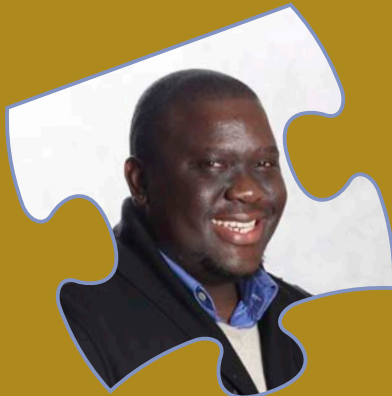
PROGRAMME E: CORPORATE SERVICES

GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER | continued

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme E: Governance and Office of the Chief Executive Officer (GOCEO)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Press releases issued	8 press releases	10 press releases	10 press releases	0	None
Media and public queries & responses	15 radio and 7 TV interviews	15 radio and 7 TV interviews	100%	0	None
Partnerships with media houses	100%	100%	100%	0	None
Media exposure tracked	100%	100%	100%	0	None
Exhibitions attended	4 exhibitions	4 exhibitions	4 exhibitions	0	None
Involvement in seminars/workshops and conferences	100%	100%	100%	0	None
Development of promotional material	100%	100%	100%	0	None
Printing of Research Reports	100%	100%	100%	0	None
Annual Report	100%	100%	100%	0	None
Newsletters	3 Makoya publications	4 Makoya publications	2 Makoya publications	2	Resignation of Senior Manager PR & Comms





Top to bottom (L-R) • Gerrit Jansen van Vuuren • Gerhard Booyse • Ulrike Badenhorst • Archie Ntim
• Jacques Boucher • Neo Mmope

IT CORPORATE SERVICES: INFORMATION TECHNOLOGY SYSTEMS

PROGRAMME F: CORPORATE SERVICES INFORMATION TECHNOLOGY SYSTEMS

The IT Unit focuses on ensuring that the organisation's information technology requirements are met. 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 installation and support.

System development and support comprises of the certification system and the Management Information System (MIS). The mainframe certification system covers the following three main areas:

- Certification of qualifications
- Quality assurance of the resulting process
- Verification of issued qualifications.

The end product of the certification process is a printed certificate, after verification, to ensure the learner qualifies and complies with the requirements for the qualification.

The Management Information System functions as a general portal and as the supplier of information, such as policies and general information, to staff. The system is

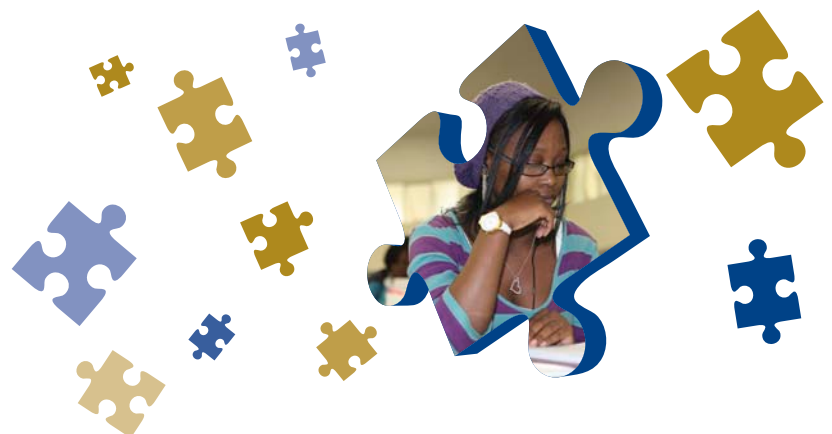
continuously evolving and improving, according to user requirements and requests. Areas that are addressed, among others, are workflows for the accreditation of providers, management of claims for contract workers, and maintenance and improvement of the website. The MIS is the starting point from which all users work within Umalusi. There is a definite drive in Umalusi to convert from a paper-based system to a computerised, electronic system, to speed up service provision to clients and to reduce costs.

Umalusi's website was maintained and updated to ensure that relevant, accurate information is provided to the public.

The installation of the latest IT infrastructure and services meet the organisation's needs for network and hardware and ensure that Umalusi's work is well supported and its information is kept safe. IT processes and hard/software are monitored and improved to meet changing requirements in both the organisation and the market. During 2012, IT has focused on improving end-user support and security, particularly the availability of the computer system in the event of a critical hardware failure and/or natural disaster.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS STRATEGIC OBJECTIVES

Programme F: Information Technology Systems (IT)					
Strategic Objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Information technology systems established and maintained	70% of all user requests registered and completed	70% of all user requests registered and completed	100%	0	None
Certification, verification and quality assurance systems implemented	100% of all user requests registered and completed	90% of all user requests registered and completed	100%	0	None
Adequate hardware and software obtained to support operations	100% of all user requests registered and completed	100% of all user requests registered and completed	100%	0	None



PROGRAMME F: CORPORATE SERVICES INFORMATION TECHNOLOGY SYSTEMS | continued

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme F: Information Technology Systems (IT)					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Percentage of the priority task list completed, as approved by the MIS steering committee	70% of all user requests registered and completed	70% of all user requests registered and completed	100%	0	None
Percentage of projects identified to be developed and/or maintained	70% of all user requests registered and completed	70% of all user requests registered and completed	100%	0	None
Percentage of the mainframe system maintained as per user requests from QCC and QAA Units	100% of all user requests received were completed	100% of all user requests received were completed	100%	0	None
Percentage hardware and software obtained to support operational work	100% of all user requests received were completed	100% of all user requests received were completed	100%	0	None





SERVICE EXCELLENCE



Top to bottom (L-R) Thinus Wessels • Innocent Gumbochuma • Ebriem Fillis
• Kgabo Mmola • Phatuwani Ramuvhundu • Sebongile Mkhathshwa
• Matlhodi Mathebula • Dakalo Mudau • Simon Mosaka • Louisa Nomatye
• Adelaide Cholo • Samson Gohla

CORPORATE SERVICES: FINANCE AND SUPPLY CHAIN MANAGEMENT

PROGRAMME G: CORPORATE SERVICES FINANCE AND SUPPLY CHAIN MANAGEMENT

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 includes supply chain management, security, and asset and facilities management. In the past 10 years total revenue has grown by an annual average of 26%, whereas total expenditure averaged 23%.

Accounting systems are continually enhanced. Four accounting-related software packages are currently

used. These are Pastel Partner, VIP Payroll, Caseware working papers and AssetPro.

Since its inception, Umalusi has achieved a 100% record in receiving unqualified audits.

The leased premises were acquired in 2008, and were revalued on 31 March 2012. This resulted in a revaluation reserve of R8-million.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS STRATEGIC OBJECTIVES

Programme G: Finance and Supply Chain Management					
Strategic Objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
Finance and accounting systems maintained	100%	100%	100%	0	None
Accounting for and collection of revenue	100%	100%	100%	0	None
Payments made for goods and services	100%	100%	100%	0	None
Surplus funds invested	100%	100%	100%	0	None
Fixed assets registered, labelled and monitored after purchase	100%	100%	100%	0	None
Building and security systems maintained	100%	100%	100%	0	None

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

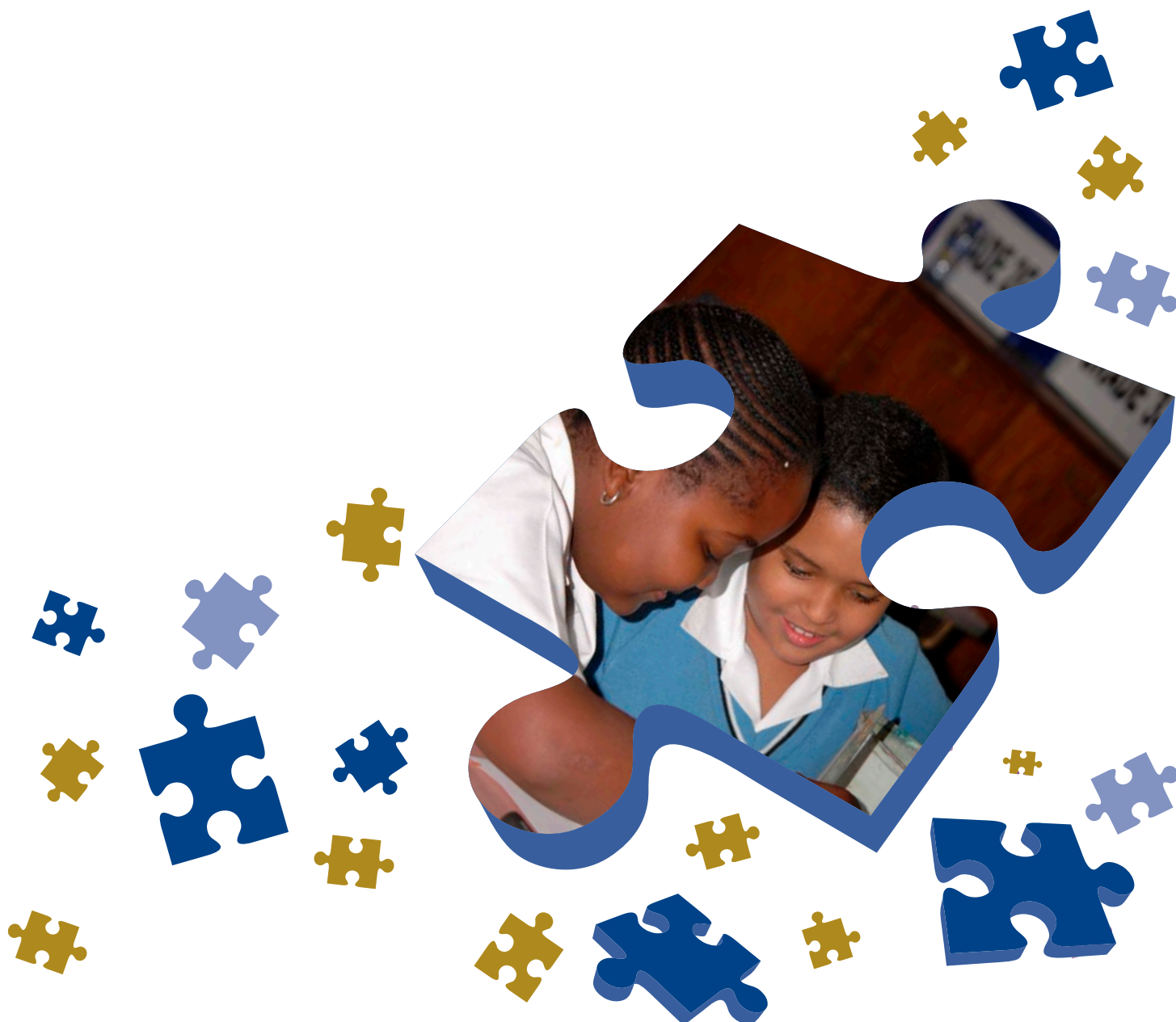
Programme G: Finance and Supply Chain Management					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
GRAP-compliant annual financial statements submitted by 31 May each year	1	1	1	0	None
Outstanding debt collected	105%	90%	147%	57%	Provincial Departments requested certification during March 2012 which was budgeted for in 2013. Outstanding debt rose dramatically at 31 March 2012. Eliminating this incidence translates to a debt collected percentage of 102%.
Creditors paid within 30 days	100%	100%	100%	0	None

PROGRAMME G: CORPORATE SERVICES

FINANCE AND SUPPLY CHAIN MANAGEMENT | continued

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme G: Finance and Supply Chain Management					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation From Planned Target To Actual Achievement For 2012/2013	Comments On Deviations
All surplus funds invested with CPD	100%	100%	100%	0	None
Assets registered, labelled and monitored	100%	100%	100%	0	None
Buildings and security systems maintained	100%	100%	100%	0	None





DELIVERING

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

CONTENTS

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

Council's Responsibilities and Approval	59
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Report of the Independent Auditors to the Council	61 - 62
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Statement of Financial Position	66
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The following supplementary information does not form part of the financial statements and is unaudited:

Detailed statement of financial performance	84 - 87
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

COUNCIL'S RESPONSIBILITIES AND APPROVAL

The Council is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Council to ensure that the 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 were engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records and related data.

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

The 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 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 2013 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

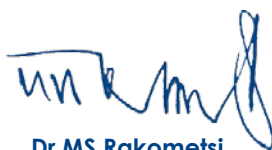
Although the Council is primarily responsible for the financial affairs of the entity, it is supported by the entity's Internal Auditors.

The External Auditors are responsible for independently reviewing and reporting on the entity's financial statements. The financial statements have been examined by the entity's External Auditors and their report is presented on page 59 - 87.

The financial statements set out on pages 59 - 87, which have been prepared on the going concern basis, were approved by Council on 5 July 2013 and signed on their behalf by:



Professor SG Mabizela
Chairperson: Umalusi Council



Dr MS Rakometsi
CEO: Umalusi

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is pleased to present its report for the financial year ended 31 March 2013.

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 controls 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 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 financial statements, and the management letter of the External Auditor, NEXIA SAB&T, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective, as was 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 the reports prepared and issued by the auditors of the entity during the year under review.

Evaluation of financial statements

We have:

- Reviewed and discussed the audited financial statements to be included in the annual report, with the approved External Auditor, NEXIA SAB&T
- 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 significant adjustments resulting from the audit.

We concur with and accept the auditor's report of the financial statements, and are of the opinion that the audited financial statements should be accepted and read together with the report of the Auditors-NEXIA SAB&T.

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.



Ms T. Fubu

Chairperson: Audit Committee

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL

To Parliament

Introduction

We have audited the financial statements of Umalusi (Council for Quality Assurance in General and Further Education and Training) set out on pages 59 - 87 which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information, and the accounting authority's report.

Accounting Authority's responsibility for the financial statements

The Council which constitutes the accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards on Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Public Audit Act of South Africa, the General Notice issued in terms thereof and International Standards on Auditing. 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 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 Umalusi (Council for Quality Assurance in General and Further Education and Training) as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act of South Africa.

Report on other legal and regulatory requirements

PAA requirements

In accordance with the Public Audit Act (PAA) and the General Notice issued in terms thereof, we report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

We performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 59 - 87 of the annual report.

The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

We did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA.

Internal control

We did not identify any deficiencies in internal control which we considered sufficiently significant for inclusion in this report.

NEXIA SAB&T

NEXIA SAB&T
Registered Auditors
Per: Aneel Darmalingam
Director
30 June 2013

REPORT OF THE COUNCIL

The Council submits its report for the year ended 31 March 2013.

1. Incorporation

Umalusi is listed as a national public entity in terms of schedule 3A of the Public Finance Management Act (PFMA) 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 financial statements and do not in our opinion require any further comment.

Net deficit of the entity for the year was R 7,530,843 (2012: surplus R 17,940,634). The deficit is a result of revenue for the year being less than budgeted. R 16.6 million from certification fees budgeted for the current financial year was realised in March 2012 and accounted for in the 2011/12 financial year.

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, Council is accountable for internal controls. The Council has the responsibility for maintaining a sound system of internal controls 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. No losses were incurred during the period under review.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

REPORT OF THE COUNCIL | continued

6. Council

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

Name

Professor SG Mabizela (Chairperson)

Mr A Essop

Ms F Dada

Professor TT Dunne

Professor M Fourie-Malherbe

Mr SBA Isaacs

Professor ND Kgwadi

Ms GJ Mashabela

Ms L Mlanjana

Mr A Mocke

Professor R Moletsane

Professor MLE Monnapula-Mapesela

Appointed 01 March 2013

Mr E Mosuwe

Mr CS Ndaba

Dr RA Patel

Dr MS Rakometsi (CEO)

Mr JS Samuels

Professor D Singh

Dr ZC Sosibo

Ms P Vinjevold

Professor DS Zinn

Resigned on 1 October 2012

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

REPORT OF THE COUNCIL | continued

7. Council and Executive Management emoluments

Entity

Non-Executive Members	Total Fees 2013	Total Fees 2012
Professor SG Mabizela	38,728	37,354
Professor ND Kgwadi	30,356	58,954
Ms F Dada	26,580	-
Mrs L Mlanjana	23,442	-
Mr A Mocke	1,665	197
Professor TT Dunne	59,393	-
Professor R Moletsane	-	469
Dr ZC Sosibo	26,760	2,732
	206,924	99,706

Executive Management	Salary	Performance & other related payments	Retirement fund contributions	Medical contributions	Total package 2013	Total package 2012
Dr MS Rakometsi	1,517,612	97,451	139,170	-	1,754,233	1,648,490
Mrs E Rabe	955,036	61,326	87,580	-	1,103,942	1,057,056
Mr JR Thomas	942,868	61,326	87,580	12,168	1,103,942	1,056,929
Mr VD Naidoo	719,246	46,966	67,076	12,168	845,456	809,510
Mr SE Ditaunyane**	219,722	-	20,149	-	239,871	-
Mrs EM Burroughs	709,956	30,392	65,105	-	805,453	786,052
Mr E Sibanda	699,459	29,943	64,143	-	793,545	753,379
Mr M Khuboni*	349,164	14,531	43,084	-	406,779	893,002
Mr CJ Makaleng	659,166	-	60,448	-	719,614	686,743
	6,772,229	341,935	634,335	24,336	7,772,835	7,691,161

* Resigned 31 August 2012

** Appointed 01 December 2012

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

NEXIA SAB&T will continue in office for the next financial period in accordance with section 25(2) of the Public Audit Act.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2013	2012
Assets			
Current Assets			
Trade and other receivables	3	2,422,236	21,373,260
Cash and cash equivalents	4	53,302,803	27,446,983
		37,725,039	48,820,243
Non-current assets			
Property, plant and equipment	5	26,939,624	21,158,744
Intangible assets	6	62,459	243,518
		27,002,083	21,402,262
Total Assets		64,727,122	70,222,505
Liabilities			
Current Liabilities			
Trade and other payables	7	10,640,760	8,605,298
Total Liabilities		10,640,760	8,605,298
Net Assets		54,086,362	61,617,207
Net Assets			
Reserves			
Revaluation reserve		8,196,622	8,196,622
Accumulated surplus		45,889,740	53,420,585
Total Net Assets		54,086,362	61,617,207

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 April 2011	-	35,479,951	35,479,951
Changes in net assets			
Revaluation of land and buildings	8,196,622	-	8,196,622
Surplus for the year	-	17,940,634	17,940,634
Total changes	8,196,622	17,940,634	26,137,256
Balance at 31 March 2012	8,196,622	53,420,583	61,617,205
Changes in net assets			
Deficit for the year	-	(7,530,843)	(7,530,843)
Total changes	-	(7,530,843)	(7,530,843)
Balance at 31 March 2013	8,196,622	45,889,740	54,086,362

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Receipts			
Cash receipts from customers		55,995,238	57,387,808
Grant		42,330,000	18,391,000
Interest income		1,927,030	1,733,130
		100,252,268	77,511,938
Payments			
Cash paid to suppliers and employees		(84,578,504)	(72,574,435)
Net cash flows from/(in) operating activities	15	15,673,764	4,937,503
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(7,789,202)	(795,022)
Proceeds from sale of property, plant and equipment	5&10	17,830	-
Purchase of intangible assets	6	(46,572)	(154,390)
Net cash flows in from investing activities		(7,817,944)	(949,412)
Net increase/(decrease) in cash and cash equivalents		7,855,820	3,988,091
Cash and cash equivalents at the beginning of the year		27,446,983	23,458,892
Cash and cash equivalents at the end of the year	4	35,302,803	27,446,983

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Figures in Rand	Approved budget	Adjustments	Final Budget	Final amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Accreditation Fees	1,649,740	-	1,649,740	1,658,277	8,537	
Certification Fees	42,358,260	-	42,358,260	28,870,375	(13,487,885)	Ref 1
Verification Fees	5,500,000	-	5,500,000	5,763,817	263,817	
Grant:Department of Basic Education	41,844,000	-	41,844,000	42,330,000	486,000	Ref 2
Sundry Revenue	-	-	-	965,127	965,127	
Interest received - investment	1,600,000	-	1,600,000	1,927,030	327,030	
Total revenue from exchange transactions	92,952,000	-	92,952,000	81,514,626	(11,437,374)	
Expenditure						
Employee Costs	(39,739,000)	-	(39,739,000)	(35,451,838)	4,287,162	Ref 3
Depreciation and amortisation	-	-	-	(2,230,513)	(2,230,513)	
Impairment loss	-	-	-	(1,358,154)	(1,358,154)	
Moderator and Verifier costs	(15,035,000)	-	(15,035,000)	(15,306,735)	(271,735)	
Maintenance	(2,950,000)	-	(2,950,000)	(397,100)	2,552,900	Ref 4
General Expenses	(35,228,000)	-	(35,228,000)	(34,313,519)	914,481	Ref 5
Total expenditure	(92,952,000)	-	(92,950,000)	(89,057,859)	3,894,141	
Operating deficit		-		(7,543,233)	85,408,762	
Gain on disposal of assets	-	-	-	12,390	12,390	
Deficit before taxation	-	-	-	(7,530,843)	(7,530,843)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(7,530,843)	(7,530,843)	

Ref 1

Certification fees budgeted for in the current financial year were recognised in the previous year. Some Provincial Departments of Basic Education requested for certification in March 2012 and this income was forecasted to be received in June 2012.

Ref 2

Additional funds provided by the Department of Basic Education during the year for improvement in conditions of service.

Ref 3

Vacant posts which were budgeted for but not filled during the year.

Ref 4

Maintenance included a portion of capital expenditure items which are accounted for in the statement of financial position.

Ref 5

General expenses were less than budgeted for due to favourable pricing of goods and services negotiated during the year.

ACCOUNTING POLICIES

1. Presentation of financial statements

The financial statements have been prepared in accordance with the 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, except for the cashflow statement, which is prepared on a cash basis, and land and buildings, which are measured according to fair value, 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.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 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 through a non-exchange transaction, 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, its 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.

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.

ACCOUNTING POLICIES | continued

1.2 Property, plant and equipment (continued)

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.

Land and buildings is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

Item	Average useful life
Land	Indefinite
Buildings	20 years
Plant and equipment	5 years
Furniture and fixtures	4 - 6 years
Office equipment	5 years
Computer equipment	3 years
Leasehold improvements	Period of lease
Other fixed assets	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 entity 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.

ACCOUNTING POLICIES | continued

1.3 Intangible assets (continued)

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.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets 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.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

Receivables from exchange transactions

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 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.

Payables from exchange transactions

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

ACCOUNTING POLICIES | continued

1.4 Financial instruments (continued)

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 measured at fair value and subsequently recorded at amortised cost.

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.

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 its fair value less costs to sell and its value in use.

Useful life is either:

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

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

1.6 Provisions and contingencies

Provisions are recognised when:

- The entity has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

ACCOUNTING POLICIES | continued

1.6 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.7 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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

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.

1.8 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.

1.9 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.

ACCOUNTING POLICIES | continued

1.9 Revenue from exchange transactions (continued)

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
- 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.

1.10 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.

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
- 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.

ACCOUNTING POLICIES | continued

1.10 Revenue from non-exchange transactions (continued)

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.

1.11 Investment income

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

1.12 Comparative figures

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

1.13 Fruitless and wasteful expenditure

Fruitless and wasteful 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.

1.14 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2012/04/01 to 2013/03/31.

The financial statements are on an accrual basis and the budget is on a cash basis of accounting, therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual Amounts.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 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:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 23: Revenue from Non-exchange Transactions	01 April 2012	Not Material
• GRAP24: Presentation of Budget Information in the Financial Statements	01 April 2012	Material
• GRAP 21: Impairment of non-cash-generating assets	01 April 2012	Not Material
• GRAP 26: Impairment of cash-generating assets	01 April 2012	Not Material
• GRAP 104: Financial Instruments	01 April 2012	Not Material

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2013 or later periods:

• GRAP 25: Employee benefits	01 April 2013	Not Material
• GRAP105: Transfers of functions between entities under common control	01 April 2014	No Impact
• GRAP 20: Related parties	01 April 2013	Not Material
• IGRAP 11: Consolidation – Special purpose entities	01 April 2014	No Impact
• IGRAP12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2014	No Impact
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2014	No Impact
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2014	No Impact
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2014	No Impact
• GRAP 1 (as revised 2012): Presentation of Financial Statements	01 April 2013	Not Material
• GRAP 3 (as revised 2012): Accounting Policies, Change in Accounting Estimates and Errors	01 April 2013	Not Material
• GRAP 7 (as revised 2012): Investments in Associates	01 April 2013	No Impact
• GRAP 9 (as revised 2012): Revenue from Exchange Transactions	01 April 2013	Not Material
• GRAP 12 (as revised 2012): Inventories	01 April 2013	No Impact
• GRAP 13 (as revised 2012): Leases	01 April 2013	Not Material
• GRAP 16 (as revised 2012): Investment Property	01 April 2013	Not Material
• GRAP17 (as revised 2012): Property, Plant and Equipment	01 April 2013	Not Material
• GRAP 27 (as revised 2012): Agriculture (Replaces GRAP 101)	01 April 2013	No Impact
• GRAP 31 (as revised 2012): Intangible Assets (Replaces GRAP 102)	01 April 2013	Not Material
• IGRAP16: Intangible assets website costs	01 April 2013	Not Material
• IGRAP1 (as revised 2012):Applying the probability test on initial recognition of revenue	01 April 2013	No Impact

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS | continued

Figures in Rand	2013	2012
3. Trade and other receivables		
Trade receivables	2,421,716	21,372,740
Deposits	520	520
	2,422,236	21,373,260

The bulk of the receivables are owed by Government departments (refer to note 18) and their recoverability is certain.

Trade Receivables Analysis

Current	1,572,755	19,380,039
Past due 31-60 days	728,659	730,922
Past due 61-90 days	24,117	192,096
Past due 91-120 days	72,120	85,572
Past due >120 days	1,688,452	1,941,144
Total	4,086,103	22,329,773

Reconciliation of provision for impairment of trade and other receivables

Opening Balance	957,033	566,808
Utilisation of provision for impairment	(650,800)	-
Provision for Impairment	1,260,350	390,225
	1,566,583	957,033

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,174	448
Bank balances	2,032,175	1,102,127
Short-term deposits	33,268,454	26,344,408
	35,302,803	27,446,983

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.

Credit rating

AAA	35,300,629	27,446,535
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS | continued

5. Property, plant and equipment

Figures in Rand	2013			2012		
	Cost/ revalued	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	5,850,000	-	5,850,000	5,850,000	-	5,850,000
Buildings	20,282,421	(1,098,904)	19,183,517	13,650,000	-	13,650,000
Plant and equipment	491,749	(432,845)	58,904	491,749	(334,496)	157,253
Furniture and fixtures	1,326,177	(1,239,296)	86,881	1,328,494	(1,188,842)	139,652
Office equipment	851,764	(552,419)	299,345	714,511	(520,825)	193,686
Computer equipment	4,450,769	(3,199,245)	1,251,524	4,572,810	(3,471,464)	1,101,346
Leasehold improvements	-	-	-	221,617	(221,617)	-
Other fixed assets	504,284	(294,831)	209,453	311,239	(244,432)	66,807
Total	33,757,164	(6,817,540)	26,939,624	27,140,420	(5,981,676)	21,158,744

Reconciliation of property, plant and equipment - 2013

Figures in Rand	Opening balance	Additions	Revaluations	Depreciation	Total
Land	5,850,000	-	-	-	5,850,000
Buildings	13,650,000	6,632,421	-	(1,098,904)	19,183,517
Plant and equipment	157,253	-	-	(98,349)	58,904
Furniture and fixtures	139,652	5,487	-	(58,258)	86,881
Office equipment	193,686	182,531	-	(76,872)	299,345
Computer equipment	1,101,346	775,717	(5,440)	(620,099)	1,251,524
Other fixed assets	66,807	193,046	-	(50,400)	209,453
Total	21,158,744	7,789,202	(5,440)	(2,002,882)	26,939,624

Reconciliation of property, plant and equipment - 2012

Figures in Rand	Opening balance	Additions	Revaluations	Depreciation	Total
Land	3 118 432	-	2,731,568	-	5,850,000
Buildings	8,649,986	60,470	5,465,054	(522 510)	13,650,000
Plant and equipment	255,873	-	-	(98 620)	157,253
Furniture and fixtures	206,540	15,205	-	(82,093)	139,652
Office equipment	235,934	43,158	-	(85,406)	193,686
Computer equipment	1,075,327	676,189	-	(650,170)	1,101,346
Other fixed assets	97,663	-	-	(30,856)	66,807
Total	13,639,755	795,022	8,196,622	(1,472,655)	21,158,744

NOTES TO THE ANNUAL FINANCIAL STATEMENTS | continued

5. Property, plant and equipment (continued)

Revaluations

During the previous financial year, the entity changed its accounting policy to recognise Land and Buildings according to the Revaluation Model instead of the Cost Model.

The effective date of the revaluations was 31 March 2012. Revaluations were performed by independent valuer, Mr RH Roper [BCom. FRICS MIV (SA) MIEASA Valuer], of The Property Partnership. The Property Partnership is not connected to Umalusi.

Land and buildings are re-valued independently every 4 years.

The valuation was performed using the net replacement approach to determine the fair value, and the market value of the original unimproved vacant land valued by the Municipality was applied as reference.

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

6. Intangible assets

Figures in Rand	2013			2012		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1,834,027	(1,771,568)	62,459	1,787,454	(1,543,936)	243,518

Reconciliation of intangible assets - 2013

Figures in Rand	Opening Balance	Additions	Amortisation	Total
Computer software	243,518	46,572	(227,631)	62,459

Reconciliation of intangible assets - 2012

Figures in Rand	Opening Balance	Additions	Amortisation	Total
Computer software	320,204	154,390	(231,076)	243,518

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS | continued

7. Trade and other payables

Figures in Rand	2013	2012
Trade payables	3,579,681	2,162,357
Other accrued expenses	2,616,008	2,056,954
Sundry creditors	4,445,071	4,385,987
	10,640,760	8,605,298

Included under sundry creditors is leave pay provision amounting to R 3,712,921. (2012 - R3,654,251)

8. Employee Benefit Obligations

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	2013	2012
Accreditation fees	1,658,277	1,841,624
Certification fees	28,870,375	64,220,564
Verification fees	5,763,817	5,931,101
	36,292,469	71,993,289
The amount included in revenue arising from exchanges of goods or services are as follows:		
Accreditation fees	1,658,277	1,841,624
Certification fees	28,870,375	64,220,564
Verification fees	5,763,817	5,931,101
	36,292,469	71,993,289

10. Other revenue

Figures in Rand	2013	2012
Non-Exchange Revenue		
Grant: Department of Basic Education	42,330,000	18,391,000
Exchange Revenue		
Sundry Revenue	956,127	1,102,299
Gain on disposal of assets	12,390	-
	43,307,517	19,493,299

11. Employee related costs

Figures in Rand	2013	2012
Basic salary	35,076,115	32,051,702
Skills development levy	317,053	278,946
Leave pay accrual charge	58,670	1,877,402
	35,451,838	34,208,050

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS | continued

12. Investment revenue

Figures in Rand	2013	2012
Interest revenue		
Bank deposit	1,927,030	1,733,130

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	2013	2012
External audit fees	200,298	234,927
Internal audit fees	205,525	230,890
	405,823	465,817

15. Cash generated from (used in) operations

Figures in Rand	2013	2012
Surplus/(deficit)	(7,530,843)	(17,940,634)
Adjustments for:		
Depreciation and amortisation	2,230,513	1,703,732
Gain on sale of assets	(12,390)	-
Impairment provision movement	707,354	390,225
Changes in working capital:		
Trade and other receivables	18,243,670	(16,088,726)
Trade and other payables	2,035,460	991,638
	15,673,764	(4,937,503)

16. Commitments

Figures in Rand	2013	2012
Authorised capital expenditure		
Already contracted for		
• Property, plant and equipment	-	6,200,000

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	168,120	176,520
- in second to fifth year inclusive	88,260	264,779
	256,380	441,299

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS | continued

17. Related parties

Affiliated Companies by Government	SITA
Responsible Ministry	Telkom
Associated Institution	Department of Basic Education
Non-Executive Members	Associated Institutions Pension Fund
Executive management(Refer to page 65)	

Figures in Rand	2013	2012
Related party transactions		
SITA	3,304,567	2,905,827
Telkom	111,222	193,265
Department of Basic Education	42,330,000	18,391,000
Associated Institutions Pension Fund	3,778,851	3,249,280
Non-Executive Members(refer to page 65)	206,924	99,706
Executive management (refer to Council report on page 65)	7,772,835	7,691,161

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 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.

Figures in Rand				
At 31 March 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	10,640,760	-	-	-
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 March 2012				
Trade and other payables	8,605,298	-	-	-

Interest rate risk

The Entity's cash and cash equivalents are not exposed to significant amount of interest rate risk.

18. Risk management (continued)

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	2013	2012
Financial assets exposed to credit risk at year end were as follows:		
Government - Provincial Departments	2,195,252	19,375,870
Further Education & Training Colleges	1,367,705	1,773,329
Schools and other providers	523,146	1,180,574
Cash and cash equivalents	<u>35,300,629</u>	<u>27,446,535</u>

19. Operating surplus/(deficit)

Operating surplus/(deficit) for the year is situated after accounting for the following:

Operating lease charges

Equipment

- Contractual amounts

Contractual amounts	<u>182,870</u>	<u>114,539</u>
Gain on sale of property, plant and equipment	12,390	-
Impairment provision on trade and other receivables	1,358,154	390,225
Amortisation on intangible assets	227,631	231,076
Depreciation on property, plant and equipment	2,002,881	1,472,656
Employee costs	35,451,838	34,208,050
Research and development	<u>24,542</u>	<u>23,545</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

DETAILED STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2013	2012
Revenue			
Accreditation fees		1,658,277	1,841,624
Certification fees		28,870,375	64,220,564
Verification fees		5,763,817	5,931,101
	9	36,292,469	71,993,289
Other Revenue			
Grant: Department of Basic Education		42,330,000	18,391,000
Sundry revenue		965,127	1,102,299
Interest received	12	1,927,030	1,733,130
Gain on disposal of assets		12,390	-
		45,234,547	21,226,429

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

DETAILED STATEMENT OF FINANCIAL PERFORMANCE | continued

Figures in Rand	Note(s)	2013	2012
Operating expenses			
Advertising	(a)	(327,029)	(146,398)
Audit Committee expenses		(13,353)	(13,895)
Auditors' remuneration	14	(405,823)	(465,817)
Bank charges		(77,207)	(80,885)
Certification expenses		(3 120,658)	(2,839,632)
Cleaning		(258,814)	(207,436)
Computer expenses	(b)	(2,343,633)	(1,596,479)
Conference and workshops		(1,493,664)	(1,637,424)
Consulting and professional fees		(4,810,712)	(4,260,052)
Council-related expenses		(55,877)	(29,531)
Depreciation, amortisation and impairments	(c)	(3,588,667)	(2,093,957)
Electricity		(416,744)	(394,285)
Employee costs		(35,451,838)	(34,208,050)
General expenses		(78,791)	(120,909)
Insurance		(23,127)	(119,954)
Lease rentals on operating lease		(182,870)	(114,539)
Legal expenses	(d)	(532,037)	(184,008)
Levies		(173,305)	(160,070)
Meeting expenses	(e)	(1,916,387)	(1,212,113)
Membership fees		(10,268)	(17,692)
Moderator and verifier costs		(15,306,735)	(12,470,923)
Postage		(215,446)	(141,063)
Printing and stationery	(f)	(2,322,381)	(1,375,170)
Promotions	(g)	(955,841)	(432,045)
Repairs and maintenance	(h)	(397,100)	(293,542)
Research and development costs		(24,542)	(23,545)
Security		(436,339)	(347,350)
Staff welfare and refreshments		(259,896)	(165,683)
Subscriptions		(57,098)	(32,49)
Telephone and fax		(649,041)	(634,334)
Training	(i)	(618,126)	(397,933)
Travel and accommodation - local	(j)	(12,042,069)	(8,662,043)
Travel and accommodation - overseas		(471,921)	(399,778)
		(89,057,859)	(75,279,084)
(Deficit) surplus for the year		(7,530,843)	17,940,634

(YEAR ON YEAR)

Explanations have been provided for those expenses which have changed by more than 30% and have a rand difference of R 100,000 and above.

- a) Advertising increased by 123% due to an increase in the number of posts advertised during the year and adverts placed to recruit external moderators.
- b) Computer expenses increased by 47% as a result of computer equipment procurement to replace fully depreciated, written-off equipment and a concomitant increase in computer-related expenses, such as accessories.
- c) Depreciation charges increased by 71% as a result of buildings' revaluations in March 2012. Additionally, renovations were completed during the year and were capitalised, which added significantly to the depreciation charge.
- d) Legal expenses increased by 189% as a result of an increase in the number of legal expert opinions sought, compared with the previous financial year.
- e) Meeting expenses increased by 58%, a result of Umalusi's increased scope of work. The broadened mandate resulted in an increase in both external and internal meetings and, therefore, an increase in costs related to meetings, such as venue hire and catering.
- f) Printing and stationery increased by 69% as a result of an increase in the number of reports finalised and printed during the year.
- g) A number of public awareness initiatives to explain Umalusi's role were undertaken, and articles were placed in numerous publications. This resulted in promotional expenses increasing by 121%.
- h) Repair and maintenance expenditure increased by 35%, the bulk of which reflects expenditure incurred by removal and storage of office furniture while internal building renovations were carried out.
- i) Training increased by 51% because more staff received training during the year under review.
- j) Local travel and accommodation increased by 39%, a result of a general industry increase in airfares of between 10% and 15% because of increased fuel costs. Car hire and accommodation costs also increased. Furthermore, there was an increase in the number of cars, flights and accommodation booked as a result of Umalusi's increased scope of work.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

DETAILED STATEMENT OF FINANCIAL PERFORMANCE | continued

YEAR ON YEAR STATISTICS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	R 93,219,718	R 81,527,016
Total Income Year On Year Increase		30%	21%	15%	9%	29%	13%	13%	57%	-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	R 75,279,084	R 89,057,859
Total Year on Year Expenditure		17%	16%	31%	10%	34%	24%	23%	19%	18%
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	R 17,940,634	-R 7,530,843
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	R 18,391,000	R 42,330,000
% YOY Increase/Decrease		322%	-40%	34%	23%	27%	3%	5%	6%	130%
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	R 1,841,624	R 1,658,277
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	R 64,220,564	R 28,870,375
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 3,72,810	R 5,931,101	R 5,763,817
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	R 1,733,130	R 1,927,030
USAID Funding	R 3,236,130	R 2,515,211	R 595,375	R 0	R 0	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	R 18,391,000	R 42,330,000
Other	R 57,836	R 55,956	R 579,085	R 770,616	R 92,096	R 558,569	R 624,722	R 557,291	R 1,102,299	R 977,517
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 59,464,754	R 93,219,718	R 81,527,016
Accreditation Fees YOY increase / decrease		-13%	75%	29%	198%	-39%	75%	-18%	14%	-10%
Certification Fees YOY increase / decrease		-38%	165%	3%	-4%	40%	27%	18%	86%	-55%
Verification Fees YOY increase / decrease		97%	117%	79%	33%	-14%	-26%	71%	59%	-3%



Top to bottom (L-R) Marie Botha • Shakuntla Khatri • Olga Matlala • Irene Thobejane
• Letseba Tosa • Makoena Mokgadi • Pinkie Pule • Johanna Choba

HRM&D

CORPORATE SERVICES: HUMAN RESOURCES
MANAGEMENT AND DEVELOPMENT

PROGRAMME H: CORPORATE SERVICES: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D)

STATISTICS FOR THE PERIOD 1 APRIL 2012 TO 31 MARCH 2013

Oversight Report Human Resource Management and Development

The Human Resource Management and Development (HRM&D) sub-unit strives to ensure effective and efficient HRM&D practices, norms and standards and that all labour legislation and prescripts are complied with and that human capital is well utilised. This is achieved through focusing on staff recruitment, development and performance management.

A major challenge for the sub-unit is to change its focus from the administration of human resources to the development of human capital. HRM&D provides support to the organisation, implements strategic objectives and has improved the recruitment processes.

Policies were developed, reviewed, implemented and maintained. Policies provide advice and support to staff. Staff performance was improved through capacity development including skills development programmes.

Umalusi's Wellness Programme contributes to the health of staff through organising Wellness Days. This plays a role in both improving the overall health of employees and the quality of work produced by staff.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS STRATEGIC OBJECTIVES

Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Human resources practices and administration maintained	Maintained human resources practices in line with relevant legislation and internal policies and procedures	All HR employment practices in line with policies	100%	0	None
Human resources developed	Submitted Workplace Skills plan	Submit WSP by 30 June 2013	100%	0	None
	All staff performance managed	Staff performance agreements signed and performance managed	100%	0	None
	Staff training took place as planned	Staff sent on training as per approved training plan	100%	0	None
General services provided	Reception services provided	Reception services provided	100%	0	None
	Effective Records Management system established	Effective Records Management system established and maintained	100%	0	None
	Cleaning services provided	Cleaning services provided	100%	0	None

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Performance indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Percentage of HR employment practices in line with policies	100%	100%	100%	0	None
Workplace Skills plan submitted by 30 June	100%	100%	100%	0	None
Percentage of staff performance managed	100%		100%	0	None

PROGRAMME H: CORPORATE SERVICES: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D) | continued

STATISTICS FOR THE PERIOD 1 APRIL 2012 TO 31 MARCH 2013

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS CONTINUED

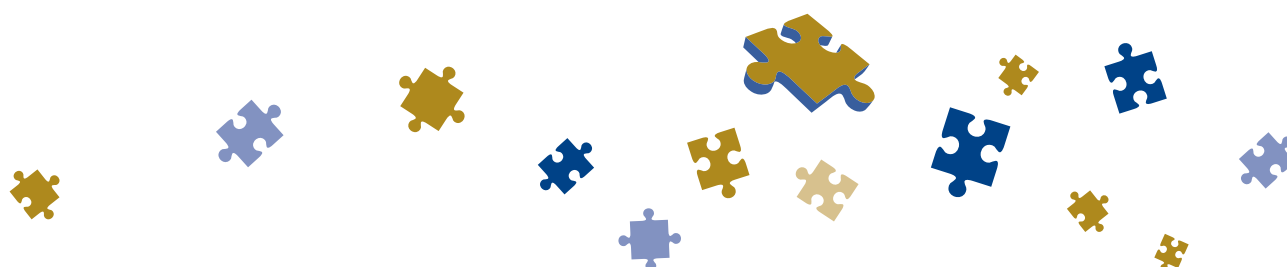
Performance indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Reception services provided as per plan	100%	100%	100%	0	None
Effective Records Management system established and maintained	100%	100%	100%	0	None
Percentage Cleaning services provided as per contact	100%	100%	100%	0	None

1. PERSONNEL COST BY PROGRAMME 2012/13

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Evaluation and Accreditation	6,828	6,770	19	19	356
Corporate Services	49,161	8,568	24	26	330
Governance and Office of the Chief Executive Officer	2,888	6,150	17	8	769
Qualifications, Curriculum and Certification	4,452	4,254	12	12	355
Quality Assurance of Assessment	21,136	6,051	17	11	550
Statistical Information and Research	4,684	3,659	10	7	523
TOTAL	89,149	35,452	100	83	427

2. PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	3,949	11	3	1316
Senior Management	3,930	11	5	786
Professional qualified	18,840	53	36	523
Skilled	4,293	12	12	358
Semi-skilled	4,060	11	24	169
Unskilled	380	1	3	127
TOTAL	35,452	100	83	427



PROGRAMME H: CORPORATE SERVICES: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D) | continued

STATISTICS FOR THE PERIOD 1 APRIL 2012 TO 31 MARCH 2013

3. PERFORMANCE REWARDS

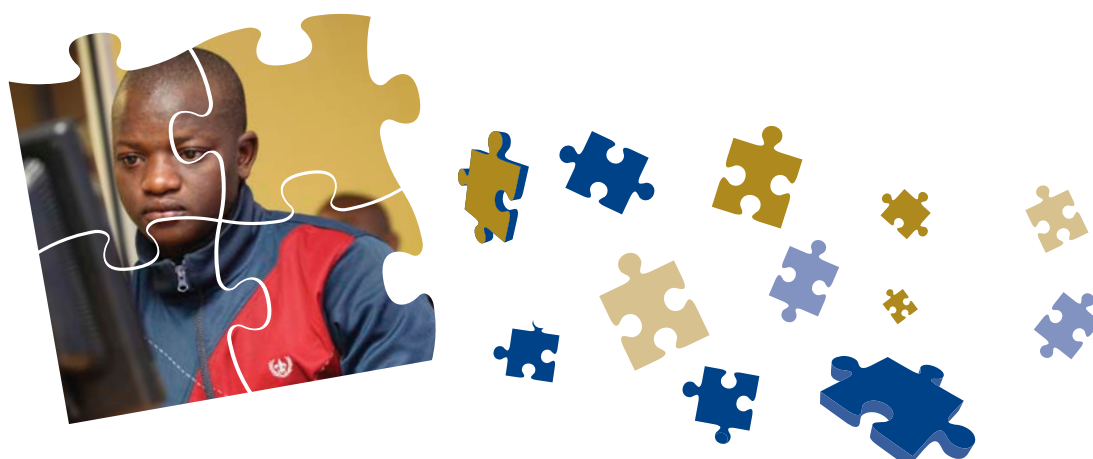
Programme	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	220	3,949	6
Senior Management	122	3,930	3
Professional qualified	442	18,840	2
Skilled	60	4,293	1
Semi-skilled	73	4,440	2
Unskilled	2	380	1
TOTAL	919	35,452	3

4. TRAINING COSTS

Directorate/ Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee (R'000)
Evaluation and Accreditation	6,770	65	1	19	3
Corporate Services	8,568	280	3	26	11
Governance and Office of the Chief Executive Officer	6,150	-	-	8	-
Qualifications, Curriculum and Certification	4,254	66	2	12	6
Quality Assurance of Assessment	6,051	118	2	11	11
Statistical Information and Research	3,659	73	2	7	10
TOTAL	35,452	602	2	83	7

5. EMPLOYMENT AND VACANCIES

Programme	2011/2012 No. of Employees	2012/2013 Approved Posts	2012/2013 No. of Employees	2012/2013 Vacancies	% of vacancies
Evaluation and Accreditation	18	20	19	2	10
Corporate Services	25	33	26	4	12
Governance and Office of the Chief Executive Officer	7	9	8	1	11
Qualifications, Curriculum and Certification	10	13	12	1	8
Quality Assurance of Assessment	14	21	11	9	43
Statistical Information and Research	7	7	7	-	-
TOTAL	81	103	83	17	17



PROGRAMME H: CORPORATE SERVICES: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D) | continued

STATISTICS FOR THE PERIOD 1 APRIL 2012 TO 31 MARCH 2013

5. EMPLOYMENT AND VACANCIES CONTINUED

Programme	2011/2012 No. of Employees	2012/2013 Approved Posts	2011/2012 No. of Employees	2012/2013 Vacancies	% of vacancies
Top Management	3	3	3	-	-
Senior Management	5	7	5	1	14
Professional qualified	30	37	36	1	3
Skilled	15	16	12	8	50
Semi-skilled	30	36	24	6	17
Unskilled	3	4	3	1	25
TOTAL	86	103	83	17	17

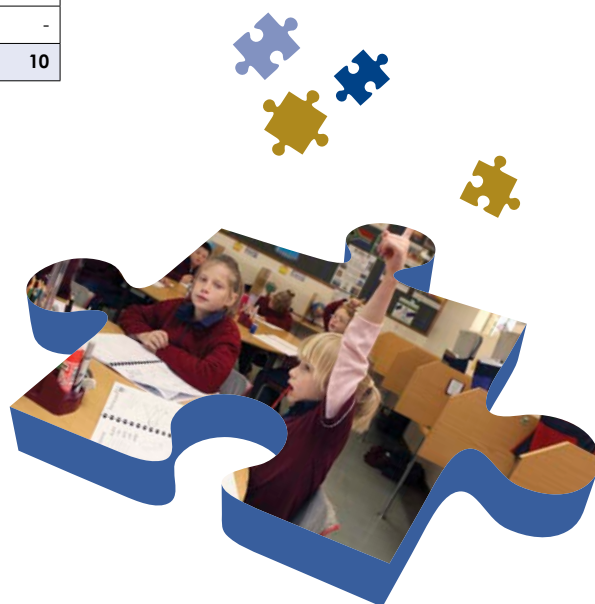
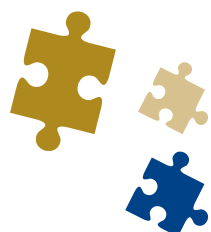
Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	-	-	3
Senior Management	6	-	-	6
Professional qualified	34	2	2	34
Skilled	7	1	2	7
Semi-skilled	30	-	4	30
Unskilled	3	-	-	3
TOTAL	83	3	8	83

6. REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	8	10
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
TOTAL	8	10

7. LABOUR RELATIONS, MISCONDUCT, DISCIPLINARY ACTION

Nature of disciplinary action	Number
Verbal warning	-
Written warning	-
Final written warning	-
Dismissal	-



**PROGRAMME H: CORPORATE SERVICES:
HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D) | continued**

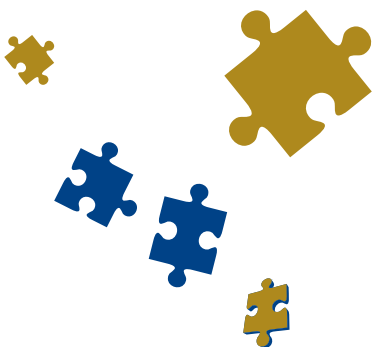
STATISTICS FOR THE PERIOD 1 APRIL 2012 TO 31 MARCH 2013

7. EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	-	1	-	-	-	-	-
Senior Management	3	-	2	-	1	1	-	-
Professional qualified	9	1	1	1	1	1	5	1
Skilled	6	-	-	-	-	-	1	-
Semi-skilled	3	1	-	1	-	1	-	2
Unskilled	1	1	-	-	-	-	-	-
TOTAL	23	3	4	2	2	3	6	3

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	1	-
Senior Management	-	-	-	-	-	-	1	-
Professional qualified	8	1	-	1	1	1	4	1
Skilled	3	-	-	1	2	-	3	-
Semi-skilled	22	-	1	-	1	1	-	2
Unskilled	2	-	-	-	-	-	-	-
TOTAL	35	1	1	2	4	2	9	3

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professional qualified	-	-	-	1
Skilled	1	-	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
TOTAL	1	-	-	1



PROGRAMME H: CORPORATE SERVICES: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D) | continued

STATISTICS FOR THE PERIOD 1 APRIL 2012 TO 31 MARCH 2013

Area Of Training	Type Of Training	Cost (R'000)	Employees
Supply Chain Management	PALAMA	3 425	Assistant Manager
Power Point	Learnfast Training Solutions	1,796	Assistant Manager
IT Governance Workshop	Matebele Development	35,997	CFO, IT Managers
Skills Workshop	SageVIP	1,989	Training & Development Practitioner
SQL Server Course	Learnfast Training Solutions	11,397	Manager, Assistant Manager
King III Report Presentation	MacRobert Attorneys	11,400	Senior Managers, Managers
Financial Reporting and GRAP Implementation Workshop	Mhlaba Global Impact Project	23,997	CFO, Finance Manager, Assistant Finance Manager
ITIL Foundation Course	Torque IT	14,096	IT Manager, IT Developer
Astro Tech training	Business & Systems Analysis Course	12,050	Manager
LiveCycle Fundamentals Course	Innessfree	24,000	IT Manager, IT Developer
PAYE Submission	Softline VIP	1,362	Accountant
Excel Basic Course	CTU Training Solutions	1,930	HR Manager, Administrative Assistant
Employment Contract Seminar	Andrew Levy Employment	3,015	HR Manager
PAJA Act	MacRobert Attorneys	7,182	All Staff
HIV/AIDS Presentation	Workmed Health & Safety Management Systems	2,964	All Staff
Excel Intermediate Course	CTU Training Solutions	5,850	Administrative Assistants
Public Finance Management Act Training	Profounder Intelligence	28,472	Senior Managers, Managers, Assistant Managers
Event Management Course	Learnfast Training Solutions	27,360	Assistant Managers, Administrative Assistants
Asset Pro	I Chain	8,772	Assistant Manager Supply Chain
Softline VIP	Amendments to Basic Conditions of Employment Act Seminar	4,638	HR Manager, HR Practitioner, Training and Development Practitioner
Business Presentation Skills	NDJ Consultants	13,224	Manager, Senior Administrator, Senior Certification Officer, Assistant Researcher
UIF Seminar	Lexis Nexis	4,650	Accountant, Administrative Assistant, HR Practitioner
Debt Collection Course	Vetta Communications	8,618	Administrative Assistants
Organogram Design	4 Images	262	Organisation
UIF Seminar	Softline VIP	1,363	HR Manager
HR Government Conference	Intelligence Transfer Centre	20,518	HR Manager, CFO
Mid-year Payroll Seminar	Softline VIP	1,272	Accountant
Excel Basic Course	CTU Training Solutions	965	Receptionist
Excel Intermediate Course	CTU Training Solutions	2,895	Administrative Assistants
Defibrillator Machines	Medsci	44,973	Organisation
Catering for Induction Programme and In-house Training	Marola Catering	8,200	New staff
Interviews & Recruitment		9,698	HR
QCC Workshops		2,665	QCC staff
Staff Workshops FA		4,410	F&A
Staff Development	QCC staff development	4,500	QCC staff
Staff Development		1,0249	QCC staff
Asset Management Conference Polytechnik of Namibia		4,400	Assistant Manager: Asset Management
	Training 2012/2013	374,554	

**PROGRAMME H: CORPORATE SERVICES:
HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D) | continued**

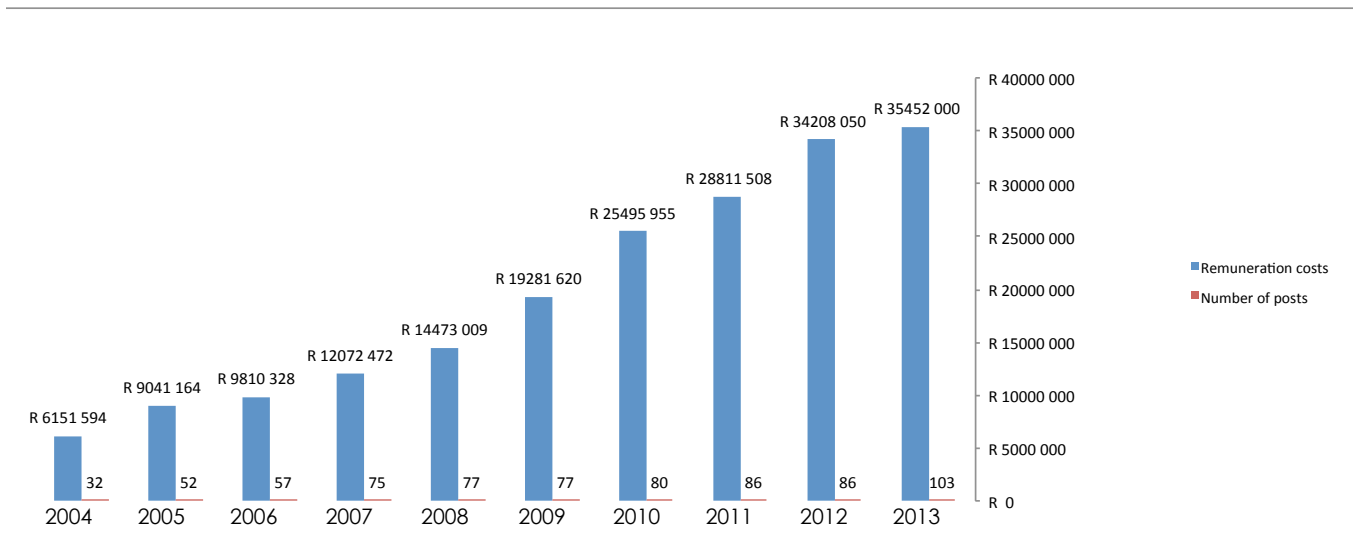
STATISTICS FOR THE PERIOD 1 APRIL 2012 TO 31 MARCH 2013

Area Of Training	Type Of Training	Cost (R'000)	Employees
Study assistance for 13 staff members			
1	Master of Science Degree	9,806	Statistician
2	MBA	7,950	Assistant Manager: E&A
3	BCom Management Accounting	3,540	Administrative Assistant: Registry
4	BTech Degree	5,870	Administrative Assistant: Finance
5	B Admin	8,000	Administrative Assistant: QAA
6	BCompt	6,810	Administrative Assistant: Finance
7	BCom HR	5,852	Administrative Assistant: HR
8	MBA	28,055	Senior Manager: QAA
9	MBA	32,770	Assistant Manager: Finance
10	Diploma in Public Administration	2,420	Administrative Assistant: E&A
11	Med	19,700	Manager: QAA
12	BCom HR	2,224	Administrative Assistant: E&A
13	Management Advanced Programme	22,000	IT Developer
	Sub total study assistance	154,997	
Wellness Days x 2			
Friday 05 October 2012	Rejuve Wellness	26,139	All Staff
	Catering	5,185	All Staff
	Black Page Marketing (gifts)	3,990	All Staff
	Massages	2,010	All Staff
Friday 08 March 2013	Rejuve Wellness	31,065	All Staff
	Catering	4,386	All Staff
	Total Wellness days	727,75	
	Grand total	602,326	



**PROGRAMME H: CORPORATE SERVICES:
HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D) | continued**

STATISTICS FOR THE PERIOD 1 APRIL 2012 TO 31 MARCH 2013



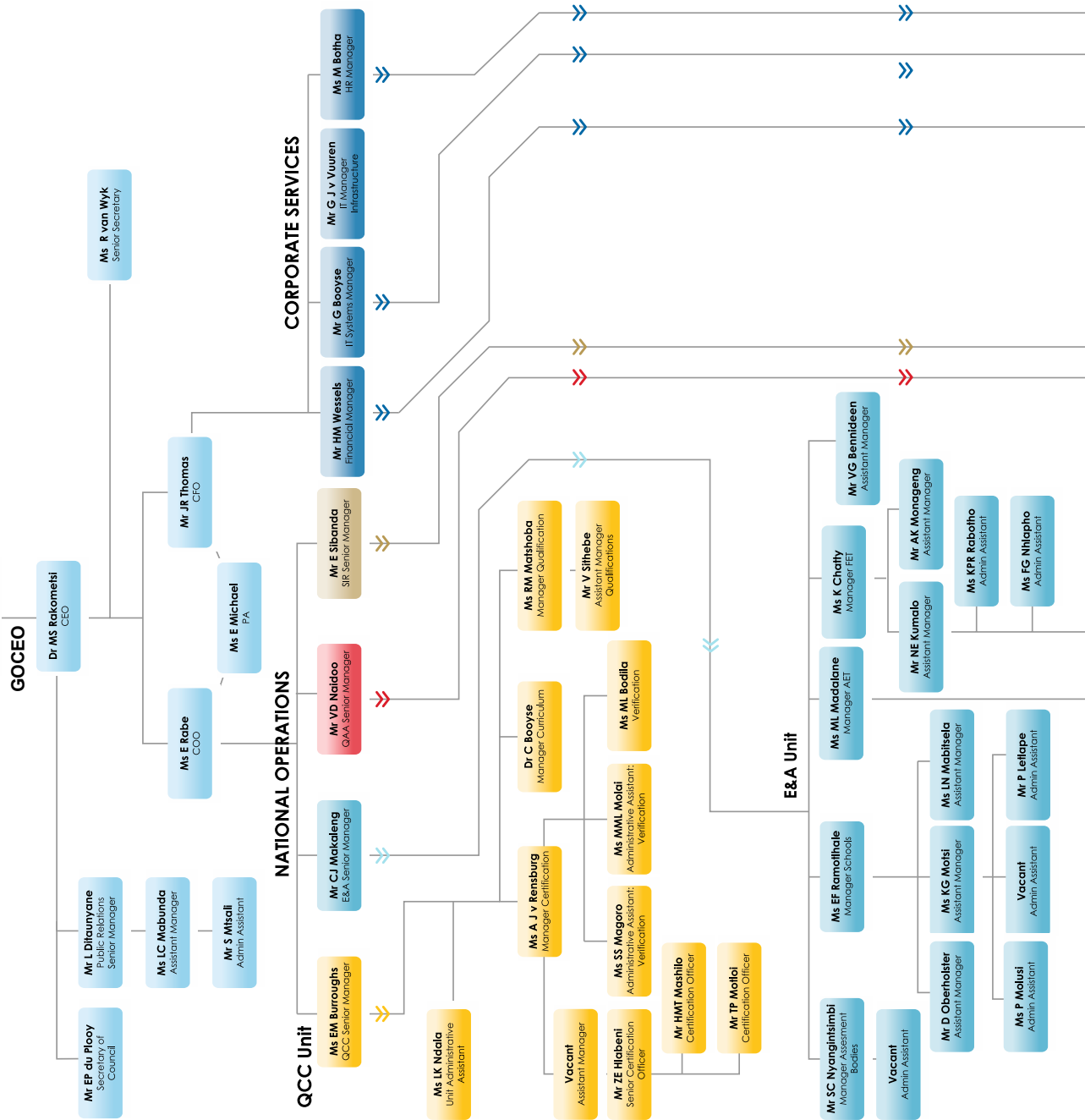
PROGRAMME H: CORPORATE SERVICES:
HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT (HRM&D) | continued

YEAR ON YEAR STATISTICS

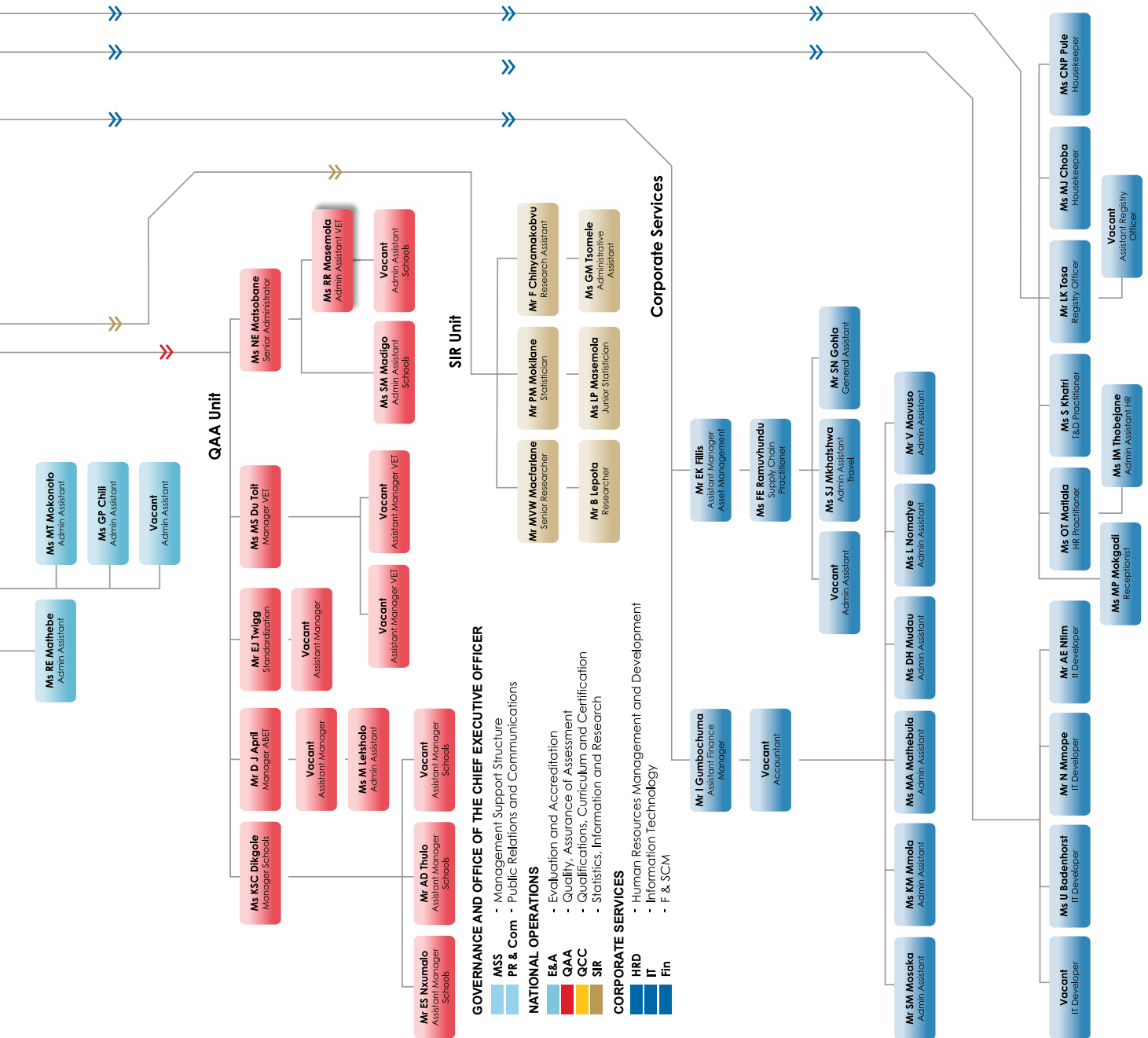
Total Revenue	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Remuneration costs	R 6,151,594	R 9,041,164	R 9,810,328	R 12,072,472	R 14,473,009	R 19,281,620	R 25,495,955	R 28,811,508	R 34,208,050	R 35,452,000
Remuneration Year On Year Increase		47%	9%	23%	20%	33%	32%	13%	34%	23%
Total Expenditure	R 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 63,043,934	R 75,279,084	R 89,149,000
% of Total Expenditure	39%	49%	46%	43%	47%	47%	49%	46%	45%	40%
Number of posts	32	52	57	75	77	77	80	86	86	103
Posts YOY Increase		63%	10%	32%	3%	0%	4%	8%	8%	20%
Posts filled	26	45	48	49	54	67	75	81	81	83
Additional posts (contract)	6	4	5	5	4	6	5	5	5	5
Vacancy rate	19%	13%	16%	35%	30%	13%	6%	6%	6%	19%
Staffing levels										
Lower skilled (levels 1-2)	1	1	1	1	1	1	3	3	3	3
Skilled(levels 3-5)	10	10	13	14	17	21	27	30	30	24
High skilled production (levels 6-8)	8	9	6	6	6	13	11	15	15	12
High skilled supervision (levels 9-12)	9	20	22	22	23	25	31	30	30	36
Senior management (levels 13-16)	4	5	6	6	7	7	8	8	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	R 397,933	R 602,000
Training YOY Increase		-26%	107%	133%	39%	73%	38%	-16%	-14%	55%
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	R 7,691,161	R 7,879,000
SMS % of remuneration costs	26%	26%	30%	31%	24%	27%	25%	25%	22%	22%
Number of SMS posts	4	6	6	7	7	7	8	8	8	8
SMS Posts YOY Increase		50%	0%	17%	0%	0%	14%	0%	0%	0%

ORGANOGRAM

UMALUSI Council for Quality Assurance in General and Further Education and Training
as at 31 March 2013
ORGANOGRAM

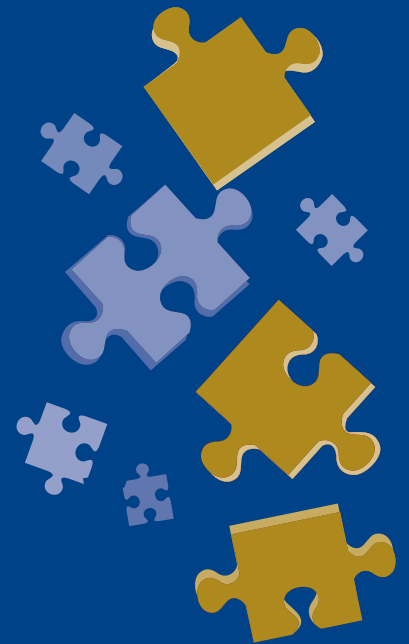


ORGANOGRAM





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Council for Quality Assurance in
General and Further Education and Training