ANNUAL REPORT 2013/2014

LOOKING THROUGH DIFFERENT LENSES

UMALUSI

Council for Quality Assurance in
General and Further Education and Training

CONTENTS

UMALUSI

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General and Further Education and Training

LIST OF 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
CAT	Credit Accumulation and Transfer
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
EFAL	English First Additional Language
ETDP	Education, Training and Development Practitioners
ETS	Educational Testing Services
FAL	First Additional Language
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
GFETQSF	General and Further Education and Training Qualifications Sub-Framework
GOCEO	Governance and Office of the Chief Executive Officer
GRAP	Generally Recognised Accounting Practice
HE	Higher Education
HEDCOM	Heads of Education Departments Committee
HEQSF	Higher Education Qualifications Sub-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
IPEAC	Inter-Provincial Examinations and Assessment Committee
IRT	Item Response Theory
ISAT	Integrated Summative Assessment (for NCV)

IT	Information Technology	
ICT	Information Communications Technology	
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	
NEASC	New England Association for Schools and Colleges	
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	
PAJA	Promotion of Administrative Justice Act	
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	
SAAEA	Southern Africa Association for Educational Assessment	
SACAI	South African Comprehensive Assessment Institute	
SADC	Southern African Development Community	
SAFCERT	South African Certification Council	
SAQA	South African Qualifications Authority	
SBA	Site Based Assessment	
SC	Senior Certificate	
SETA	Sector Education and Training Authority	
SIR	Statistical Information and Research Unit	
SITA	State Information Technology Agency	
SLA	Service Level Agreement	
VET	Vocational Education and Training	
WSP	Workplace Skills Plan	

Report of the
CHAIRPERSON OF COUNCIL

Prof SSG Mabizela

I t gives me immense pleasure to present to you this Annual Report on the work of Umalusi for the 2013/2014 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 the quality assurance and standard-setting body for general and further education and training. 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 2013/2014. 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 comes 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 to monitor Umalusi's organisational performance, governance and financial management.

In appraising the work of Umalusi for the year under review, it is noteworthy that the current Council has come to the end of

its four-year journey, having served the last year of its tenure. The term of office of the outgoing Council began on 8 June 2010 and officially ended on 7 June 2014. I am confident that all members of Council found their time of service at Umalusi to be a rewarding and thoroughly fulfilling experience.

Pursuant to Umalusi's qualifications mandate, one of the highlights of 2013 was the registration of the new National Senior Certificate for Adults (NASCA) on the General and Further Education and Training Sub-Framework of Qualifications (GFETSFQ) in December 2013. The NASCA is designed as a qualification for adults (defined for the purpose of the qualification as 18 years or above). The envisaged implementation date for the NASCA is January 2016.

Several policies on assessment, accreditation and certification were debated and approved by Council as it carried out its fiduciary responsibilities.

Umalusi was afforded the opportunity to bid for the hosting of the 2016 conference of the International Association for Educational Assessment (IAEA). I am pleased to report that our bid to organise and host this prestigious event was successful. The scheduled date for the conference is 21–26 August 2016 and it is to be held in Cape Town.

I am delighted to report that Umalusi Council has once again obtained a clean, unqualified audit report. Credit should be given to the leadership of Umalusi Management and the diligent and meticulous work of the Audit Committee, under the

> *I am delighted to report that Umalusi Council has once again obtained a clean, unqualified audit report. Credit should be given to the leadership of Umalusi Management and the diligent and meticulous work of the Audit Committee, under the chairpersonship of Ms Lorraine Rossouw, who succeeded Ms Tantie Fubu.*

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The Council is in regular communication with the Portfolio Committee on Basic Education and has fulfilled its 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 in the country. By maintaining high standards in basic and further 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.

As noted, this is the final Annual Report of the 3rd Umalusi Council. Throughout our term of office as Umalusi Council, we have sought to frame our work and approach to our mandate within the broader context of nation-building, social change, societal transformation and the consolidation of our constitutional democracy.

We have drawn profound inspiration from our democratic constitution, which enjoins us to fashion out of a society brutalised and kept apart by centuries of colonialism and decades of apartheid, a more just, a more humane, a more caring and a more equitable society; a society that is "non-sexist, non-racial and united in its diversity"; one that is rooted in democratic values, fundamental human rights, social justice, human dignity and equality; one in which we all appreciate that our own humanity can only reach its fullness if we affirm and advance the humanity of others. We have unflinchingly advocated access to quality education for all as the necessary condition for the realisation of this society. On that score, I wish to pay special tribute to all the members of Council who have served our nation with great honour and distinction for the past four years.

As the Chair of Umalusi Council, I have been singularly privileged, deeply honoured, and humbled to work with these exceptionally dedicated and committed men and women. They have given so freely and so generously of their time, talent, wisdom and expertise to serve our country for the past four years.

It would be remiss of me if I failed to use this opportunity to acknowledge and pay tribute to the many people and institutions without whose support and encouragement our Council would not have been able to fulfil its mandate.

- The Honourable Minister of Basic Education: Mrs Angie Motshekga, MP, the Honourable Minister of Higher Education and Training: Dr Blade Nzimande, MP, the former 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 Portfolio Committee on Basic Education, under the chairpersonship of Ms Hope Malgas, for their unwavering support and guidance.

- All members of various committees of Council, for their sterling contributions in the work of Umalusi.

- We place on record our profound gratitude and sincere appreciation to the Independent Examinations Board (IEB) for the close and productive relationship we have had with them.

- We acknowledge with thanks and humble appreciation the strong working relations we have enjoyed with the other Quality Councils – the Quality Council for Trades and Occupations (QCTO) and the Council on Higher Education (CHE) – and with the South African Qualifications Authority (SAQA).

- All staff of Umalusi – from cleaning staff to the CEO – for their continued dedication, loyalty, professionalism and hard work. Their commitment to service excellence fills us with a deep sense of pride.

I commend this report to you all.

Professor SSG Mabizela
Chairperson: Umalusi Council

Report of the
CHIEF EXECUTIVE OFFICER

Dr Mafu Rakometsi

The end of 2013 marked five years of my tenure at Umalusi as Chief Executive Officer. It has been a fulfilling and gratifying experience to be at the helm of this important organisation in our country, an organisation that has been entrusted with the quality assurance of general and further education and training.

The end of the financial year under review (2013/2014) coincides with the end of the term of the current Umalusi Council, on 7 June 2014. I acknowledge and appreciate the unrelenting efforts of the individual Council members who executed their fiduciary responsibilities with assiduousness and devotion. Looking back at its achievements, one is left with no doubt that this Council leaves Umalusi with an established identity that endeavours to operate in the national interest. The outgoing Council has honoured its mandate by epitomising a "consistent excellent service to the nation". We look forward to receiving the new Council that the Minister of Basic Education will soon announce.

These developments at Umalusi come at a time when our country has just completed successful general elections. We are grateful for the stability that has been brought about by the reappointment of the Ministers of Basic Education and Higher Education and Training to their portfolios, both of whom Umalusi reports to.

The approval by the Minister of Basic Education that Umalusi should receive full funding from the Department of Basic Education is appreciated. To this end, the Department has committed to keeping Umalusi's budget for the 2013/2014 financial year and beyond adequately funded. This will ensure the financial sustainability of Umalusi. Umalusi has developed its strategic plan for the next five years and submitted it to the Ministry of Basic Education.

Umalusi is a Quality Council in the General and Further Education and Training sector. The organisation has been instrumental in the development of a system of collaboration with the South African Qualifications Authority (SAQA), the Council on Higher Education (CHE) and the Quality Council for Trades and Occupations (QCTO). Umalusi's Recognition of Prior Learning (RPL) and assessment policies have been amended to align with SAQA's assessment policy. In terms of transversal work across sister organisations, Umalusi served actively on the RPL and Credit Accumulation and Transfer (CAT) task teams that developed the SAQA policy and has subsequently developed a Council Policy that will be finalised once SAQA policy has been gazetted. In keeping with its mandate, Umalusi has supported the task team appointed by the Minister of Basic Education on the National Senior Certificate (NSC) pass requirements. Umalusi continues to conduct and commission research projects to enhance its systems and processes of quality assurance, and to inform our strategic direction. We also continued with the various projects and workshops 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 items for use in future examinations. We have organised various seminars with our partners, namely, the Centre for Education Policy Development (CEPD) and Wits

University; the Human Sciences Research Council (HSRC); and the Development Bank of South Africa (DBSA). These seminars are intended to enhance the quality of teaching, learning and assessment in the sector that Umalusi is responsible for quality assuring.

We maintain strong links with assessment bodies outside South Africa through our active participation in the activities of the Southern Africa Association for Educational Assessment (SAAEA), the Association of Educational Assessment in Africa (AEAA) and the International Association for Educational Assessment (IAEA). Over and above presenting academic papers at the conferences hosted by these associations, Umalusi participates in the Chief Executive Officers' forums of these associations as a primary member. Umalusi has won the bid to host the 2016 IAEA conference. This is an opportunity to showcase Umalusi and expose the members of the IAEA to South Africa. The Umalusi staff are very pleased with the prospect of hosting this important event.

The launch of the White Paper on Post School Education in January 2014 by the Minister of Higher Education and Training introduces exciting avenues for Umalusi, as it intends to deepen transformation of the entire post-schooling sector. What is more exciting is that individual Councils will have greater flexibility to quality assure qualifications on NQF levels from which they were previously restricted. So, for example, Umalusi could quality assure certain Level 5 qualifications on the General and Further Education and Training Qualification Sub-framework (GFETQSF). This is an exciting development in our education system.

Our qualifications remain the backbone of Umalusi as a Quality Council. We are excited with the following developments with regard to our qualifications:

• We are grateful that the National Senior Certificate for Adults (NASCA) has been registered as a qualification by SAQA. The Department of Higher Education and Training is developing the curriculum and they have committed to the first NASCA examination in 2016.

• Umalusi is in the process of finalising the General Education and Training Certificate for Adults (GETCA) and could still have this qualification registered during 2014.

• The Minister of Higher Education and Training has received the report of the task team on the review of the National Certificate Vocational (NCV). The Minister has given consideration to the report in line with the recommendations of the task team.

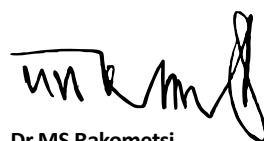Umalusi, for the first time in the history of South Africa, issued Braille transcripts to the 2012 class of visually impaired National Senior Certificate (NSC) learners in 2013. The handing over of the transcripts marked the beginning of a new era of making the content of the NSC certificates accessible to partially sighted and blind learners. From now on, visually impaired learners will no longer need to depend on other people to read the content of their own certificates.

The meetings of Umalusi's governance structures were held as planned and Management received continuous guidance and support. Umalusi Council, Umalusi Council Executive Committee and the Audit Committee met as planned. We submitted quarterly reports to the Department of Basic Education on the work and finances of Umalusi. Umalusi has obtained unqualified reports since its inception. We guard this track record jealously.

Umalusi has maintained sound relationships with its stakeholders and partners. The relationship between Umalusi, the Department of Basic Education, the Department of Higher Education and Training, the Higher Education sector, SAQA, CHE and QCTO is navigated with success. At the end of 2013 we concluded a partnership agreement with the New England Association for Schools and Colleges (NEASC). The conclusion of this agreement is intended to enhance our recently launched model of evaluation and accreditation. We have appointed new evaluators for the schools sub-unit to ensure that this new approach to evaluation and accreditation is a success.

With an eye to the future, Umalusi will continue to develop new and innovative quality assurance processes to ensure that our schools, further education and training colleges and adult education and training centres meet the needs of the 21st century.

I appreciate the valuable contributions of the Chairperson and Umalusi Council members, Executive Management, senior managers and all Umalusi staff over the past year. I appreciate the support of the Ministers of Basic Education and Higher Education and Training to the work of Umalusi. I note the unrelenting support of the officials of the two departments and I am grateful for their commitment to the work of Umalusi. Overall, I am happy with the performance of Umalusi in the 2013/2014 financial year and I look forward to a successful new year.

Dr MS Rakometsi
Chief Executive Officer: Umalusi Council

Report of the
CHIEF FINANCIAL OFFICER

Mr Jeremy Thomas

The Council is required, in terms of the Public Finance Management Act (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 an executive management team in place to ensure that this is achieved.

Treasury Regulation 27.3.2 states, "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".

Consequently, a Chief Financial Officer has, since November 2001, been appointed to give effect to this function.

The 2013/2014 financial year saw the expansion of our national operations mandate. This obliged Umalusi to look to the future and ensure intentional, and sustainable, planning and budgeting.

This necessitated additional funding for rolling out functions like full accreditation; as well as increasing sample sizes in the quality assurance of assessment regime. This year's budget increased by 19% on last year and should in future increase at an average of approximately 13% year on year, provided there are no new mandatory obligations.

Umalusi acquired the building adjacent to Umalusi House and will, in the forthcoming financial year, renovate and prepare it for occupation. This means all workshops and meetings can be accommodated on Umalusi premises. Additionally, the roll-out of full accreditation required the filling of additional posts and, along with growth in other areas, resulted in the current premises providing limited space for efficient execution of functions.

Umalusi ended the financial year with a surplus of R 19m, a result of revenue collection for certification received in the previous financial year; and an underspending on salaries because new posts were created for filling over two financial years. This did not impede planned operations. All financial surpluses are invested with the Corporation for Public Deposits at the Reserve Bank in terms of National Treasury Regulation 31.3.3, and as such were available for the strategic operations of the year under review.

This was the first year that Umalusi received full funding for certification expenses through a grant, which placed the organisation in a position to better plan and coordinate its activities. On the economic front, Umalusi also implemented the National Treasury's cost containment measures. This did not affect the organisation drastically as Umalusi has long adopted a rigorous approach to spending. The main area of concern has been difficulty finding suitable accommodation for contract employees who visit providers in rural areas or in main city centres when a major event is taking place concurrently.

Umalusi obtained a clean audit for the 2013/2014 financial year. This is due to a staff complement that is acutely aware of its role in terms of Section 57 of the PFMA; as well as an Executive and Council that takes its fiduciary obligations extremely seriously.

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The Council performed its functions in good faith, honestly and with integrity, giving full effect to the spirit and obligations of the GENFETQA Act, the PFMA and its code of conduct, and other ethics-related policies.

The Executive Committee of Council and the Audit & Risk Committee rigorously executed their functions and our appreciation goes to the members for their diligence. In terms of the financial delegations of authority, the Chief Financial Officer is delegated the duty to compile a risk strategy for the organisation. The organisation-wide risk management framework, policies and strategies were duly executed and have become part of the organisational culture, ensuring that risks are mitigated through their avoidance, reduction, control or transfer.

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

The Corporate Services Branch within Umalusi is a support service under the leadership of the Chief Financial Officer. It is distinguished by its emphasis on accuracy and effectiveness of services. The Branch contributes to Umalusi's overall mission by providing prompt, efficient and consistently reliable services to both internal and external clients.

The Branch is divided into four sub-units:

• Information Technology Infrastructure

• Information Technology Systems

• Finance and Supply Chain Management

• Human Resources Management and Development

In the following pages performance information is outlined, together with the Annual Financial Statements. Specific notes and tables provide added value to our principals, stakeholders and conventional readers.

Report on
CORPORATE GOVERNANCE

1. INTRODUCTION

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

The Council operates within the terms of the Public Finance Management Act (PFMA), 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 PFMA and run in tandem with the principles contained in the King Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEES

1. 19 February 2014: Select Committee on Education and Recreation: Briefing by Umalusi on the Outcomes of the National Senior Certificate Examinations 2013.
2. Meetings with the Portfolio Committee on Basic Education:

    (a) 17 April 2013: Budget Review

    The following was discussed:

    Umalusi Mandate
    Vision, mission, goals and KRAs
    2012/2013 Revenue and Expenditure
    2013/2014 Budget (Forecast)
    Three Year Budget Forecast

    (b) 15 October 2013: Annual Report Briefing 2012/2013

    Purpose / Mandate Summarised
    External Environment: Impact on Umalusi
    Quality Assurance Regime 2012/2013
    Organisational Performance per Unit
    Financial Information.

Current issues and way forward:

*   Implementation of the GFETQSF (new qualifications, curriculum development, different interpretations of mandate)
*   Setting standards for the GFETQSF (Norm referenced to Criterion referenced – use of IRT)
*   Full accreditation roll-out
*   Budget requirements in the years going forward in terms of grant

(c) 18 February 2014: Briefing by Umalusi on the Outcomes of the National Senior Certificate Examinations 2013.

3. EXECUTIVE AUTHORITY

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

Quarterly reports were submitted to the Executive Authority within the timeframes as follows:

*   30 April 2013
*   31 July 2013
*   31 October 2013
*   31 January 2014

Strategic and Annual Performance Plans: 30 November 2013.

4. 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.

Back row from left to right: Mr E Mosuwe, Prof M Fourie-Malherbe, Mr A Mocke, Prof ND Kgwadi, Prof R Moletsane, Mr CS Ndaba, Ms PA Vinjevold, Prof TT Dunne and Mr A Essop.

Front row from left to right: Ms L Mlanjana, Prof MLE Monnapula-Mapesela, Dr MS Rakometsi, Dr ZC Sosibo, Hon. Minister Angie Motshekga, Mr JS Samuels and Prof SG Mabizela.

Ms F Dada

Dr RA Patel

Prof D Singh

Ms J Mashabela

In accordance with the General and Further Education and Training Quality Assurance 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 organisational performance of Umalusi;

• Monitor the governance and financial management of Umalusi; and

• Oversee the appointment of the Chief Executive Officer of the organisation.

The names of councillors, their qualifications and expertise are indicated on the following pages.

The names of Councillors

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
Prof SSG Mabizela	Chairperson	08-06-2010	n/a	PhD	Mathematics Education	Eastern Cape Socio-Economic Consultative Council (ECSECC)	Executive Committee	4 / 4
Prof ND Kgwadi	Deputy Chairperson	08-06-2010	n/a	BSc (Ed) (Physics, Chemistry) MSc (Physics) MPhil (Environmental Law) PhD (Physics Ed)	Physics	Council and Senate of North West University	Executive Committee Assessment Standards Committee	3 / 4
Dr MS Rakometsi	Chief Executive Officer	08-06-2010	n/a	BA Honours (History) MA (History) Management Development Programme 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 and Risk Committee Remuneration and Human Resources Committee Assessment Standards Committee Information and Communication Technology Oversight 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 Organisational 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
Prof TT Dunne	Member	08-06-2010	n/a	BA Honours BSc Honours UED BEd PhD CStat	Statistical sciences	Board of Institute of Applied Statistics (NPO)	Assessment Standards Committee Research Forum Information and Communication Technology Oversight Committee	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

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
Prof M Fourie-Malherbe	Member	08-06-2010	n/a	PhD MEd BEd BA HED	Higher education governance, leadership and management Teaching and learning The student experience	CHE Higher Education South Africa Admissions Committee	Remuneration and Human Resources Committee	4 / 4
Ms GJ Mashabela	Member	01-04-2012	n/a	MA MBA MS	Teaching and Administration	CHE QCTO SAQA	n/a	2 / 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, placed at FET College Directorate since 1996 (Vocational Education Field)	Chair – Ginsberg Primary SGB Member – Helderberg College Council (HE) Chair- Provincial FET-SETA Forum (All SETAs)	Accreditation Committee of Council	4 / 4
Mr A Mocke	Member	08-06-2010	n/a	BA Honours MA (Counselling Psychology) HED	Special Schools and Inclusion Education	n/a	Audit and Risk Committee	4 / 4
Prof 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: Children First	n/a	4 / 4
Prof MLE Monnapula-Mapesela	Member	01-03-2013	n/a	PhD (Higher Education) MEd (Comparative Education and Education Management) BEd (Education Leadership and Management) BScEd (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	3 / 4

The names of Councillors (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 E Mosuwe	Member	08-06-2010	n/a	MSc (Physiology) London University College B Tech (Business Administration) BSc Honours	Education	KwaZulu-Natal Science Centre South African Actuaries Development Programme (SAADP) Trustee of the JSE Education Fund	Qualifications Standards Committee	4 / 4
Mr CS Ndaba	Member	08-06-2010	n/a	MA BA Honours Dip TEFL University Education Diploma 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 Association 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	merSETA University of UWC Venda Council African Academy Chairperson of Cherry Pop (Pty) Ltd	Executive Committee Remuneration and Human Resources Committee	4 / 4
Ms JS Samuels	Member	01-03-2012	n/a	BSc Honours (Physiology) MPhil (Adult Education)	Qualifications framework Policy Adult education	Council on Higher Education QCTO SAQA	n/a	1 / 4
Professor D Singh	Member	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	n/a	1 / 4

The names of Councillors (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) MScED (Adult Education and Curriculum Development) Postgraduate Diploma in International Ethics Postgraduate Diploma in Adult Education BA Honours J.S.T.C	Teacher education (T&L) Curriculum development Diversity and transformation in education Education management Research (developing area)	CHE	Quality Promotion Committee	4 / 4
Ms PA Vinjevold	Member	08-06-2010	n/a	MA (Education) BA Higher Education Diploma	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	4 / 4

Council Committees

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
Accreditation Committee of Council	Four	12	Ms L Mlanjana (Chairperson) Ms N Young Mr J Scarrott Mr M Netshandama Ms H de Clercq Dr V Scherman Ms D Phutsisi Mr B Phillips Mr R Pettit Ms S Kruger Ms K Janssens Ms D Mampuru
Assessment Standards Committee	General meetings: Four Standardisation and approval meetings: 15	10	Prof ND Kgwadi (Chairperson) Prof TT Dunne Prof M Moodley Prof JD Volmink Prof JJW Aitchison Prof SJ Howie Dr J Gamble Mr BK Schreuder Prof D North Dr S Hansraj

Council Committees (continued)

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
Executive Committee	Four	Five	Prof SSG Mabizela (Chairperson) Prof ND Kgwadi Dr MS Rakometsi Ms F Dada Dr RA Patel
Information and Communication Technology Oversight Committee	One	Two	Prof TT Dunne (Chairperson) Mr CH van der Merwe
Qualifications Standards Committee	Two	Nine	Mr E Mosuwe (Chairperson) Ms H Brown Ms S Carthy Dr C Long Mr T Madibeng Mr A Mathekga Mr T McBride Dr R Naidoo Ms AK Oberholzer
Quality Promotion Committee	Three	12	Dr ZC Sosibo (Chairperson) Prof I van der Merwe Prof R du Pré Ms S Blignaut Mr M Khalo Dr G Niebuhr Prof H Rasool Prof E Chiloane-Tsoka Dr S Gosher Mr M Greeff Ms A Beck Mr P Masilo
Remuneration and Human Resources Committee	Two	Four	Dr RA Patel (Chairperson) Ms F Dada Prof M Fourie-Malherbe Dr MS Rakometsi
Research Forum	Two	16	Dr J Gamble (Chairperson) Dr S Akojee Dr D Daniels Prof TT Dunne Prof C Foxcroft Prof S Mahlomaholo Dr U Hoadley Dr M Maistry Prof A Mji Prof M Modiba Dr J Papier Dr H Narsee Prof M Robinson Dr P Rule Prof N Yeld Dr V Wedekind

Remuneration of Board Members

NAME	REMUNERATION R	OTHER ALLOWANCE R	OTHER REIMBURSEMENTS R	TOTAL R
Prof TT Dunne	46 584	-	10 464	57 084
Prof M Fourie-Malherbe	-	-	1 360	1 360
Prof ND Kgwadi	37 821	-	19 728	57 549
Prof SG Mabizela	32 070	-	8 640	40 710
Ms L Mlanjana	27 775	-	15 712	43 487
Mr A Mocke	-	-	1 381	1 381
Dr CZ Sosibo	13 530	-	1 194	14 724
Dr EB Mahlobo	1 440	-	-	1 440
Mr E Mosuwe	-	-	-	-
Prof R Moletsane	-	-	-	-
Mr CS Ndaba	-	-	-	-
Ms PA Vinjefold	-	-	-	-
Mr A Essop	-	-	-	-
Prof MLE Monnapula-Mapesela	-	-	-	-
Dr MS Rakometsi	-	-	-	-
Mr JS Samuels	-	-	-	-
Ms F Dada	-	-	-	-
Dr RA Patel	-	-	-	-
Prof D Singh	-	-	-	-
Ms Joyce Mashabela	-	-	-	-

EXECUTIVE COMMITTEE OF COUNCIL

Dr MS Rakometsi   Dr RA Patel   Ms F Dada   Prof ND Kgwadi   Prof SG Mabizela

5. RISK MANAGEMENT

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

The 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 Umalusi's Enterprise Risk Management (ERM) Policy Framework. It is understood that all units, support functions, processes, projects and entities 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 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 will be managed within a unitary framework that is aligned to Umalusi's corporate governance responsibilities.

It is expected that risk management processes will become 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 and Risk Committee are responsible for supplementing the strategic document with policy and procedure manuals.

Risk management is the systematic process of managing an organisation's risk exposures to achieve its objectives in a manner consistent with public interest, human safety, environmental factors and the law. It consists of planning, organising, leading, coordinating and controlling activities undertaken with the intention of providing an efficient pre-loss plan that minimises the adverse impact of risk on the organisation's resources, service delivery and cash flows.

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 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 effective administration of third party claims and 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 reviews of the risk register takes place. Reporting is done by the Risk Committee to the Audit and Risk Committee, for subsequent approval at Council level.

6. INTERNAL CONTROL

Internal control is defined as a process effected by an organisation's structure, work and authority flows, its people and its management information systems, which are 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 specific transaction level, internal control refers to 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 that ensures the attainment of the principal control objectives, such as:

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

7. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

The internal auditors of the organisation measure the effectiveness of internal control. They assess whether the controls are properly designed, implemented and work effectively, and recommend improvements to internal control. The internal auditors also review Information Technology controls (relating to the IT systems of the organisation).

Umalusi appointed OMA Chartered Accountants Inc. to perform the internal audit function during this financial year. The scope of the audit covered follow-up procedures performed to determine whether previously reported findings had been adequately addressed, together with all new areas of work.

The audit approach, based on COSO, is risk-driven. It focused on the following four control objectives:

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

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

From left to right: Ms N Molalekoa, Ms D Voges, Dr MS Rakometsi, Mr A Mocke, Mrs L Rossouw and Mr CH van der Merwe

Audit and Risk Committee

The role of this committee is to provide independent assurance and assistance to the Umalusi Council on control, governance and risk management. It does not replace established management responsibilities and delegations. The Audit and Risk Committee will provide Umalusi Council with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the Institution.

This committee is accountable to Umalusi Council for the exercise of its responsibilities. It will at all times recognise that the primary responsibility for Management of Umalusi rests with the Chief Executive Officer. The Audit and Risk Committee will meet the following responsibilities:

Financial Statements

• Review the appropriateness of accounting policies.

• Review the appropriateness of assumptions made by Management in preparing the financial statements.

• Review the significant accounting and reporting issues, and understand their impact on the financial statements.

• Review the annual financial statements and consider whether they are complete and consistent with prescribed accounting and information known to committee members.

• Obtain assurance from Management with respect to the accuracy of the financial statements.

• Review with Management and the External Auditors the results of external audit, including any significant issues identified.

• Review the Annual Report and related regulatory filings before release and consider the accuracy and completeness of the information.

Risk Management

• Review the risk management framework for identifying, assessing, monitoring and managing significant risks.

• Review the report of significant changes to the organisation's risk register.

• Review the report on risk management culture of Umalusi.

• Liaise with Management to ensure a common understanding of the key risks.

• Review whether risk management is carried out in a manner that really benefits Umalusi.

• Assess and contribute to the audit planning processes relating to the risks of Umalusi.

• Review and recommend disclosures on matters of risk in the annual financial statements.

• Review and recommend disclosures on matters of risk and risk management in the Annual Report.

• Provide regular feedback to Umalusi Council on the adequacy and effectiveness of risk management in the organisation, including recommendations for improvement.

• Satisfy itself that it has appropriately addressed the following areas:
  - financial reporting risks, including the risk of fraud;
  - internal financial controls; and
  - Information Technology risks as they relate to financial reporting.

Internal Control

• Review the adequacy of the internal control system, including Information Technology security and control.

• Understand the scope of Internal and External Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with Management's responses.

• Review whether relevant policies and procedures are in place and current, and whether they are complied with.

• Review whether the financial internal controls are operating efficiently, effectively and economically.

Performance Management

• Review Umalusi's compliance with the performance management and reporting systems.

• Review whether performance management systems reflect Umalusi's purpose and objectives.

• Review whether the performance reporting and information uses appropriate targets and benchmarks.

Internal Audit

• Review the Internal Audit Charter, budget, activities, staffing, skills and organisational structure of the internal audit function.

• Review and approve the Internal Audit Plan, its scope and any major changes to it, ensuring that it covers the key risks

Audit and Risk 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	01/09/2012	03/07/2013	0 / 1
Mr CH van der Merwe	FCIS ACMA BCompt (CTA)	External	n/a	01/09/2012	n/a	4 / 4
Ms N Molalekoa	BCom	External	n/a	01/09/2012	n/a	4 / 4
Ms D Voges	BA LLB LLM	External	n/a	01/09/2012	n/a	2 / 4
Ms L Rossouw	BCompt Honours MCom (Taxation) CIA CA(SA)	External	n/a	22/03/2013	n/a	4 / 4
Mr A Mocke	BA Honours MA Counselling Psychology HED	External	n/a	23/02/2012	n/a	4 / 4
Dr MS Rakometsi	BA BA Honours (History) MA (History) Management Development Programme PhD	Internal	Chief Executive Officer	01/09/2012	n/a	3 / 4

and that there is appropriate coordination with the External Auditor.

- Review and concur on the appointment, replacement or dismissal of the Outsourced Internal Audit Firm / In-House Chief Audit Executive.

- Resolve any difficulties or unjustified restrictions or limitations on the scope of Internal Audit work.

- Resolve any significant disagreements between Auditors and Management.

- Review significant findings and recommendations by Internal Audit and Management's responses.

- Review the implementation of Internal Auditor recommendations by Management.

- Review the performance of the Outsourced Internal Audit Firm / In-House Chief Audit Executive.

- Review the effectiveness of the Internal Audit function, including compliance with the Institute of Internal Auditors'

International Standards for the Professional Practice of Internal Auditing.

- Meet separately with the Outsourced Internal Audit Firm / In-House Chief Audit Executive to discuss any issues that the Committee or Internal Audit believes should be discussed privately.

External Audit

- Review the External Auditors' proposed audit scope, approach and audit fees for the year.

- Review the findings and recommendations by the External Auditor and Management's responses.

- Review implementation of External Auditor recommendations by Management.

- Review the performance of External Auditors.

- Ensure that there is proper coordination of audit efforts between Internal and External Auditors.

- Meet separately with the External Auditors to discuss any matters that the Committee or External Auditors believe should be discussed privately.

Compliance

- Review whether Management has considered legal and compliance risks as part of Umalusi's risk assessments.

- Review the effectiveness of the system for monitoring compliance with laws and regulations.

- Review the findings of any examinations by regulatory agencies, and any auditor observations.

- Review the process for communicating the Code of Conduct to Umalusi staff and for monitoring compliance.

- Obtain regular updates from Management regarding compliance matters.

Ethics

- Ensure the development and review of an ethics policy.

- Assessment of the ethics programme.

- Determination of whether ethics is appropriately embedded in the risk management processes.

- Advise the Council on matters relating to ethics, corporate governance and sustainability.

Reporting Responsibilities

- Report annually to Umalusi Council about Committee activities, issues and related recommendations, describing the Committee's composition, responsibilities and how they were discharged and any other information required, including approval of non-audit services.

- Submit a summary of its activities for inclusion in the Annual Report.

- Review any other reports that Umalusi issues that relate to Committee responsibilities.

Other Responsibilities

- Perform other activities related to this Charter as requested by Umalusi Council.

- Safeguard all information supplied to it within the ambit of the law.

- Investigate matters within its powers, as identified in this Charter.

- Confirm annually that all responsibilities outlined in this Charter have been met.

8. 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 and followed up by a National Anti-Corruption Summit 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.

- 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.

9. MINIMISING CONFLICT OF INTEREST

Council and staff members must avoid any material conflict between their own interests and the interests 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 that 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.

10. 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.

11. MATERIALITY AND SIGNIFICANCE FRAMEWORK

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

12. 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.

13. ENVIRONMENT, HEALTH AND SAFETY

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

Report of the
CHIEF OPERATIONS OFFICER

Ms Eugenie Rabe

2013 saw the publishing of the Sub-framework of Qualifications for General and Further Education and Training. This frames Umalusi's work, along with two other sub-frameworks that make up the National Qualifications Framework (NQF), namely the Higher Educations Qualifications Sub-framework and the Occupational Qualifications Sub-framework.

While continuing to ensure that Umalusi's mandatory obligations were carried out effectively, the organisation also participated in all NQF structures and ensured that policy development continued to support the Quality Council's extended mandate.

POLICY DEVELOPMENT

The following policies were developed or amended in 2013:

- Policy and processes for the accreditation and monitoring of private FET Colleges and AET Centres
- Policy and processes for the accreditation and monitoring of independent schools
- Umalusi Assessment Framework (amended to align with the SAQA Policy)
- Umalusi Credit Accumulation and Transfer Policy (in alignment with the SAQA Policy)
- Policy for the management of qualifications on the General and Further Education and Training Qualifications Sub-framework (amended)
- Policy for the management of curricula for qualifications on the General and Further Education and Training Qualifications Sub-framework.

Umalusi's work was effected with due consideration for its capacity and budget, and new 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 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 and steadfast in a challenging quality assurance landscape in 2013.

During 2013 senior Umalusi staff continued to provide input and/ or serve on a number of task teams in taking the NQF agenda forward. These included:

- A task team constituted by the 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), which completed its task in the 2013/2014 financial year.
- A further SAQA task team, which developed a National Assessment Policy.
- In this financial year 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), and provided a very useful research paper as input.
- The sub-committee of Heads of Education Departments Committee (HEDCOM), involved with curriculum manage-ment and teacher education.
- The Human Resource Development Committee, established to look into foundational learning.

Umalusi Council's mandate is met through the work of four national operations units that 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).

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 through service level agreements between units involved in cross-unit work.

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

Development and Management of the GFET Framework of Qualifications

The highlight of the year was the registration of the National Senior Certificate for Adults (NASCA), after a four-year development period. The DHET commenced with curriculum development in the latter part of the financial year, with guidance from Umalusi. Roll-out is planned for 2016.

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. In 2012 the evaluation of the Foundation Phase was completed and the Intermediate Phase in 2013. These two reports have been held over until 2015 when all phase reports will have been completed, and in order to report on transitional aspects between the four phases. The evaluation of the FET Phase commenced in 2013 and will be completed in the next financial year (2014). The evaluation of the Senior Phase, which was postponed due to pressure to complete the FET Phase, will commence in August 2014, with completion planned for 2015. While QCC led the project, it was ably assisted by the SIR Unit.

As part of the CAPS Project, a report on the subject Life Orientation (NSC and NCV) was undertaken, which will be reported on later in 2014. A substantial project in Tourism and Hospitality Studies, in partnership with the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) and the Department of Tourism, was also completed.

In addition, the QCC Unit commenced with the review of the GETC for Adults, which is currently out for public comment and should be registered on the NQF in 2014.

Quality Assurance of Assessment

The assessments for the three national qualifications that Umalusi currently certifies, the NSC, NCV and GETC for Adults, were successfully quality assured. Continued work on a year-on-year comparative analysis of the cognitive demand of NSC examination 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. The Ministerial Policy for the Quality Assurance of Independent Schools and Private Assessment Bodies was declared in October 2012. This enabled the various accreditation pilots to be completed, and for a reviewed accreditation process to be capacitated and rolled out for the three provider sectors Umalusi works with, in this financial year.

The new process was launched at a gala function in June 2013. In support of this new initiative, Umalusi signed a Memorandum of Understanding with the New England Association for Schools and Colleges (NEASC), which will provide support. Teams of evaluators have been appointed and trained to take the process forward during 2014.

The E&A Unit's accreditation processes for private assessment bodies led to an accreditation visit to the IEB in respect of the GETC for Adults in September 2013. The South African Comprehensive Assessment Institute (SACAI) conducted its second NSC Pilot, which was successfully monitored by Umalusi in preparation for their first NSC examination in 2014. E&A received support from QAA and QCC in this regard.

Research

The Research Unit provided valuable insights through their research projects into the following:

- The education landscape of the countries in the SAEAA. The countries involved in this study were Botswana, Lesotho, Malawi, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

- The nature and standard of NSC English (First Additional Language), with the purpose of indicating whether EFAL, as it is currently taught and examined in South Africa, prepares students adequately for the level of English which they need

to read and write if they wish to succeed in all their school subjects.

• NSC Matriculation Results as predictors of academic success in higher education.

While these projects were important cross-unit initiatives for 2013, 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 processes; verification of certificates; evaluation of qualifications and curricula; and conducting research and contributing to various international and national conferences.

GAZETTED DOCUMENTS FOR COMMENT

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

• SAQA Draft Policy for Assessment

• SAQA Draft Policy for CAT

• Amendments to the policy pertaining to the NSC

• The White Paper for a Post School Education and Training System

• Framework for Strengthening the Teaching and Learning of Languages as Subjects and as Languages of Learning and Teaching

• Multi-grade Strategy and the Basic Education Sector Plan.

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 2013 being no exception. With the requirement for collaboration in articulating the NQF, relationships must 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), the Department of Basic Education (DBE), SAQA, Quality Council for Trades and Operations (QCTO), Council on Higher Education

(CHE), Centre for Education Policy Development (CEPD), Sector Education and Training Authorities (SETAs), the SETA Artisan Forum, universities and others. The Council also consolidated its relationship with accredited private providers through provincial workshops in September 2013.

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

The sub-units that comprise Corporate Services 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 nine 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 2013/2014 financial year.

National Operations Programmes

• Programme A: Qualifications, Curriculum and Certification (QCC)

• Programme B: Quality Assurance of Assessment (QAA)

• Programme C: Evaluation and Accreditation (E&A)

• Programme D: Statistical Information and Research (SIR)

Management Support

• Programme E: Public Relations and Communications (PR)

• Programme F: Governance and Office of the Chief Executive Officer (GOCEO)

Corporate Services Programmes

• Programme G: Finance and Supply Chain Management

• Programme H: Information Technology (IT)

• Programme I: Human Resources Management and Development (HRM&D)

QUALIFICATIONS, CURRICULUM AND CERTIFICATION

QCC

Programme A
QUALIFICATIONS, CURRICULUM AND CERTIFICATION UNIT

Ms Elizabeth Burroughs

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; and
- Managing the certification and verification of the qualifications on the sub-framework.

QUALIFICATIONS

Creating and developing the sub-framework of qualifications for general and further education and training is central to the function of the Quality Council and forges connections with the larger NQF environment. In the past year Higher Education and Training Minister Blade Nzimande gazetted the final form of the NQF.

Also during this past year, the alternative 'matric' for adults, NASCA, was readied and registered on the NQF. The GETC for Adults at NQF Level 1 is in the public comment phase of the revision process and should be finalised in 2014.

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 2012 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 2014–2015 – is the major quality assurance review of the Curriculum and Assessment Policy Statement (CAPS).

The CAPS evaluation commenced with the evaluation of the Foundation Phase, which was completed in 2012, and the evaluation of the Intermediate Phase, completed in 2013. These two reports have been held over until 2015 when all phase reports will be completed, with the purpose of reporting on transitional aspects between the four phases. The evaluation of the FET Phase commenced in 2013 and will be completed in the next financial year (2014), while the evaluation of the Senior Phase, which was postponed due to pressure to complete the FET Phase, will commence in August 2014 with completion planned for 2015.

CERTIFICATION AND VERIFICATION

QCC's certification 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.

> *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.*

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme A: QUALIFICATIONS, CURRICULUM AND CERTIFICATION					
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 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

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme A: QUALIFICATIONS, CURRICULUM AND CERTIFICATION					
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%	There were some adjustments made to the plans due to the size of the project – the final reports will all be available in 2015
Percentage of certification datasets received and processed	100%	100%	100%	0	None
Percentage of verification requests processed	100%	100%	100%	0	None

QUALITY ASSURANCE OF ASSESSMENT

QAA

Programme B
QUALITY ASSURANCE OF ASSESSMENT UNIT

Mr Vijayen Naidoo

I n 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 General and Further Education and Training Qualifications Sub-framework (GFETQSF) and evaluates 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

• Monitoring and Evaluation – All Sectors

• 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.

The QAA Unit quality assures 11 national examinations annually, for three qualifications, across four assessment bodies and nine provincial departments of education.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme B: QUALITY ASSURANCE OF ASSESSMENT					
Quality assurance of assessment processes maintained and improved as per plan (NSC, SC, NCV, NATED & ABET: GETC)	100%	100%	100%	0	None

Strategic objectives (continued)

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
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

Key performance indicators, planned targets and actual achievements

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme B: QUALITY ASSURANCE OF ASSESSMENT					
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: 111%	+ 39	Moderated 57 question papers for SACAI (pilot phase for applicant assessment body) Increase in sample size
NCV, NATED, GETC and SC – % per sample of subjects as planned	DBE: SC: 100%	DBE: SC: 100%	DBE: SC: 100%	0	None
	DHET: GETC: 100%	DHET: GETC: 100%	DHET: GETC: 100%	0	None
	DHET:NCV: 100%	DHET:NCV: 100%	DHET:NCV: 101%	+4	Increase in sample size
	DHET: NATED: 100%	DHET: NATED: 100%	DHET: NATED: 133%	+9	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%	DHET: NCV ISAT – 100%	0	None
	DHET: NCV ICASS – 100%	DHET: NCV ICASS – 100%	DHET: NCV ICASS – 100%	0	None
DHET and IEB: GETC	DHET: GETC: 100%	DHET: GETC: 100%	DHET: GETC: 88%	12%	External moderator not available – no negative impact on outcome
	IEB: GETC: 100% of 8 learning areas	IEB: GETC:-100%	IEB: GETC:-100%	0	

Key performance indicators, planned targets and actual achievements (continued)

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
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
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: NCV: 88%	12%	Sample reduced to accommodate increase in NATED sample
		DHET: NATED: 100%	DHET: NATED: 100%	0	
	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

EVALUATION AND ACCREDITATION

E&A

EVALUATION AND ACCREDITATION UNIT

Mr Chaile Makaleng

The Evaluation and Accreditation (E&A) Unit's main objective is to quality assure and accredit private education institutions/providers and private assessment bodies against sets of criteria that were approved by the Minister of Higher Education and Training in May 2010 for colleges and adult learning centres, and the Minister of Basic Education in October 2012, for independent schools and assessment bodies.

As part of its contribution to the fulfilment of Umalusi's remit for 2013–2014, the unit focused on three key areas, namely maintaining and extending the accreditation system for private education institutions/providers and private assessment bodies; enhancing the administrative system in order to support its work; and maintenance and improvement of strategic and stakeholder relations. This brief report covers these three focus areas.

The E&A Unit spent the better part of the 2013–2014 financial year managing the transition from provisional accreditation to a new accreditation process based on the recently approved policy and criteria by the Ministers of Education. In preparation for the transition, the unit developed a completely new accreditation system, comprising new internal accreditation policies, new instruments and manuals, a new accreditation process (including new decision-making structures), and a new funding model for private education institutions/providers. The new accreditation system was set up with a view to ensuring Umalusi's full compliance with the Promotion of Administrative Justice Act (PAJA), 2000. Consultation on the system was extensive, with provincial consultation meetings, provincial quality promotion meetings and pre-site visit workshops. The E&A Unit also consulted the National Alliance of Independent Schools Association (NAISA) in regard to its new approach.

The new accreditation system was launched on 13 June 2013 at Gallagher Estate and addressed by the President and Chief Executive Officer of the New England Association for Schools and Colleges (NEASC), Mr Cameron Staples. NEASC is based in Boston, United States of America, and has been accrediting public and private schools, colleges and universities since 1885.

Since the launch of the new accreditation system, the unit has facilitated the accreditation of 40 independent schools, four Adult Education and Training (AET) Centres/Providers, seven Further Education and Training (FET) Colleges and one private assessment body (to assess the National Senior Certificate). The unit has also granted provisional accreditation to two private assessment bodies to assess the GETC for Adults. The provisionally accredited private assessment bodies are currently piloting their exam systems in line with Umalusi's requirement for their accreditation.

As at the end of the 2013/2014 financial year, 559 independent schools, 333 FET colleges and 97 AET providers had applied for accreditation through the new online application system.

To support the new work, the unit appointed one additional assistant manager, 14 full time contract evaluators and subject specialists (on five-year contracts) and 150 part-time evaluators and subject specialists (on three-year contracts).

In extending and maintaining stakeholder relationships, the E&A Unit held several meetings with Provincial Departments of Education (PDEs). In the main, the meetings were intended to enhance the alignment of registration and accreditation processes. The E&A Unit and the DBE also developed a joint national guideline document for the registration and accreditation of independent schools and private examination centres. The document was compiled in consultation with PDEs and NAISA.

As part of its resolve to benchmark its accreditation approach against like-minded organisations and institutions, Umalusi undertook a study visit to NEASC in Boston in March 2013. Valuable lessons learned from NEASC enhanced the effectiveness of Umalusi's accreditation system. Further, in December 2013, staff of the E&A Unit and the Chief Executive Officer, Dr Mafu Rakometsi, again visited NEASC to attend the association's annual conference and general meeting, and to sign a Memorandum of Understanding (MoU) with NEASC.

"

Since the launch of the new accreditation system, the unit has facilitated the accreditation of 40 independent schools, four Adult Education and Training (AET) Centres/Providers, seven Further Education and Training (FET) Colleges and one Private Assessment body (to assess the National Senior Certificate).

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The E&A Unit commissioned a number of research reports to inform its work in quality assurance of distance education, primary schools and in matric rewrite centres.

During the 2014–2015 financial year, the E&A Unit will monitor the implementation of the new quality assurance and accreditation system to maximise its contribution to fulfilling Umalusi's mandate.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme C: EVALUATION AND ACCREDITATION UNIT					
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

Key performance indicators, planned targets and actual achievements

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme C: EVALUATION AND ACCREDITATION UNIT					
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
Percentage of annual events i.r.o stakeholder relations held / attended as planned	100%	100%	100%	0	None

Programme D
STATISTICAL INFORMATION AND RESEARCH UNIT

Mr Emmanuel 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 of the qualifications Umalusi certifies.
- 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.

The SIR Unit is supported and advised by the Research Forum, consisting of experienced senior researchers and experts.

RESEARCH

In 2013 the SIR Unit collaborated with other assessment bodies in the SADC region to compile a report on the education landscape of the countries in SAEAA. The countries involved in this study were Botswana, Lesotho, Malawi, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The research in this report represents a baseline study of the environment in which education takes place in the Southern Africa region.

The Unit also conducted research on the standard of English FAL. The research aims to identify key indicators of different forms of language and literacy, to apply these systematically to a range of examination papers, and in so doing illuminate the main purposes of EFAL as it is currently examined in South Africa. The findings are intended to indicate whether EFAL, as it is currently taught and examined in South Africa, prepares students adequately for the level of English they need to read and write if they wish to succeed in all their school subjects. The research report will be published in 2014.

The Unit also finalised a pilot study on the NSC matriculation results as predictors of academic success in higher education. The aim of this study was twofold: firstly, to investigate the relationship between selected NSC results and academic success at higher education institutions and possible changes in this relationship over time; and secondly, to establish if and how such research is feasible and comparable across higher education institutions that offer different programmes and levels of qualifications, impose different entrance requirements and, ultimately, differ in the type of students who select themselves into such institutions. The study was completed in 2013.

The SIR Unit continued 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.

DISSEMINATION AND PUBLICATION

The SIR Unit 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

- *'National Senior Certificate matriculation results as predictors of academic success in higher education'.*
- *'Making educational judgments'.*
- *'A comparative report on the education landscape of the countries in the Southern African Association for Educational Assessment'.*

SEMINAR REPORTS PRODUCED

- *'Rethinking ABET and community education – some thoughts on curriculum issues for adults'.*
- *'Towards a construct for assessing high level language ability in the National Senior Certificate examinations'.*
- *'The Future of Rural Education: Research and Teaching'.*

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.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme D: STATISTICAL INFORMATION AND RESEARCH					
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, 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

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme D: STATISTICAL INFORMATION AND RESEARCH					
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
Percentages 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

PR AND COMMUNICATIONS

PR &
COM

Programme E
PR AND COMMUNICATIONS

Mr Lucky Ditaunyane

The purpose of the Public Relations and Communications sub-unit is to communicate key organisational messages about the work and mandate of Umalusi to internal staff and external stakeholders. The success of any organisation relies on timely and apposite communication and the same is true for Umalusi. 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 made in implementing various organisational programmes in relation to the strategic plan. The PR and Communications sub-unit also works in collaboration with other units for events management and organisation. Discussions and decisions undertaken at these forums, seminars, and workshops are packaged and disseminated internally via newsletters, email and the website, and through general staff meetings. Various communication platforms are used to communicate with external stakeholders.

The following stakeholders have been identified for the purpose of external communication:

• The Department of Basic Education

• The Department of Higher Education and Training

• Provincial Departments of Education

• TVET colleges, schools, adult education centres

• Assessment bodies

• SAQA and other Quality Councils

• Universities

• Schools, learners and parents

• Educational NGOs

• Rural communities

• Unemployed youth

To maximise external communication, the PR and Communications sub-unit uses different modes of communication, such as 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 sub-unit is also responsible for processing and responding to queries from the public and the media regarding the work of Umalusi.

> " To maximise external communication, the PR and Communications sub-unit uses different modes of communication, such as 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. "

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

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme E: PR AND COMMUNICATIONS					
External PR functions and communication carried out as planned and in response to external needs	100%	100%	100%	0	None
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

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme E: PR AND COMMUNICATIONS					
Press releases issued	10 press releases	11 press releases	11 press releases	+1	An opportunity arose for additional exposure in the media
Media and public queries & responses	15 radio and 7 TV interviews	25 radio and 10 TV interviews	31 radio and 15 TV interviews	10+ radio and 5+ TV interviews	Gained more media traction on various stories
Partnerships with media houses	100%	100%	100%	0	None
Media exposure tracked	100%	100%	100%	0	None
Exhibitions attended	4 exhibitions	10 exhibitions	14 exhibitions	4+ exhibitions	More invitations by credible exhibition agencies
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	3 Makoya publications	2 Makoya Publications	-1	Methods used to source articles from units must be improved.
Media conferences	3	3	3	0	None

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Programme F
GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER

The Governance and Office of the Chief Executive Officer (GOCEO) Unit is comprised of the offices of the Chief Executive Officer, the Chief Operations Officer and the Chief Financial Officer.

GOCEO ensured that a strategic plan and budget was in place and that the organisation fulfilled its mandate within its capacity. The unit supported the work of Council and its committees through appointed secretariats and ensured that the Council and its committees were informed and able to carry out their functions. All operational work was planned and 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 the identified risks were actively managed by the unit. Management and professional policies were developed and reviewed as required. The quality of work was monitored through internal audit processes.

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

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme F: GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER					
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

Key performance indicators, planned targets and actual achievements

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme F: GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER					
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

Programme G
CORPORATE SERVICES: FINANCE AND SUPPLY CHAIN MANAGEMENT

Mr Thinus Wessels

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. Over the past 11 years total revenue grew by an annual average of 22%, whereas total expenditure averaged 21%.

Accounting systems are continually enhanced. Four accounting-related software packages are currently used: Pastel Partner,

VIP Payroll, Caseware Working Papers and AssetPro. Since its inception, Umalusi has achieved a 100% record in unqualified audits.

Umalusi House was revalued on 31 March 2012 and the outcome was a revaluation reserve of R 8 million. An additional property adjacent to Umalusi House was acquired on 7 January 2014. Umalusi has embarked on the process of revamping the building to prepare it for occupation.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme G: FINANCE AND SUPPLY CHAIN MANAGEMENT					
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

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme G: FINANCE AND SUPPLY CHAIN MANAGEMENT					
GRAP compliant annual financial statements submitted by 31 May each year	1	1	1	0	None
Outstanding debt collected	105%	90%	92.8%	3%	Continuous effort from admin staff resulted in a higher collecting percentage
Creditors paid within 30 days	100%	100%	100%	0	None
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

Mr Gerhard Booyse and Mr Gerrit Jansen van Vuuren

The IT Unit focuses on ensuring that all information technology requirements of the organisation are met and that the sub-unit contributes to the achievement of Umalusi's strategic goals. 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. This includes hardware and /or software applications, installation and support.

System development and support comprises of the certification system and the Management Information System. The mainframe certification system covers the following three main areas: certification of qualifications; quality assurance of the resulting process; and verification of issued qualifications.

Stringent systems were developed for the quality assurance of the resulting process before assessment bodies receive permission to release results. These systemic processes have improved the verification and quality assurance of the computerised processes of the assessment bodies. The computerised certification systems produce certificates that are printed after verification of data during the resulting process. Certification directives are iteratively used for verification of data to ensure that the learner qualifies and complies with the requirements for the qualification. The verification processes are continuously reviewed and enhanced to deliver improved service to the public.

The Management Information System functions as a general portal for the MIS and as a supplier of information, such as policies and general information, to staff. The system is continuously evolving and improving, and the latest enhancement has been the development of an online accreditation system for private providers. Other areas that are addressed are workflows for accreditation of providers; management of claims for contract workers; and maintenance and improvement of the website. There is a drive in Umalusi to convert from a paper-based system to a computerised electronic system, to speed up the provisioning of services to clients and to reduce the cost of services.

The organisation's network and hardware needs were met through the installation of the latest IT infrastructure and services to ensure that work was well supported and information kept safe. IT processes, hardware and software are continuously monitored and improved upon to meet changing requirements in the organisation as well as in the market. In the past year the sub-unit focused on improving support to the end-user and on replacing outdated and obsolete computer equipment – this is an ongoing project.

The focus was also on the governance of IT. The environment for corporate governance of ICT was established in Umalusi as the first of three phases for the implementation of the Corporate Governance of ICT Policy Framework, as prescribed by the Department of Public Service and Administration (DPSA).

> *IT processes, hardware and software are continuously monitored and improved upon to meet changing requirements in the organisation as well as in the market. In the past year the sub-unit focused on improving support to the end-user and on replacing outdated and obsolete computer equipment – this is an ongoing project.*

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme H: INFORMATION TECHNOLOGY					
Information Technology systems established and maintained	70% of all user requests registered completed successfully	70% of all user requests registered to be completed satisfactorily	70% of all user requests registered completed satisfactorily	0	None
Certification, verification and quality assurance systems implemented	100% of all user requests registered completed successfully	90% of all user requests registered to be completed satisfactorily	90% of all user requests registered completed satisfactorily	0	None
Adequate hardware and software obtained to support operations	100% of all user requests received were completed	100% of all user requests received were completed	100%	0	None

Key performance indicators, planned targets and actual achievements

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Programme H: INFORMATION TECHNOLOGY					
Percentage of the priority task list completed as approved by the MIS Steering Committee	70% of all user requests registered completed successfully	70% of all user requests registered to be completed satisfactorily	70% of all user requests registered completed satisfactorily	0	None
Percentage of projects identified to be developed and/or maintained	70% of all user requests registered completed successfully	70% of all user requests registered to be completed	72% of all user requests registered completed satisfactorily	2%	Over achievement due to a large project (NLRD data submission) completed before due date
Percentage of the mainframe system maintained as per requests from QCC and QAA units	100% of all user requests registered completed successfully	90% of all user requests registered to be completed	93% of all user requests registered completed satisfactorily	3%	Over achievement by completing four more service requests as planned from the 136 requests registered (126 completed)
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% of all user requests received were completed	0	None
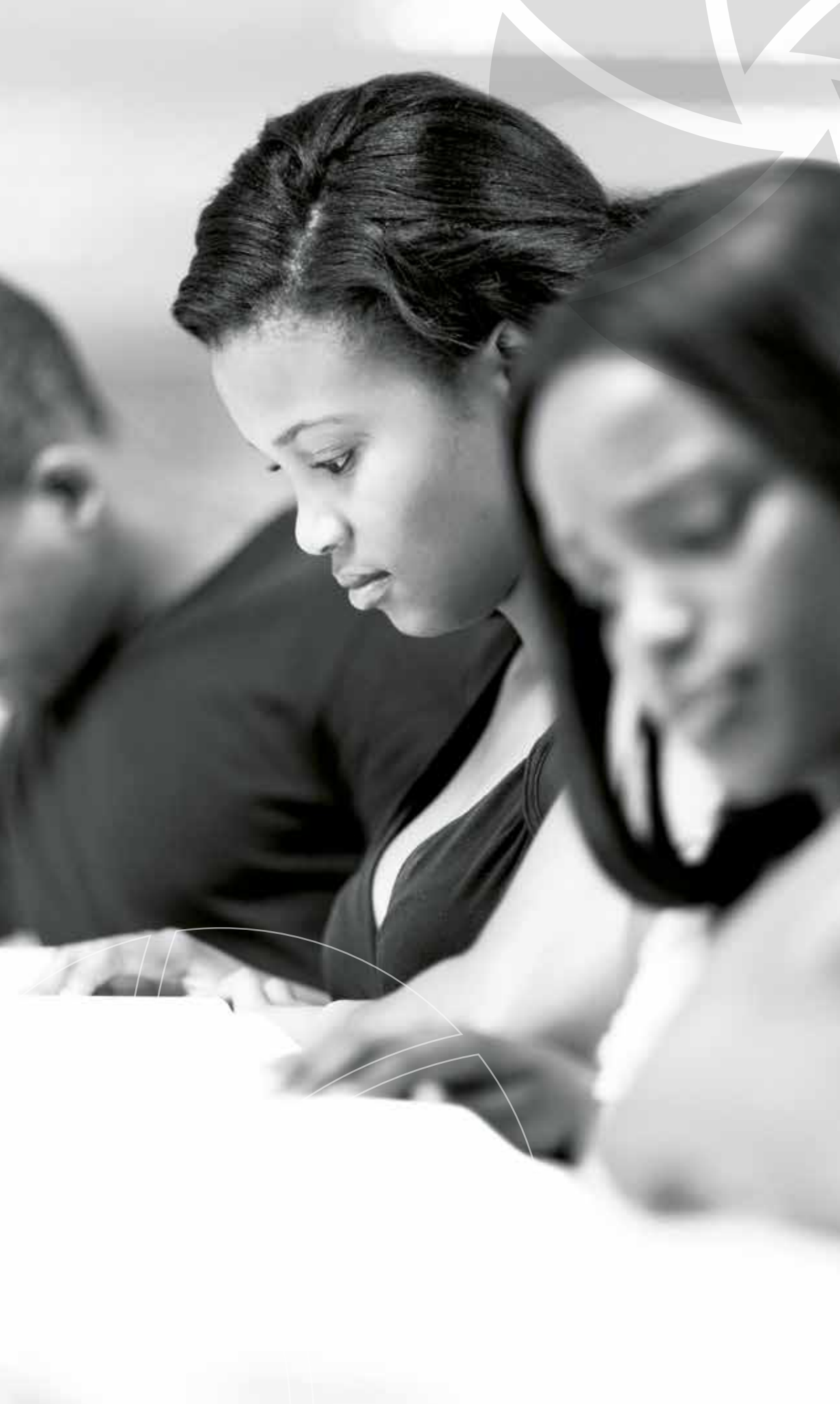
CORPORATE SERVICES: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

Programme I
CORPORATE SERVICES: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

Ms Marie Botha

The Human Resources Management and Development (HRM&D) Unit strives to ensure effective and efficient HRM&D practices and standards, that all labour legislation prescripts are complied with; and that human capital is well utilised through focusing on staff recruitment, development, and performance assessment. A key challenge for the unit is to change its focus from the administration of human resources to the development of human capital.

The competency levels of staff were improved through capacity development, such as skills development programmes.

A wellness programme organised by HR contributed to the health and wellness of staff. All policies were developed, reviewed and implemented.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objectives

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	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 April 2014	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 2012/2013	PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Percentage of HR employment practices in line with policies	100%	100%	100%	0	None
Workplace Skills Plan submitted by 30 April 2014	100%	100%	100%	0	None
Percentage of staff performance managed	100%	100%	100%	0	None
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 contract	100%	100%	100%	0	None

The Human Resource Management and Development (HRM&D) sub-unit strives to ensure effective and efficient HRM&D practices, norms and standards; 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 assessment.

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 ongoing support to the organisation, implements strategic objectives and has improved the recruitment period.

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

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

Personnel cost by programme 2013/2014

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	12 881	7 887	8	19	415
Corporate Services	27 356	9 654	10	25	388
Governance of Chief Executive Officer	8 177	6826	7	10	683
Qualifications, Curriculum and Certification	14 555	5 423	5	13	417
Quality Assurance of Assessment	30 126	7 165	7	16	448
Statistical Information and Research	7 905	4 118	4	6	681
TOTAL	**101 530**	**41 113**	**40**	**89**	**462**

Personnel cost by salary band

PROGRAMME	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	4 233	10	3	1 411
Senior Management	4 154	10	40	1 039
Professional qualified	20 955	51	37	566
Skilled	5 762	14	13	443
Semi-skilled	5 595	14	29	193
Unskilled	414	1	3	138
TOTAL	**41 113**	**100**	**89**	**462**

Performance rewards

LEVEL	PERFORMANCE REWARDS (R 000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
Top Management	227	4 233	5
Senior Management	177	4 154	4
Professional qualified	577	20 955	3
Skilled	123	5 764	2
Semi-skilled	163	5 595	3
Unskilled	2	414	0
TOTAL	**1 269**	**41 113**	**3**

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	7 887	18	0	7	3
Corporate Services	9 694	373	4	22	17
Governance of Chief Executive Officer	6 826	58	1	5	12
Qualifications, Curriculum and Certification	5 423	31	1	7	4
Quality Assurance of Assessment	7 165	34	0	10	3
Statistical Information and Research	4 118	41	1	4	10
TOTAL	**41 113**	**555**	**1**	**55**	**10**

Employment and vacancies

PROGRAMME	2011/2012 NO. OF EMPLOYEES	2012/2013 APPROVED POSTS	2013/2014 NO. OF EMPLOYEES	2013/2014 VACANCIES	% OF VACANCIES
Evaluation and Accreditation	19	20	19	2	0
Corporate Services	26	33	25	5	6
Governance of Chief Executive Officer	7	9	10	0	0
Qualifications, Curriculum and Certification	10	13	13	1	8
Quality Assurance of Assessment	16	21	16	2	29
Statistical Information and Research	7	7	6	1	0
TOTAL	**85**	**103**	**89**	**11**	**9**

PROGRAMME LEVELS	2011/2012 NO. OF EMPLOYEES	2012/2013 APPROVED POSTS	2013/2014 NO. OF EMPLOYEES	2013/2014 VACANCIES	% OF VACANCIES
Top Management	3	3	3	1	0
Senior Management	5	7	4	0	0
Professional qualified	30	37	37	8	22
Skilled	15	16	13	0	0
Semi-skilled	30	36	29	1	3
Unskilled	3	4	3	1	0
TOTAL	**86**	**103**	**89**	**11**	**9**

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	3	0	0	3
Senior Management	5	0	1	4
Professional qualified	31	8	1	37
Skilled	12	0	1	11
Semi-skilled	31	1	1	33
Unskilled	3	0	1	3
TOTAL	**85**	**9**	**5**	**91**

Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	1	0
Resignation	3	37.5
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	1	0
Other	0	0
TOTAL	**5**	**62.5**

Labour relations: misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	0

Equity target and Employment Equity status

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	0	1	0	0	0	0	0
Senior Management	3	0	0	0	1	1	0	0
Professional qualified	12	1	2	1	1	1	5	1
Skilled	4	0	0	0	0	0	1	0
Semi-skilled	9	1	0	1	0	1	0	2
Unskilled	1	1	0	0	0	0	0	0
TOTAL	30	3	3	2	2	3	6	3

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0	0	0	1	0
Senior Management	0	0	0	0	0	0	1	0
Professional qualified	10	1	0	1	1	1	8	1
Skilled	3	0	0	1	2	0	2	0
Semi-skilled	24	0	0	0	1	1	0	2
Unskilled	2	0	0	0	0	0	0	0
TOTAL	39	1	0	2	4	2	12	3

LEVELS	DISABLED STAFF			
	AFRICAN		COLOURED	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

Umalusi Staff Training Provided for the period 1 April 2013 to 31 March 2014

AREA OF TRAINING	TYPE OF TRAINING	COST	EMPLOYEES
TRAINING			
SHE Representative Course	NOSA	3 160	Assistant Manager, Admin Assistants
Bim Report Manager	Sage VIP	2 314	Accountant
Cobit 5 Implementation Course	Torque IT	6 834	IT Manager
PAJA Act	MacRobert Attorneys	6 000	All Staff
Writing Effective Policies and Procedures	NDJ Consultants	10 260	Managers
Corporate Governance, Leadership and Management Development Programme	Eminent Conferencing	7 999	Senior Manager
Cultural Diversity Talk	Polarity Consulting	5 000	All Staff
Stress Management Talk	Polarity Consulting	5 000	All Staff
COBIT 5	Torque IT	13 668	IT Managers
C#	Torque IT	8 265	IT Developer
Finance for Non-Financial Managers	Centre for Africa Capacity Building & Development	82 250	Managers, Assistant Managers, Admin Assistants
6th Annual Secretaries' Day Conference	Kumalogreen Training	11 286	PAs
Excel Basic Course	CTU Training Solutions	975	Admin Assistant
Operational Risk, Health & Safety Compliance Workshop	Steven Samuels Management Consultants	8 099	Assistant Manager Supply Chain
Performance Management Design Workshop	Sage VIP	1 704	Training & Development Practitoner
Mid year Payroll Seminar	Sage VIP	855	Accountant
BCEA, Employment Equity, Occupational Health & Safety and Skills Act Wall charts	FSP Business Fleet Street Publications (Pty) Ltd	775	Requirement as per Department of Labour
Asset Mananagement Forum	University of Pretoria	3 800	Assistant Manager Supply Chain
Excel VBA	Learnfast Training Solutions	5 836	Manager
Organogram Design	4 Images	524	Organisation
Catering - Finance for Non-Finance Training	Marole Catering & Doerich Trade	5 030	Provider, Manager, Assistant Managers, Admin Assistants
Pension Fund presentaion	AIPF	no cost	All Staff
Writing Effective Policies and Procedures	Mectri Business Events & Communications	26 997	HR Practitoner, Training & Development Practitioner & Admin Assistant
Branding & Marketing Conference	TSK Training & Conferences	9 678	Senior Manager, Assistant Manager
SQL Server Course	Learnfast Training Solutions	5 698	IT Developer
BCEA Seminar	Sage VIP	6 156	Accountant, HR Manaager, HR Practitoner
Preparing Financial Statements & Annual Reports Workshop	Centre for Africa Capacity Building & Development	22 998	Accountant, Admin Assistant
Caseware Reporting Software	CQS Technology Holdings (Pty) Ltd	6 450	Assistant Manager Supply Chain
Skills Development Workshop	Steven Samuels Management	7 000	CFO, Training & Development Practitioner
Public Relations Programme	Provox	19886	Senior Manager
Intergrated Budgeting Strategic Planning Workshop	Matebele Development Company (Pty) Ltd	25998	Finance Manager, CFO

AREA OF TRAINING	TYPE OF TRAINING	COST	EMPLOYEES
TRAINING (continued)			
ITIL Foundation Course	Torque IT	5500	IT Developer
ITIL Intermediate Course	Torque IT	2200	IT Developer
Debtors & Creditors Course	Centre for Africa Capacity Building & Development	58500	Finance Administrative Assistants
First Aid Course	NOSA	4980	Assistant Manager, Admin Assistants
Framing of long service award certificates	The Great Frame UP	636	Administrative Assistants, Assistant Managers
Advanced HR Resources Management	Mectri Business Events & Communications	7999	Training & Development Practitioner
Payroll and Tax Administration Seminar	Sage VIP	1482	Accountant
Lunch for Induction Programme	Catering	1820	New Staff
Tea Ladies & General Assistants Workshop	VETTA Communication (PTY) Ltd	1123	Housekeeper
Fire fighting	NOSA	5820	Assistant Manager Admin Assistants
TRAINING 2013/2014		**410 555**	

STUDY ASSISTANCE FOR 8 STAFF MEMBERS			
1	MSc	18 088	Junior Statistician
2	BCompt	3 510	Administrative Assistant: Finance
3	BCompt	2 130	Administrative Assistant: Finance
4	BCom (HR)	6 260	Administrative Assistant: HR
5	BCom (HR)	8 000	Administrative Assistant: QAA
6	BCom (Financial Law)	8 420	Administrative Assistant: Finance
7	BEd (Hons)	3 000	Manager:QAA
8	Doctor of Philosophy	19 740	Senior Researcher
SUB TOTAL STUDY ASSISTANCE		**69 148**	

WELLNESS DAYS X 2			
Friday, 11 October 2013	Self defence presentation	1 000	All Staff
	Shoprite (gifts)	9 399	All Staff
	Catering	8 245	All Staff
	Wellness Energy Net	13 095	All Staff
	Pharma Valu	1 950	All Staff
Friday, 07 March 2014	Food platters	735	Nursing Staff
	Rejuve Wellness	27 930	All Staff
	Flu Vacine, Vitamins B12 & Bcomplex	7 345	All Staff
	Pharma Valu (BP, Cholesterol, Glucose)	5 400	All Staff
TOTAL WELLNESS DAYS		**75 099**	

GRAND TOTAL			
GRAND TOTAL		**554 802**	

Human Resources
YEAR-ON-YEAR STATISTICS

	2004 R	2005 R	2006 R	2007 R	2008 R	2009 R	2010 R	2011 R	2012 R	2013 R	2014 R
Remuneration costs	151 594	9 041 164	9 810 328	12 072 472	14 473 009	19 281 620	25 495 955	28 811 508	34 208 050	35 452 000	41 112 783
Remuneration Year-on-Year Increase		47%	9%	23%	20%	33%	32%	13%	34%	23%	16%
Total Expenditure	15 705 632	18 391 033	21 329 502	28 024 522	30 887 357	41 378 379	52 391 296	63 043 934	75 279 084	89 149 000	101 529 647
% of Total Expenditure	39%	49%	46%	43%	47%	47%	49%	46%	45%	40%	40%
Number of posts	32	52	57	75	77	77	80	86	86	103	100
Posts YoY Increase		63%	10%	32%	3%	0%	4%	8%	8%	20%	-3%
Posts filled	26	45	48	49	54	67	75	81	81	83	89
Additional posts (contract)	6	4	5	5	4	6	5	5	5	5	14
Vacancy rate	19%	13%	16%	35%	30%	13%	6%	6%	6%	19%	11%
Staffing levels											
Lower skilled (levels 1-2)	1	1	1	1	1	1	3	3	3	3	3
Skilled (Levels 3-5)	10	10	13	14	17	21	27	30	30	24	31
High skilled production (levels 6-8)	8	9	6	6	6	13	11	15	15	12	13
High skilled supervison (levels 9-12)	9	20	22	22	23	25	31	30	30	36	45
Senior management (levels 13-16)	4	5	6	6	7	7	8	8	8	8	8
Training costs	39 000	29 000	60 000	140 000	194 000	335 914	465 049	389 132	397 933	602 000	554 802
Training YoY Increase		(26%)	107%	133%	39%	73%	38%	(16%)	(14%)	55%	(8%)
Senior management costs	1 605 368	2 314 000	2 934 000	3 775 000	3 432 000	5 223 000	6 326 817	7 120 444	7 691 161	7 879 000	8 386 769
SMS % of remuneration costs	26%	26%	30%	31%	24%	27%	25%	25%	22%	22%	20%
Number of SMS posts	4	6	6	7	7	7	8	8	8	8	8
SMS Posts YoY Increase		50%	0%	17%	0%	0%	14%	0%	0%	0%	0%

Human Resources
YEAR-ON-YEAR STATISTICS (continued)

Year	Remuneration costs	Number of posts
2014	R41 112 783	100
2013	R35 452 000	103
2012	R34 208 050	98
2011	R28 811 508	86
2010	R25 495 955	80
2009	R19 281 620	77
2008	R14 473 009	77
2007	R12 072 472	75
2006	R9 810 328	57
2005	R9 041 164	52
2004	R6 151 594	32

Number of posts

Remuneration costs

Human Resources: Year-on-year statistics

ANNUAL FINANCIAL STATEMENTS
CONTENTS

The following supplementary information does not form part of the financial statements and is unaudited:

UMALUSI | Council for Quality Assurance in General and Further Education and Training

Council's
RESPONSIBILITIES AND APPROVAL

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

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP).

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

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management

in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Council is primarily responsible for the financial affairs of the entity, it is supported by the entity's Internal Auditors.
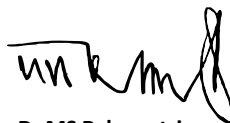
The External Auditors are responsible for independently auditing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's External Auditors and their report is presented on page 62.

The annual financial statements set out on pages 66 to 85, which have been prepared on the going concern basis, were approved by the Council on 31 July 2014 and were signed on its behalf by:

Prof SSG Mabizela

Chairperson: Umalusi Council

Dr MS Rakometsi

Chief Executive Officer: Umalusi

Report of the
AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2014.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

We report that we adopted appropriate formal terms of reference in our charter in line with the requirements of section 55(1) of the PFMA and Treasury Regulation 27.1. We further report that we have concluded 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 annual financial statements, and the management report 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 management, 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 during the year under review.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

We have:

- Reviewed and discussed the audited annual financial statements to be included in the Annual Report, with the approved External Auditor, NEXIA SAB&T
- Reviewed the management report and Management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the entity's compliance with legal and regulatory provisions; and
- 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 our combined assurance strategies are effective and have mitigated the risks pertinent to the strategic objectives of the entity to an acceptable level.

EXTERNAL AUDIT

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

Ms L Rossouw
Chairperson of the Audit and Risk Committee

Report of the
INDEPENDENT AUDITORS 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 66 to 85 which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended , as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

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 and the requirements of the Public Finance Management Act of South Africa. It is also responsible for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material mistatement, 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Umalusi (Council for Quality Assuarance in General and Further Education and Training) as at 31 March 2014, 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

In accordance with the PAA and the general notice issued in terms thereof, we report the following findings on the reported performance information against predetermined objectives for the selected objectives presented in the Annual Report, non-compliance with legislation, as well as internal control. We performed tests to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

Predetermined objectives

We performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2014:

- Programme A: Qualifications, Curriculum and Certification on pages 28 to 29
- Programme B: Quality Assurance of Assessment on pages 31 to 33
- Programme C: Evaluation and Accreditation on pages 35 to 36
- Programme D: Statistical Information and Research on pages 38 to 39
- Programme H: Information Technology Systems on page 47 to 48

We evaluated the reported performance information against the overall criteria of usefulness and reliability.

We evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. We further performed tests to determine whether indicators and targets were well defined , verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

We assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete. We did not raise any material findings in respect of the usefulness and reliability of the reported performance information for:

- Programme A : Qualifications , Curriculum and Certification
- Programme B : Quality Assurance of Assessment
- Programme C: Evaluation and Accreditation
- Programme D: Statistical Information and Research
- Programme H : Information Technology Systems

Compliance with laws and regulations

We performed procedures to obtain evidence that the public entity had complied with legislation regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with legislation. We did not identify any significant deficiencies in internal control.

Nexia SAB&T

NEXIA SAB&T Registered Auditor
Per: Aneel Darmalingam
Director

Centurion
31 July 2014

Report of the
COUNCIL

The Council submits its report for the year ended 31 March 2014.

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 the entity are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

Net surplus of the entity was R19,603,472 (2013: deficit R7,530,843).

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 support achievement of Umalusi's objectives, reviewing the system's 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.

6. COUNCIL

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

Prof SSG Mabizela (Chairperson)
Dr MS Rakometsi (CEO)
Ms F Dada
Prof TT Dunne
Mr A Essop
Prof M Fourie-Malherbe
Mr SBA Isaacs
Prof ND Kgwadi
Ms GJ Mashabela
Ms L Mlanjana
Mr A Mocke
Prof R Moletsane
Prof MLE Monnapula-Mapesela
Mr E Mosuwe
Mr CS Ndaba
Mr JS Samuels
Prof D Singh
Dr ZC Sosibo

7. 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

8. COUNCIL AND EXECUTIVE MANAGEMENT EMOLUMENTS

Non-Executive Members	Total fees 2014	Total fees 2013
Ms F Dada	-	26,580
Prof TT Dunne	57,048	59,393
Prof M Fourie-Malherbe	1,360	-
Prof ND Kgwadi	57,549	30,356
Prof SSG Mabizela	40,710	38,728
Ms L Mlanjana	43,487	23,442
Mr A Mocke	1,381	1,665
Dr CZ Sosibo	14,724	26,760
Dr EB Mahlobo	1,440	-
	217,699	**206,924**

Executive Members	Salary 2014	Bonuses and performance related payments 2014	Retirement fund contributions 2014	Medical contributions 2014	Other 2014	Total package 2014	Total package 2013
Dr MS Rakometsi	1,618,396	99,407	148,877	-	-	1,866,680	1,754,233
Mrs E Rabe	1,025,381	63,860	94,030	-	-	1,183,271	1,103,942
Mr JR Thomas	1,013,213	63,860	94,030	12,168	-	1,183,271	1,103,942
Mr VD Naidoo	685,884	83,204	59,993	10,140	-	839,221	845,456
Mr SE Ditaunyane	718,177	-	65,859	-	-	784,036	239,871
Mrs EM Burroughs	762,327	31,971	69,901	-	-	864,199	805,453
Mr E Sibanda	751,057	46,771	68,868	-	-	866,696	793,545
Mr M Khuboni	-	-	-	-	-	-	406,779
Mr CJ Makaleng	718,244	15,292	65,859	-	-	799,395	719,614
	7,292,679	**404,365**	**667,417**	**22,308**	**-**	**8,386,769**	**7,772,835**

9. AUDITORS

NEXIA SAB&T term of office expires this financial period in accordance with Section 25(2) of the Public Audit Act.

Statement of
FINANCIAL POSITION

	NOTE(S)	2014 R	2013 R
Assets			
Current Assets			
Trade and other receivables	3	4,186,696	2,422,236
Cash and cash equivalents	4	46,737,706	35,302,803
		50,924,402	**37,725,039**
Non-Current Assets			
Property, plant and equipment	5	37,485,127	26,939,624
Intangible assets	6	155,370	62,459
		37,640,497	**27,002,083**
Total Assets		**88,564,899**	**64,727,122**
Liabilities			
Current Liabilities			
Trade and other Payables	7	9,578,740	6,626,520
Provisions	21	5,296,323	4,014,240
Total Liabilities		**14,875,063**	**10,640,760**
Net Assets		**73,689,836**	**54,086,362**
Reserves			
Revaluation reserve	8	8,196,622	8,196,622
Accumulated surplus		65,493,214	45,889,740
Total Net Assets		**73,689,836**	**54,086,362**

Statement of
FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2014

	NOTE(S)	2014 R	2013 R
Revenue	10	118,275,614	78,622,469
Other revenue	11	367,893	977,517
Operating expenses		(101,529,647)	(89,057,859)
Operating surplus/(deficit)	20	**17,113,860**	**(9,457,873)**
Investment revenue	13	2,489,612	1,927,030
Surplus/(deficit) for the year		**19,603,472**	**(7,530,843)**

Statement of
CHANGES IN NET ASSETS

	Revaluation Reserve R	Accumulated Surplus R	Total Net Assets R
Balance at 01 April 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 01 April 2013	**8,196,622**	**45,889,742**	**54,086,364**
Changes in net assets			
Surplus for the year	-	19,603,472	19,603,472
Total changes	-	19,603,472	19,603,472
Balance at 31 March 2014	**8,196,622**	**65,493,214**	**73,689,836**

Cash Flow
STATEMENT

	NOTE(S)	2014 R	2013 R
Cash flows from operating activities			
Receipts			
Cash receipts from customers		19,214,789	55,995,238
Grant: Department of Basic Education		97,662,000	42,330,000
Interest income		2,489,612	1,927,030
		119,366,401	**100,252,268**
Payments			
Cash paid to suppliers and employees		(94,850,360)	(84,578,504)
Net cash flows from operating activities	16	**24,516,041**	**15,673,764**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(12,927,071)	(7,789,202)
Proceeds from sale of property, plant and equipment		12,638	17,830
Purchase of intangible assets	6	(166,705)	(46,572)
Net cash flows in investing activities		**(13,081,138)**	**(7,817,944)**
Net increase in cash and cash equivalents		**11,434,903**	**7,855,820**
Cash and cash equivalents at the beginning of the year		35,302,803	27,446,983
Cash and cash equivalents at the end of the year	4	**46,737,706**	**35,302,803**

Statement of
COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Accreditation Fees (1)	3,800,000	-	3,800,000	8,508,007	4,708,007
Certification Fees (2)	2,400,000	-	2,400,000	5,239,945	2,839,945
Verification Fees	6,612,500	-	6,612,500	6,865,662	253,162
Sundry Revenue	-	-	-	365,635	365,635
Interest received - investment (3)	230,000	-	230,000	2,489,612	2,259,612
Total revenue from exchange transactions	**13,042,500**	**-**	**13,042,500**	**23,468,861**	**10,426,361**
Revenue from non-exchange transactions					
Transfer revenue					
Government grants: Department of Basic Education	97,662,000	-	97,662,000	97,662,000	-
Total revenue	**110,704,500**	**-**	**110,704,500**	**121,130,861**	**10,426,361**
Expenditure					
Employee costs (4)	(45,683,800)	-	(45,683,800)	(41,112,738)	4,571,062
Depreciation and amortisation	-	-	-	(2,444,982)	(2,444,982)
Bad debt written off	-	-	-	32,277	32,277
Moderator and verifier costs (5)	(16,634,296)	-	(16,634,296)	(14,647,846)	1,986,450
Maintenance	(920,000)	-	(920,000)	(1,593,045)	(673,045)
General expenses (6)	(47,466,404)	-	(47,466,404)	(41,763,313)	5,703,091
Total expenditure	**(110,704,500)**	**-**	**(110,704,500)**	**(101,529,647)**	**9,174,853**
Operating surplus	**-**	**-**	**-**	**19,601,214**	**19,601,214**
Gain on disposal of assets	-	-	-	2,258	2,258
Surplus	**-**	**-**	**-**	**19,603,472**	**19,603,472**
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**19,603,472**	**19,603,472**

1) Roll-out of full accreditation commenced during 2013/14 and the volume of applications for accreditation exceeded anticipated volumes.

2) Certification income under-budgeted for private FET colleges.

3) Increased interest income due to non-alignment of reserve funds.

4) Reduced expenditure for newly created posts to be filled over two financial years (vacant posts to be filled in 2014/2015).

5) Improved utilisation of moderators and verifiers in rendering services.

6) General expenses were less than budgeted for,as a result of favourable pricing of goods and services negotiated during the year.

Accounting
POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual 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 was 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 in the preparation of these annual financial statements, are disclosed below.

1.1 Significant judgements and sources of estimation uncertainty

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

1.2 Property, plant and equipment

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

1.2 Property, plant and equipment (continued)

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.

Land and buildings are carried at revalued amount, being the fair value at the date of the 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 loss 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 loss in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

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

Item	Average useful life
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, the useful life and depreciation method of each asset are reviewed at least 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 loss unless it is included in the carrying amount of another asset.

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or loss 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 identifiable if it either:

• 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, identifiable assets or liability, regardless of whether the entity intends to do so; or

• arises from contractual rights and other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

• it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and

• the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

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.

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 loss 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 loss is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

1.4   Financial instruments (continued)

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.

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 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.

1.6   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. 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.

1.7 Employee benefits

Short-term employee benefits

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

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

1.8 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. 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 losses.

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.

1.9 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.

1.9   Revenue from exchange transactions (continued)

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

Measurement

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

Rendering of services

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

•   the amount of revenue can be measured reliably;

•   it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;

•   the stage of completion of the transaction at the reporting date can be measured reliably; and

•   the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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

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

1.10 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; and

•   to the extent that there has been compliance with any restrictions associated with the grant.

1.10 Revenue from non-exchange transactions (continued)

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

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

When Government remit grants on a reimbursement 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 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

The entity is 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 a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2013/04/01 to 2014/03/31.

The budget for the economic entity includes all the entity's approved budgets under its control.

The annual financial statements are on an accruals 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.

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 25: Employee benefits	01 April 2013	Not material
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 9 (as revised 2012): Revenue from Exchange Transactions	01 April 2013	Not material
GRAP 13 (as revised 2012): Leases	01 April 2013	Not material
GRAP 16 (as revised 2012): Investment Property	01 April 2013	Not material
GRAP 17 (as revised 2012): Property, Plant and Equipment	01 April 2013	Not material
GRAP 31 (as revised 2012): Intangible Assets (replaces GRAP 102)	01 April 2013	Not material

2.2 Standards and Interpretations early adopted

The entity has chosen to early adopt the following standard and interpretations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact
GRAP 20: Related parties	01 April 2014	Not material

2.3 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 2014 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact
GRAP 18: Segment Reporting	01 April 2016	Not material
GRAP105: Transfers of functions between entities under common control	01 April 2014	Not material
GRAP 106: Transfers of functions between entities not under common control	01 April 2014	Not material
GRAP 107: Mergers	01 April 2014	Not material
GRAP32: Service Concession Arrangements: Grantor	01 April 2015	Not material
GRAP108: Statutory Receivables	01 April 2015	Not material

	2014 R	2013 R
3. TRADE AND OTHER RECEIVABLES		
Trade receivables	4,186,176	2,421,716
Deposits	520	520
	4,186,696	**2,422,236**

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

Trade receivables analysis

Current	3,473,128	1,572,755
Past due 31 - 60 days	898,268	728,659
Past due 61- 90 days	215,993	24,117
Past due 90 - 120 days	627,612	72,120
Past due > 120 days	271,221	1,688,452
	5,486,222	**4,086,103**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	1,664,386	957,033
Utilisation of provision for impairment	(332,064)	(650,800)
Provision for impairment	(32,276)	1,358,153
	1,300,046	**1,664,386**

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Cash on hand	2,669	2,174
Bank balances	5,130,374	2,032,175
Short-term deposits	41,604,663	33,268,454
	46,737,706	**35,302,803**

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	**46,735,037**	**35,300,629**

5. PROPERTY, PLANT AND EQUIPMENT

	2014			2013		
	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R
Land	5,850,000	-	5,850,000	5,850,000	-	5,850,000
Buildings	31,814,097	(2,401,422)	29,412,675	20,282,421	(1,098,904)	19,183,517
Plant and equipment	491,749	(491,749)	-	491,749	(432,845)	58,904
Furniture and fixtures	1,720,788	(1,297,974)	422,814	1,326,177	(1,239,296)	86,881
Office equipment	935,091	(649,512)	285,579	851,764	(552,419)	299,345
Computer equipment	4,964,695	(3,594,535)	1,370,160	4,450,769	(3,199,245)	1,251,524
Other fixed assets	504,284	(360,385)	143,899	504,284	(294,831)	209,453
Total	**46,280,704**	**(8,795,577)**	**37,485,127**	**33,757,164**	**(6,817,540)**	**26,939,624**

Reconciliation of property, plant and equipment - 2014	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land	5,850,000	-	-	-	5,850,000
Buildings	19,183,517	11,531,676	-	(1,302,518)	29,412,675
Plant and equipment	58,904	-	-	(58,904)	-
Furniture and fixtures	86,881	394,611	-	(58,678)	422,814
Office equipment	299,345	84,827	-	(98,593)	285,579
Computer equipment	1,251,524	915,957	(10,380)	(786,941)	1,370,160
Other fixed assets	209,453	-	-	(65,554)	143,899
	26,939,624	**12,927,071**	**(10,380)**	**(2,371,188)**	**37,485,127**

Reconciliation of property, plant and equipment - 2013	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
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
	21,158,744	**7,789,202**	**(5,440)**	**(2,002,882)**	**26,939,624**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Revaluations

During the 2012 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 revaluation 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 revalued independently every four 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 valuated by the Municipality was applied as reference.

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

6. INTANGIBLE ASSETS

	2014			2013		
	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R
Computer software	2,000,732	(1,845,362)	155,370	1,834,027	(1,771,568)	62,459

Reconciliation of intangible assets - 2014	Opening balance R	Additions R	Amortisation R	Total R
Computer software	62,459	166,705	(73,794)	155,370

Reconciliation of intangible assets - 2013				
Computer software	243,518	46,572	(227,631)	62,459

	2014 R	2013 R
7. TRADE AND OTHER PAYABLES		
Trade payables	4,545,289	3,579,681
Other accrued expenses	4,571,828	2,616,008
Sundry creditors	461,623	430,831
	9,578,740	**6,626,520**

	2014	2013
8. REVALUATION RESERVE		
Opening balance	8,196,622	-
Change during the year	-	8,196,622
	8,196,622	**8,196,622**

9. EMPLOYEE BENEFIT OBLIGATIONS

	2014 R	2013 R

Defined benefit plan

All employees of the entity are members of the Association 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.

10. REVENUE

	2014 R	2013 R
Accreditation	8,508,007	1,658,277
Certification	5,239,945	28,870,375
Verification	6,865,662	5,763,817
Grant: Department of Basic Education	97,662,000	42,330,000
	118,275,614	**78,622,469**

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

	2014 R	2013 R
Accreditation	8,508,007	1,658,277
Certification	5,239,945	28,870,375
Verification	6,865,662	5,763,817
	20,613,614	**36,292,469**

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

	2014 R	2013 R
Grant: Department of Basic Education	97,662,000	42,330,000

11. OTHER REVENUE

	2014 R	2013 R
Sundry revenue	365,635	965,127
Gains on disposal of assets	2,258	12,390
	367,893	**977,517**

12. EMPLOYEE RELATED COSTS

	2014 R	2013 R
Basic Salary	39,862,588	35,076,115
Skills Development Levy	(26,049)	317,053
Leave pay provision charge	1,276,199	58,670
	41,112,738	**35,451,838**

13. INVESTMENT REVENUE

Interest Revenue

	2014 R	2013 R
Bank deposit	**2,489,612**	**1,927,030**

14. TAXATION

	2014 R	2013 R

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

15. AUDITORS' REMUNERATION

	2014 R	2013 R
External Audit fees	218,629	200,298
Internal Audit fees	8,208	205,525
	226,837	**405,823**

16. CASH GENERATED FROM OPERATIONS

	2014 R	2013 R
Surplus/(deficit)	19,603,472	(7,530,843)
Adjustments for:		
Depreciation and amortisation	2,444,982	2,230,513
Gain on sale of assets	(2,258)	(12,390)
Movements in provisions	1,282,083	707,354
Other non-cash items	2	-
Changes in working capital:		
Trade and other receivables	(1,764,460)	18,243,670
Trade and other payables	2,952,220	2,035,460
	24,516,041	**15,673,764**

17. COMMITMENTS

Authorised capital expenditure
The entity did not have capital expenditure commitments as at the reporting date.

Operating leases - as lessee (expense)
Minimum lease payments due

	2014 R	2013 R
- within one year	141,365	168,120
- in second to fifth year inclusive	1,187,865	88,260
	1,329,230	**256,380**

18. RELATED PARTIES

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

18. RELATED PARTIES (CONTINUED)

	2014 R	2013 R
Related party transactions		
SITA	5,480,436	3,304,567
Telkom	276,742	111,222
Department of Basic Education	97,662,000	42,330,000
Associated Institutions Pension Fund	4,561,930	3,778,851
Non Executive Members (refer to page 65)	217,699	206,924
Executive management (refer to Council report on page 65)	8,386,769	7,772,835

19. 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.

At 31 March 2014	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
Trade and other payables	9,578,740	-	-	-

At 31 March 2013	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
Trade and other payables	10,640,760	-	-	-

Interest rate risk

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

Credit risk

Financial assets, which potentially subject Umalusi to the risk of non-perfomance 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.

Financial assets exposed to credit risk at year end were as follows:

Trade receivables	4,186,176	2,421,716
Cash and cash equivalents	46,735,037	35,300,629

20. OPERATING SURPLUS/(DEFICIT)

	2014 R	2013 R

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

Operating lease charges

Equipment

	2014 R	2013 R
• Contractual amounts	215,649	182,870
Gain on sale of property, plant and equipment	2,258	12,390
Amortisation on intangible assets	56,728	42,835
Depreciation on property, plant and equipment	2,388,254	2,187,678
Employee costs	41,112,738	35,451,838
Research and development	15,194	24,542

21. PROVISIONS

Reconciliation of provisions - 2014	Opening balance R	Additions R	Utilised during the year R	Total R
Provision for leave pay	3,712,921	1,754,527	(478,329)	4,989,119
Provision for bonus	301,319	793,008	(787,123)	307,204
	4,014,240	**2,547,535**	**(1,265,452)**	**5,296,323**

Reconciliation of provisions - 2013	Opening balance R	Additions R	Utilised during the year R	Total R
Provision for leave pay	3,654,251	885,097	(826,427)	3,712,921
Provision for bonus	307,852	742,078	(748,611)	301,319
	3,962,103	**1,627,175**	**(1,575,038)**	**4,014,240**

FOR THE YEAR ENDED 31 MARCH 2014

	NOTE(S)	2014 R	2013 R
Revenue			
Accreditation			
Certification		8,508,007	1,658,277
Verification		5,239,945	28,870,375
Government grant : Department of Basic Education		6,865,662	5,763,817
		97,662,000	42,330,000
	10	**118,275,614**	**78,622,469**
Other Revenue			
Sundry revenue		365,635	965,127
Interest received	13	2,489,612	1,927,030
Gains on disposal of assets		2,258	12,390
		2,857,505	**2,904,547**
Operating expenses			
Advertising	(a)	(920,308)	(327,029)
Audit Committee expenses	15	(11,331)	(13,353)
Auditors' remuneration	(b)	(226,837)	(405,823)
Bank charges		(72,278)	(77,207)
Certification expenses		(3,531,325)	(3,120,658)
Cleaning		(330,212)	(258,814)
Community development and training		18,320	(36,320)
Communications expenses		(1,667,241)	(2,264,823)
Computer expenses	(c)	(1,459,088)	(1,034,651)
Conference and workshops	(d)	(1,875,980)	(1,350,385)
Conferences and seminars	(e)	(1,637,997)	(124,121)
Consulting and professional fees		(5,726,159)	(4,810,712)
Council-related expenses		(69,318)	(55,877)
Depreciation, amortisation and impairments		(2,444,982)	(2,230,513)
Donations		(8,692)	-
Electricity		(455,572)	(416,744)
Employee costs		(41,112,738)	(35,451,838)
General expenses	(f)	(346,053)	(78,791)
Insurance		(116,950)	(23,127)
Lease rentals on operating lease		(215,649)	(182,870)
Legal expenses		(413,956)	(532,037)
Levies		(194,829)	(173,305)
Meeting expenses	(g)	(874,041)	(1,935,545)

DETAILED STATEMENT OF FINANCIAL PERFORMANCE (CONTINUED)	NOTE(S)	2014 R	2013 R
Membership fees		(35,392)	(10,268)
Moderator and verifier costs		(14,647,846)	(15,306,735)
Postage		(207,458)	(215,446)
Printing and stationery	(h)	(4,529,345)	(2,322,381)
Provision for bad debts movement	(i)	32,277	(1,358,154)
Repairs and maintenance	(j)	(717,957)	(397,100)
Research and development costs		(15,194)	(24,542)
Security		(504,613)	(436,339)
Staff welfare and refreshments	(k)	(419,713)	(259,896)
Subscriptions		(150,675)	(57,098)
Telephone and fax		(699,070)	(649,041)
Training	(l)	(797,786)	(602,326)
Travel and accommodation - local		(14,147,562)	(12,042,069)
Travel and accommodation - overseas	(m)	(996,097)	(471,921)
		(101,529,647)	**(89,057,859)**
Surplus/(deficit) for the year		**19,603,472**	**(7,530,843)**

Explanations have been provided for those expenses which have changed by more than 30% and also have a Rand difference of R150 000 and above:

a. Advertising increased by 181% due to an increase in the number of posts advertised during the year, as well as part of an awareness initiative to explain Umalusi's role.

b. Auditors remuneration reduced by 44% due to the resignation of the Internal Auditors at the end of September 2013. New Internal Auditors were appointed during March 2014.

c. Computer expenses increased by 41% as a result of computer licensing renewals, replacement of computer-related peripherals that are negatively influenced by adverse exchange rates.

d. Conferences and workshops increased by 39% due to workshops held around Curriculum development.

e. Conferences and seminars increased by 1220% due to workshops and information sessions held for the roll-out of full accreditation of private providers held.

f. General expenses increased by 339% due to expenses related to an awareness initiative around Umalusi's role.

g. Meeting expenses decreased by 55% due to certain expenses being incorporated in Conference expenses.

h. Printing and stationery increased by 95% as a result of an increased number of reports finalised and printed during the year.

i. Provision for Bad Debts impairment reduced by 102%, due to the fact that the provision created during the 2012/2013 fiscal year, was sufficient to cover for possible bad debts in the books of Umalusi.

j. Repairs and maintenance increased by 81% due to increased maintenance effected to the roof and guttering of the building.

k. Staff welfare and refreshments increased by 61% due to an increased number of staff employed.

l. Training increased by 32% due to an increased number of staff availing themselves to Umalusi providing study assistance.

m. Travel and accommodation – overseas increased by 111% due to additional international trips that were undertaken.

Finance
YEAR-ON-YEAR STATISTICS

	2004 R	2005 R	2006 R	2007 R	2008 R	2009 R	2010 R	2011 R	2012 R	2013 R	2014 R
Total Revenue	18 076 902	23 547 626	28 603 979	32 972 345	36 013 566	46 434 368	52 442 731	59 467 754	93 219 718	81 527 016	121 133 119
Total Income Year-on-Year Increase/(Decrease)		30%	21%	15%	9%	29%	13%	13%	57%	(13%)	49%
Total Expenditure	15 705 633	18 391 033	21 329 502	28 024 527	30 887 357	41 378 380	51 155 142	63 145 238	75 279 084	89 057 859	101 529 647
Total Year-on-Year Expenditure		17%	16%	31%	10%	34%	24%	23%	19%	18%	14%
Surplus /(Deficit)	2 371 269	5 156 593	7 274 477	4 947 823	5 126 209	5 055 988	51 435	(3 680 484)	17 940 634	(7 530 843)	19 603 472
Departmental Grant	3 050 000	12 869 000	7 690 000	10 286 000	12 652 000	16 044 000	16 494 000	17 350 000	18 391 000	42 330 000	97 662 000
% YoY Increase/(Decrease)		322%	(40%)	34%	23%	27%	3%	5%	6%	130%	131%
Revenue Streams											
Accreditation Fees	317 564	275 628	483 284	622 553	1 852 102	1 126 359	1 968 435	1 615 685	1 841 624	1 658 277	8 508 007
Certification Fees	10 021 632	6 233 693	16 510 584	16 986 851	16 390 172	22 945 515	29 245 516	34 556 960	64 220 564	28 870 375	5 239 945
Verification Fees	335 242	661 969	1 437 951	2 579 780	3 440 224	2 948 040	2 180 356	3 720 810	5 931 101	5 763 817	6 865 662
Interest Received	1 058 498	936 169	1 307 700	1 726 545	1 586 972	2 811 885	1 929 702	1 664 008	1 733 130	1 927 030	2 489 612
USAID Funding	3 236 130	2 515 211	595 375	0	0	0	0	0	0	0	0
Departmental Grant	3 050 000	12 869 000	7 690 000	10 286 000	12 652 000	16 044 000	16 494 000	17 350 000	18 391 000	42 330 000	97 662 000
Other	57 836	55 956	579 085	770 616	92 096	558 569	624 722	557 291	1 102 299	977 517	367 893
Total	**18 076 902**	**23 547 626**	**28 603 979**	**32 972 345**	**36 013 566**	**46 434 368**	**52 442 731**	**59 464 754**	**93 219 718**	**81 527 016**	**121 133 119**
Accreditation Fees YoY increase/(decrease)		(13%)	75%	29%	198%	(39%)	75%	(18%)	14%	(10%)	413%
Certification Fees YoY increase/(decrease)		(38%)	165%	3%	(4%)	40%	27%	18%	86%	(55%)	(82%)
Verification Fees YoY increase/(decrease)		97%	117%	79%	33%	(14%)	(26%)	71%	59%	(3%)	19%

Finance: Year-on-year statistics

■ Total revenue   ■ Departmental grant

Human Resource Management and Development
ORGANOGRAM

PROF SG MABIZELA
Council Chairperson

GOCEO

DR MS RAKOMETSI
CEO

PR & COM

MR EP DU PLOOY
Secretary of Council

MR L DITAUNYANE
Public Relations Senior Manager

MS M ZIKHALI
Receptionist

MS LC MABUNDA
Assistant Manager

MR S MTSHALI
Admin Assistant

MS E RABE
COO

MR JR THOMAS
CFO

MS E MICHAEL
PA

NATIONAL OPERATIONS

MS EM BURROUGHS
QCC Senior Manager

MR CJ MAKALENG
E&A Senior Manager

VACANT
QAA Senior Manager

MR E SIBANDA
SIR Senior Manager

SIR Unit

MR MVW MACFARLANE
Senior Researcher

MR B LEPOTA
Researcher

QCC Unit

MS LK NDALA
Unit Administrative Assistant

MS A J V RENSBURG
Manager Certification

DR C BOOYSE
Manager Curriculum

MS RM MATSHOBA
Manager Qualification

QAA Unit

MR K MONAGENG
Manager M & E

MS KSC DIKGOLE
Manager Schools

VACANT
Assistant Manager

MR V SITHEBE
Assistant Manager Qualification

MS A MCCALLUM
Assistant Manager

MR ZE HLABENI
Senior Certification Officer

MS SS MAGORO
Administrative Assistant: Verification

MS MML MOLAI
Administrative Assistant: Verification

MS ML BODILA
Verification

MR ES NXUMALO
Assistant Manager Schools

MR AD THULO
Assistant Manager Schools

MS N NDUNANA
Assistant Manager Schools

MR HMT MASHILO
Certification Officer

MR TP MOTLOI
Certification Officer

MS SM MADIGO
Admin Assistant Schools

MS L TSOTETSI
Admin Assistant Schools

E&A Unit

MR SC NYANGINTSIMBI
Manager Assesment Bodies

MS EF RAMOTLHALE
Manager Schools

MS ML MADALANE
Manager AET

MS K CHATTY
Manager FET

MR VG BENNIDEEN
Assistant Manager

MS M THEKO
Admin Assistant

MR NE KUMALO
Assistant Manager

VACANT
Assistant Manager

VACANT
Assistant Manager
Independent Schools

MS KPR RABOTHO
Admin Assistant

MR D OBERHOLSTER
Assistant Manager

MS KG MOTSI
Assistant Manager

MS LN MABITSELA
Assistant Manager

MS FG NHLAPO
Admin Assistant

MS MT MOKONOTO
Admin Assistant

MS GP CHILI
Admin Assistant

MS P MOLUSI
Admin Assistant

MS A MOODLEY
Admin Assistant

MR P LETLAPE
Admin Assistant

MS RE MATHEBE
Admin Assistant

MANAGEMENT SUPPORT STRUCTURE

	GOCEO	Governance and Office of the Chief Executive Officer
	PR & Com	Public Relations and Communications

NATIONAL OPERATIONS

	E&A	Evaluation and Accreditation
	QAA	Quality, Assurance and Assessment
	QCC	Qualifications, Curriculum and Certification
	SIR	Statistics, Information and Research

CORPORATE SERVICES

	HRD	Human Resources Management and Development
	IT	Information Technology
	FIN	F & SCM

MS R VAN WYK
Senior Secretary

MR PM MOKILANE
Statistician

VACANT
Research Assistant

MS LP MASEMOLA
Junior Statistician

MS GM TSOMELE
Administrative Assistant

CORPORATE SERVICES

MR HM WESSELS
Financial Manager

MR G BOOYSE
IT Systems Manager

MR G J V VUUREN
IT Manager Infrastructure

MS M BOTHA
HR Manager

MR DJ APRIL
Manager ABET

MR EJ TWIGG
Standardisation Manager

MS MS DU TOIT
Manager VET

MS NE MATSOBANE
Senior Administrator

MR F CHINYAMAKOBVU
Assistant Manager

VACANT
Assistant Manager

MS RR MASEMOLA
Admin Assistant VET

MS M LETSHOLO
Admin Assistant

MR H KOORZEN
Assistant Manager VET

MR T MACHABA
Assistant Manager VET

Corporate Services

VACANT
Assistant Finance Manager

MR EK FILLIS
Assistant Manager
Asset Management

MS U BADENHORST
Analyst Programmer

MR AE NTIM
Analyst Programmer

MS A ENSLIN
Accountant

MS FE RAMUVHUNDU
Supply Chain Practitioner

MR F LUUS
IT Developer

MR L MABENA
IT Developer

MS A CHOLO
Admin Assistant

MS SJ MKHATSHWA
Admin Assistant Travel

MR SN GOHLA
General Assistant

VACANT
IT Developer

MR SM MOSAKA
Admin Assistant

MS KM MMOLA
Admin Assistant

MS MA MATHEBULA
Admin Assistant

MS DH MUDAU
Admin Assistant

MS L NOMATYE
Admin Assistant

MR V MAVUSO
Admin Assistant

MS OT MATLALA
HR Practitioner

MS S KHATRI
T&D Practitioner

MR L TOSA
Registry Officer

VACANT
Housekeeper

MS CNP PULE
Housekeeper

VACANT
Admin Assistant

MS IM THOBEJANE
Admin Assistant HR

VACANT
Assistant Registry Officer

NOTES