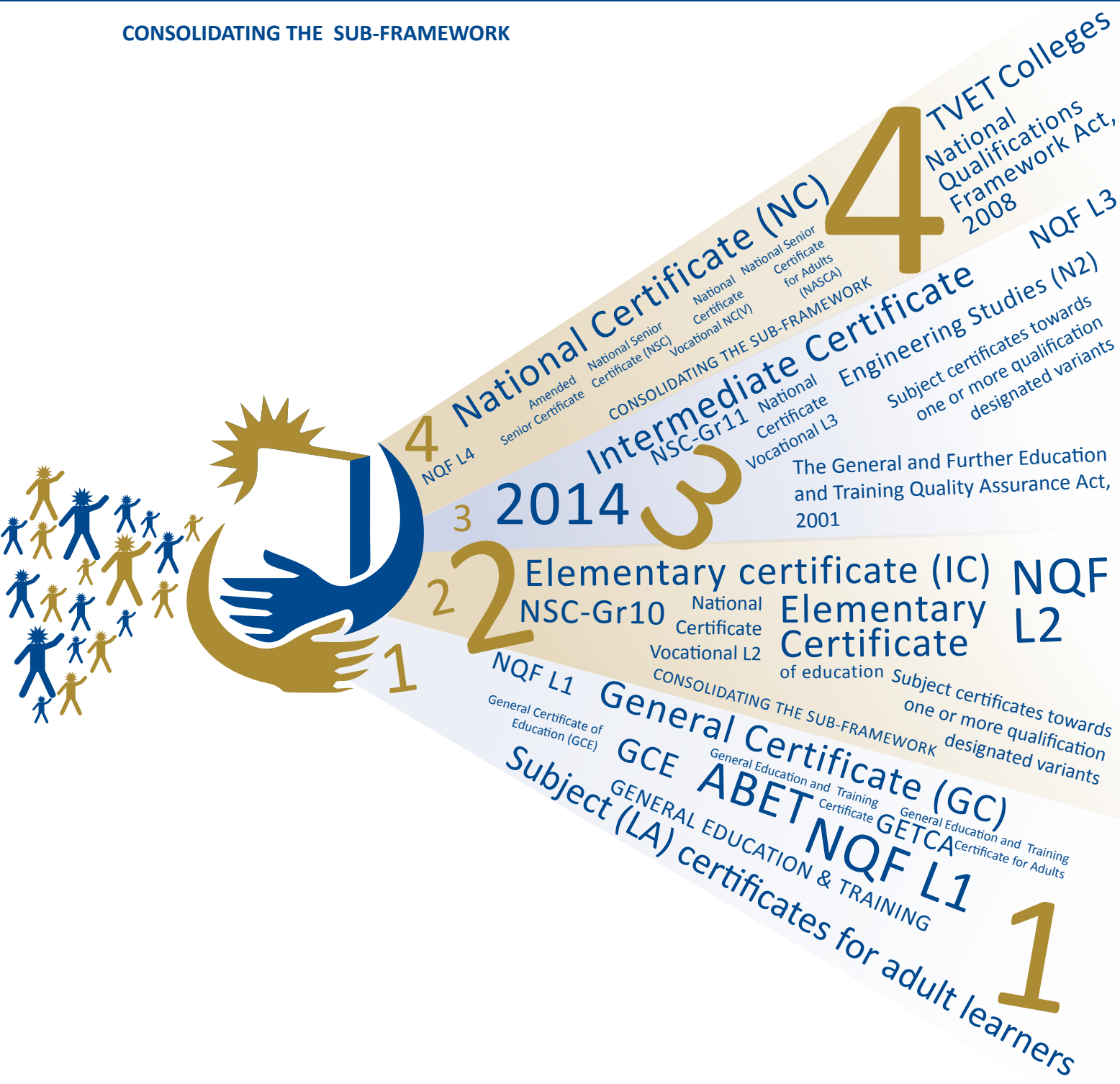
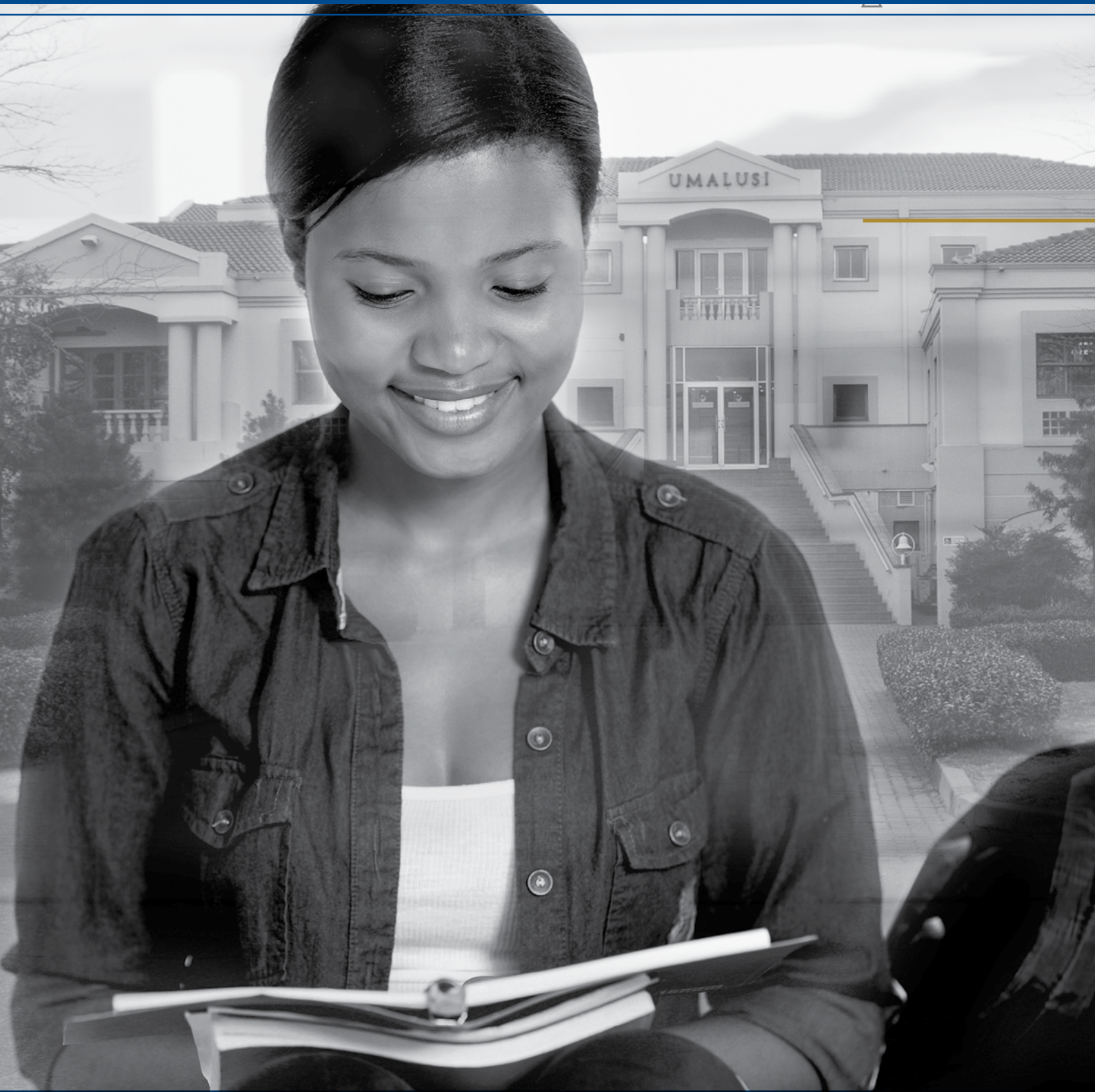




CONSOLIDATING THE SUB-FRAMEWORK





Setting and monitoring educational standards today to ensure a successful tomorrow.



# CONTENTS

<b>List of Acronyms .....</b>	<b>2</b>
<b>Report of the Chairperson of Council .....</b>	<b>4</b>
<b>Report of the Chief Executive Officer .....</b>	<b>6</b>
<b>Report of the Chief Financial Officer .....</b>	<b>8</b>
<b>Report on Corporate Governance .....</b>	<b>12</b>
<b>Report of the Audit and Risk Committee.....</b>	<b>27</b>
<b>Report of the Chief Operations Officer .....</b>	<b>33</b>
<b>Report on National Operations .....</b>	<b>36</b>
Qualifications, Curriculum and Certification .....	37
Quality Assurance of Assessment .....	40
Evaluation and Accreditation .....	45
Statistical Information and Research.....	48
Public Relations and Communications .....	52
Governance and Office of the Chief Executive Officer .....	55
Finance and Supply Chain Management .....	58
Information Technology (IT) .....	61
Human Resource Management and Development .....	64
<b>Annual Financial Statements .....</b>	<b>77</b>
Council’s Responsibilities and Approval .....	78
Report of the Audit and Risk Committee .....	79
Report of the Independent Auditors to Parliament .....	80
Report of the Council .....	82
Statement of Financial Position .....	84
Statement of Financial Performance .....	85
Statement of Changes in Net Assets .....	86
Cash Flow Statement .....	87
Statement of Comparison of Budget and Actual Amounts .....	88
Accounting Policies .....	89
Notes to the Annual Financial Statements .....	97
<b>Detailed Statement of Financial Performance .....</b>	<b>106</b>



## List of

# ACRONYMS

<b>ABET</b>	Adult Basic Education and Training
<b>AEAA</b>	Association for Educational Assessment in Africa
<b>AET</b>	Adult Education and Training
<b>ANA</b>	Annual National Assessments
<b>AVET</b>	Adult and Vocational Education and Training
<b>CAPS</b>	Curriculum and Assessment Policy Statements
<b>CASS</b>	Continuous Assessment
<b>CAT</b>	Credit Accumulation and Transfer
<b>CATHSSETA</b>	Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority
<b>CEO</b>	Chief Executive Officer
<b>CEPD</b>	Centre for Education Policy Development
<b>CHE</b>	Council on Higher Education
<b>CMC</b>	Curriculum Management Committee
<b>CPD</b>	Corporation for Public Deposits
<b>CS</b>	Corporate Services
<b>DBE</b>	Department of Basic Education
<b>DHET</b>	Department of Higher Education and Training
<b>E&amp;A</b>	Evaluation and Accreditation Unit
<b>EE</b>	Employment Equity
<b>EFAL</b>	English First Additional Language
<b>ETDP</b>	Education, Training and Development Practitioners
<b>ETS</b>	Educational Testing Services
<b>FAL</b>	First Additional Language
<b>FET</b>	Further Education and Training
<b>GAAP</b>	Generally Accepted Accounting Practice
<b>GENFETQA</b>	General and Further Education and Training Quality Assurance
<b>GET</b>	General Education and Training
<b>GETC</b>	General Education and Training Certificate
<b>GFETQSF</b>	General and Further Education and Training Qualifications Sub-Framework
<b>GOCEO</b>	Governance and Office of the Chief Executive Officer
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HE</b>	Higher Education
<b>HEDCOM</b>	Heads of Education Departments Committee
<b>HEQSF</b>	Higher Education Qualifications Sub-Framework
<b>HESA</b>	Higher Education South Africa
<b>HR</b>	Human Resources
<b>IAEA</b>	International Association for Educational Assessment
<b>ICASS</b>	Internal Continuous Assessment (for NCV)
<b>IEB</b>	Independent Examinations Board
<b>IPEAC</b>	Inter-Provincial Examinations and Assessment Committee
<b>IRT</b>	Item Response Theory
<b>ISAT</b>	Integrated Summative Assessment (for NCV)

<b>IT</b>	Information Technology
<b>ICT</b>	Information Communications Technology
<b>KPA</b>	Key Performance Area
<b>LAN</b>	Local Area Network
<b>MIS</b>	Management Information System
<b>NAISA</b>	National Alliance of Independent Schools Associations
<b>NASCA</b>	National Senior Certificate for Adults
<b>NATED</b>	National Technical Education (policy)
<b>NCV</b>	National Certificate Vocational
<b>NEASC</b>	New England Association for Schools and Colleges
<b>NEIC</b>	National Examinations Irregularities Committee
<b>NIC</b>	National Independent Certificate
<b>NLRD</b>	National Learner Record Database
<b>NQF</b>	National Qualifications Framework
<b>NSC</b>	National Senior Certificate
<b>OQF</b>	Occupational Qualifications Framework
<b>PAJA</b>	Promotion of Administrative Justice Act
<b>PALC</b>	Public Adult Learning Centre
<b>PAT</b>	Practical Assessment Tasks
<b>PAYE</b>	Pay As You Earn
<b>PDE</b>	Provincial Department of Education
<b>PFMA</b>	Public Finance Management Act
<b>PR</b>	Public Relations
<b>QAA</b>	Quality Assurance of Assessment Unit
<b>QC</b>	Quality Council
<b>QCC</b>	Qualifications, Curriculum and Certification Unit
<b>QCTO</b>	Quality Council for Trades and Occupations
<b>RPL</b>	Recognition of Prior Learning
<b>SAAEA</b>	Southern Africa Association for Educational Assessment
<b>SACAI</b>	South African Comprehensive Assessment Institute
<b>SADC</b>	Southern African Development Community
<b>SAFCERT</b>	South African Certification Council
<b>SAQA</b>	South African Qualifications Authority
<b>SBA</b>	Site-Based Assessment
<b>SC</b>	Senior Certificate
<b>SETA</b>	Sector Education and Training Authority
<b>SIR</b>	Statistical Information and Research Unit
<b>SITA</b>	State Information Technology Agency
<b>SLA</b>	Service Level Agreement
<b>TVET</b>	Technical and Vocational Education and Training
<b>VET</b>	Vocational Education and Training
<b>WSP</b>	Workplace Skills Plan



## REPORT OF THE **CHAIRPERSON OF COUNCIL**

Professor John Volmink

It gives me great pleasure to present to you this Annual Report on the work of Umalusi for the 2014/2015 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 highlights some of Umalusi's significant achievements in the year 2014/2015. Perhaps one of the most significant highlights of this period was the installation of the new Council in August as it took over from the outgoing Council, under the capable leadership of Professor Sizwe Mabizela. The successful tenure of the former Council came to an end on 7 June 2014. There is no doubt in my mind that the former Council discharged its fiduciary duties with remarkable diligence and dedication. The achievements of the former Council have, undeniably, laid a strong foundation for the work of the incoming Council. I would therefore like to express my appreciation to Professor Mabizela and his Council for a job well done.

In the same vein, I would like to welcome the new Council and wish all the Council members a rewarding and thoroughly fulfilling experience as we collectively strive to build a strong Council for Quality Assurance in General and Further Education and Training. In carrying out its duties and responsibilities, the 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 Council's role and mandate comes into sharp focus, since there is no doubt that in giving direction to Management the Council must be clear on what constitutes the effectiveness of its mission. It must decide, explicitly, how it will evaluate the effectiveness of the organisation. The role of the 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 is only at the beginning of its tenure, having served the first nine months. The term of office of the incoming Council began on 8 June 2014 and will officially end on 7 June 2018.

Pursuant to Umalusi's qualifications mandate, among the highlights of 2014 were the publication on 29 September 2014 of Government Gazette No 38029, on the Policy for the General and Further Education and Training Qualifications Sub-framework; and, on 2 September 2014, the publication of Government Gazette No 37965, on the Policy for the National Senior Certificate for Adults: A Qualification at Level 4 on the General and Further Education and Training Qualifications Sub-framework of the National Qualifications Framework.

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

Umalusi has been afforded the opportunity to host the 2016 conference of the International Association for Educational Assessment (IAEA). I am pleased to report that all preparations to host this prestigious event have begun in earnest and we can all look forward to a very successful 42nd conference of the IAEA. The scheduled dates for the conference are 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 an unqualified audit report. Credit should be given to the leadership of Umalusi's Management and the diligent and meticulous work of the Audit and Risk Committee, under the proficient chairpersonship of Ms Lorraine Rossouw.

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 first Annual Report of the current Umalusi Council. Throughout our term of office, we will seek 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.

As the Chair of Umalusi Council, I am singularly privileged and deeply honoured, and humbled, to work with the newly appointed Council members. They have committed to give so freely and so generously of their time, talent, wisdom and expertise to serve our country for the coming 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 Acting Director-General of Basic Education, Mr SG Padayachee; 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 Nomalungelo Gina, for its 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), the South African Comprehensive Assessment Institute (SACAI) and Benchmark, for the close and productive relationships 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 QCTO and CHE – and with 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 John Volmink**

Chairperson: Umalusi Council



Dr Mafu Rakometsi

## REPORT OF THE CHIEF EXECUTIVE OFFICER

Umalusi has witnessed many exciting developments during the period under review. In June 2014 the Honourable Minister of Basic Education, Mrs AM Motshekga, appointed the new Council and, under the leadership of Professor John Volmink, it began its work in earnest. This new team of councillors brings with them a collective wealth of experience and expertise and Umalusi is already reaping positive benefits from these men and women of high standing. Their understanding of the delineation of governance and management issues will go a long way in strengthening the operations of the organisation. Professor Volmink has previously served as Chairperson of Umalusi Council. This has ensured a seamless transition from the old to the new Council.

On 1 March 2015 Umalusi welcomed Ms Zodwa Modimakwane as the new Executive Manager: Quality Assurance and Monitoring. Ms Modimakwane brings with her a wealth of experience in quality assurance at provincial and national levels. She was previously employed as Director: Assessment Management in the Western Cape Education Department. She also has vast experience in the Vocational Education and Training (VET) sector.

Umalusi is grateful that the Minister of Basic Education has agreed to change the funding model from the certification fee to an increased grant

allocation. The Department has ensured that Umalusi's budget for the 2014/2015 financial year is adequately funded. For our part, we continue to commit to using these resources effectively, efficiently and economically.

We appreciate the support that the Minister gives Umalusi on all quality assurance-related matters. Towards the end of 2014, South Africa experienced an unprecedented phenomenon, that of group copying during the writing of the National Senior Certificate examinations. The Minister was steadfast in ensuring that this matter was dealt with fairly and effectively to make certain that we do not have a recurrence of this unethical and dishonourable practice. Umalusi jealously protects the standing of all its qualifications: failure to do so could compromise the currency of the qualifications on Umalusi's sub-framework of qualifications, with far reaching implications for the country. Umalusi is working hard, together with the Department of Basic Education, to stop group copying.

The system of collaboration between the South African Qualifications Authority (SAQA) and the Quality Councils (QCs) as postulated in the National Qualifications Framework (NQF), Act 67 of 2008, is working very well. The Act requires that the CEOs of SAQA, Umalusi, the Quality Council for Trades and Occupations (QCTO) and the Council on Higher Education (CHE) serve on each other's Boards and Councils. The collective efforts of the CEOs to ensure



proper functioning of the NQF have led to the establishment of the CEO Committee. This committee monitors the progress that SAQA and the QCs are making with the priorities for implementing the NQF, as propounded in the Guidelines issued annually by the Minister of Higher Education and Training, Dr BE Nzimande. The CEO Committee serves as a valuable tool to enhance relationships with the NQF organisations. Umalusi has participated actively in this committee.

The Policy for the General and Further Education and Training Qualifications Sub-framework was published in a Government Gazette in September 2014. The policy explains the nature of qualifications registered on the General and Further Education and Training Qualifications Sub-framework of the NQF and determines the standards for all the qualifications registered on the sub-framework.

Umalusi also reviewed its policy, the 'Standard Setting and Quality Assurance of the General and Further Education and Training Qualifications Framework – Umalusi Policy' (May 2008). This policy has now been replaced by the Standards and Quality Assurance of the General and Further Education and Training Policy, which was published in September 2014.

Umalusi published its first qualification policy for the National Senior Certificate for Adults (NASCA). The NASCA, as published in a Government Gazette, is a qualification that is based on Recognition of Prior Learning (RPL), with the intention being to provide a second chance to adult learners who could not, for one reason or the other, attain a school qualification at NQF Level 4.


In a ground-breaking move, Umalusi published a series of seven reports titled 'What's in the CAPS package?'. The reports emanated from a comparative evaluation of selected subjects in the Further Education and Training (FET) phase curricula. The research aimed to identify the strengths and weaknesses of the CAPS, which is the amended version of the NCS, to advise the Minister and the Department of Basic Education accordingly.

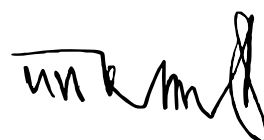
At the end of 2014 Umalusi successfully quality assured the examinations of the Independent Examinations Board (IEB), South African Comprehensive Assessment Institute (SACAI), Benchmark, the Department of Basic Education and the Department of Higher Education and Training. These assessment bodies assess an assortment of qualifications registered on the General and Further Education and Training Qualifications Sub-framework. It is worth noting that Benchmark and SACAI have provisional accreditation from Umalusi to assess our qualifications. Our quality assurance regime will be continuously reviewed and strengthened to ensure that our qualifications are not compromised. The quality assurance positions Umalusi holds are informed by research.

In 2010 and 2012 the ministers of Higher Education and Training and Basic Education gazetted the policies on the accreditation of independent schools, Technical and Vocational Education and Training (TVET) colleges and Adult Education and Training centres respectively. This has enabled Umalusi to roll out a massive evaluation and accreditation process to reassure the South African public that independent institutions accredited by Umalusi provide good quality education. To this end, Umalusi has employed a number of evaluators and subject specialists to carry out this important quality assurance function.

Umalusi continues to enhance public debate on key educational matters, as well as to share research findings in important educational areas. We contribute to a growing understanding in South Africa of the complexities of quality in education. Umalusi also continues to engage in and influence debates on assessment and related matters. For this reason, we celebrate our continued partnership with the Centre for Education and Policy Development (CEPD) and the School of Education at Wits University. The partnership has ensured that we organise seminars to discuss pressing educational matters.

Umalusi continues to feature prominently in regional and international assessment bodies as a primary member of the Southern Africa Association for Educational Assessment (SAAEA), the Association for Educational Assessment in Africa (AEAA) and the International Association for Educational Assessment (IAEA). Umalusi will be hosting the IAEA conference in 2016. We are working tirelessly to ensure that this conference is a resounding success.

Umalusi has an unqualified audit history and this is an achievement that we guard jealously. We owe our success to Umalusi staff and the outstanding men and women who lead the organisation. On that account, I would like to thank the Chairperson of Umalusi Council, Professor John Volmink, the members of Umalusi Council and members of the committees of Council for carrying out their fiduciary responsibilities efficiently. Their efforts have made Umalusi a trusted quality assurance body for general and further education and training and a household name in South Africa. Umalusi remains unfaltering in its undertaking of quality assurance. Therefore we will continue to engage constructively with our different stakeholders and partners, locally and globally – for the common good of all South Africans. 



**Dr MS Rakometsi**

Chief Executive Officer: Umalusi Council



Jeremy Thomas

## REPORT OF THE CHIEF FINANCIAL OFFICER

**T**he office of the Chief Financial Officer is guided by Umalusi's strategic goal: that of achieving optimal functioning of the organisation's management, governance and viability for high quality, effective and efficient delivery of its mandate.

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

The branch is divided into four sub-units:

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

These units are led by competent managers who take responsibility for their work and 'own' it with passion and commitment. It was a privilege to lead this team of dedicated professionals over the past financial year.

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, the Chief Financial Officer has, since November 2001, been appointed to give effect to this function. Under the strategic leadership of the Chief Executive Officer, Dr Mafu Rakometsi, the Corporate Services branch has enjoyed his attention this year in ensuring adequate human resource capacity in the near future. This branch has seriously evaluated its capacity to render services to the organisation and, more particularly, Umalusi's national operations. These have grown enormously over the last 10 years or so due to Umalusi's expanding mandate. The Corporate Services branch looks forward to an increase in capacity soon.

The 2014/15 financial year once again saw an

*“The Executive Committee of Council and the Audit & Risk Committee executed their functions meticulously and our appreciation goes to the members for their diligence.”*

expansion of our national operations’ footprint in the education sector. This obligated Umalusi to look to the future to ensure intentional and sustainable planning and budgeting.

Additional funding is required for rolling out functions like full accreditation and increasing sample sizes in the quality assurance of assessment regime. The current year’s budget increased by 22% on last year and should in future increase, on average, by about 13% year on year. However, as a result of government’s cost-cutting measures, the budget will remain the same for the next financial year, i.e., in the short term. Over the medium to long term, budgets will accommodate inflationary increases. This means we will be doing more with less – without compromising quality – and assuring that we are results orientated in all we do.

Umalusi ended the financial year with a surplus of R 5,7m. This was a result of revenue collection for private assessment body certification fees being above expectation; and under-spending on salaries, because new posts were created to be filled over two financial years. This did not impede planned operation. All financial surpluses were invested with the Corporation for Public Deposits at the Reserve Bank, in accordance with National Treasury Regulation 31.3.3. As such, these monies were available for strategic operations during the year under review.


On the economic front, Umalusi maintained the National Treasury’s cost containment measures. This did not affect the organisation drastically as Umalusi has long adopted a frugal approach to spending. The main area of concern has been difficulty finding suitable accommodation for contract

employees who visit private providers in rural areas or main city centres when a major event is concurrently taking place.

Umalusi obtained an unqualified audit for the 2014/15 financial year. This was due to a staff complement that is acutely aware of its role in terms of Section 57 of the PFMA, and an Executive and Council that take their fiduciary obligations extremely seriously. The Council performed its functions in good faith, honestly and with integrity, giving full effect to the spirit and obligations of the GENFETQA Act, the PFMA and its Code of Conduct, and other ethics-related policies.

The Executive Committee of Council and the Audit & Risk Committee executed their functions meticulously and our appreciation goes to the members for their diligence. The organisation-wide Risk Management Framework, policies and strategies were duly executed and have become part of Umalusi’s organisational culture, ensuring that risks are mitigated through avoidance, reduction, control or transfer.

Thanks are also due to our combined assurance partners, who have not only advised us on compliance but added value to our systems, processes, policies and procedures. Overall support to strategic and organisational matters was provided during the financial year through ensuring systems and processes were established, continuously reviewed and improved.

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



Front Row (Left to Right): Dr Mafu Rakometsi, Dr Ruth Mampane, Hon Minister Angie Motshekga, Ms Fatima Dada, Dr Laurel Becker  
 Middle Row (Left to Right): Dr Pieter Beets, Prof Sechaba Mahlomaholo, Mr Joe Samuels, Dr Nkosinathi Sishi, Prof John Volmink (Chairperson)  
 Back Row (Left to Right): Mr Mathanzima Mweli, Prof Leketi Makalela, Mr M Ehrenreich

## UMALUSI COUNCIL

## MISSION AND VISION

Umalusi Council is the cornerstone on which the country's educational aspirations and standards are anchored and built; and as such the Council and staff are committed to continuous improvement in standards and quality in general and further education and training. In order to issue learners with credible certificates, Umalusi, through its leadership and expert knowledge, develops and secures standards through:

- quality assuring qualifications and curricula
- confirming that assessment is fair, valid and reliable
- quality assuring the provision of education and training, and assessment of providers, and
- grounding its work in research to ensure informed positions and approaches

## VALUES

- Integrity: honesty, transparency, commitment to principles, accountable; setting an example, uncompromising, authentic
- Professionalism: expert knowledge, expert judgments, impartial, evidence-based decisions, research informed
- Rigour: depth, thoroughness, critical interrogation
- Innovation: inventive, imaginative, modernity, cutting edge, originality
- Service Excellence: responsiveness, flexibility, consistency, predictability, rapid turn around.

# COUNCIL FOR QUALITY ASSURANCE IN GENERAL AND FURTHER EDUCATION AND TRAINING

# CORPORATE GOVERNANCE

## 1. INTRODUCTION

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

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

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the 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 (IF APPLICABLE)

### 1.2.1 Meetings with the Portfolio Committee on Basic Education:

#### (a) 8 July 2014: Budget Review

The following was discussed:

Umalusi mandate

Vision, mission, goals and KRAs

2013/14 Revenue & Expenditure

2014/15 Budget

Three Year Budget Forecast

#### (b) 15 October 2014: Annual Report Briefing 2014

The following was discussed:

Purpose / mandate

External environment: impact on Umalusi

Organisational performance per Unit

Financial information

Current issues and way forward

#### (c) 23 December 2014:

Members invited to attend the Umalusi /

Department of Basic Education National Senior Certificate Standardisation meeting.

#### (d) 3 March 2015: Report on the quality assurance of the National Senior Certificate

The following was discussed:

Introduction to the context, principles, approaches and processes

Quality Assurance of the DBE 2014 National Senior Certificate Examination

Standardisation decisions DBE NSC 2014

Quality Assurance of the Independent Examinations Board (IEB) 2014 National Senior Certificate Examination

Quality Assurance of the South African Comprehensive Assessment Institute (SACAI) 2014 National Senior Certificate Examination

### 2.2 A meeting with the Portfolio Committee on Basic Education, in conjunction with the Select Committee on Education and Recreation 29 and 30 August 2014: Strategic Planning Workshop

The following was discussed:

- The mandates of the Department of Basic Education and Provincial Education Departments, including areas of accountability, concurrent functions, oversight and budgeting
- The Medium Term Strategic Framework Review for Basic Education, 2014 to 2019
- Infrastructure Investment Plan for the Education Sector and the Norms and Standards for school infrastructure with key timeframes
- Teacher supply, utilisation and development
- Implementation prospects and challenges in Provincial Education Departments

## 3. EXECUTIVE AUTHORITY

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

#### 4. THE ACCOUNTING AUTHORITY / COUNCIL

The Council for the period 8 June 2010 to 7 June 2014 consisted of 15 members and the Chief Executive Officers of the South African Qualifications Authority (SAQA) and the three Quality Councils appointed by the Minister of Basic Education. The Minister also appoints one of the members as Chairperson. The Council is responsible for policy and overall governance, with the day-to-day management delegated to the Chief Executive Officer.

In accordance with the General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001, as amended), the Council is appointed for a period of four years. Council members can be appointed for a second term after public nominations, but cannot serve more than two consecutive terms in office.

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

The Council's role is to:

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

**Table 1** contains information about the Council members and their attendance for the 2014 / 2015 period. Their last meeting was on 3 and 4 June 2014.

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Professor SSG Mabizela	Chairperson	08-06-2010	n/a	PhD	Mathematics Education	Eastern Cape Socio-Economic Consultative Council (ECSECC)	Executive Committee	1 / 1
Professor 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	1 / 1
Dr Mafu S Rakometsi	Chief Executive Officer	08-06-2010	n/a	BA Hons (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)	Ex-officio member of all Council committees Board member of Pretoria Boys High	1 / 1

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Ms F Dada	Member	08-06-2010	n/a	BA  Senior Management and Leadership  Finance and Strategy	Senior management and leadership  Strategy and planning  Organisation analysis and resourcing  Education policy development  Curriculum analysis and reform  Schools reform and improvement  Organisation development	CTI Education Group  Pearson Southern Africa  Oasis Asset Management  Africa Ignite  Media in Education Trust	Executive Committee  Remuneration and Human Resources Committee	1 / 1
Professor TT Dunne	Member	08-06-2010	n/a	BA Hons  BSc Hons UED  B Ed  PhD  CStat	Statistical sciences	Board of Institute of Applied Statistics (NPO)	Assessment Standards Committee  Research Forum	1 / 1
Mr A Essop	Member	08-06-2010	n/a	Honours degree in Sociology  Masters in International Development Education	Higher education	SAQA  QCTO  Old Mutual Education Trust	n/a	1 / 1
Professor 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	n/a	1 / 1
Ms GJ Mashabela	Member	01-04-2012	n/a	MA  MBA  MS	Teaching and administration	CHE  QCTO  SAQA	n/a	0/1



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Ms L Mlanjana	Member	08-06-2010	n/a	BA (Education) NQF Level 8 B Ed (Curriculum Theory)	English and education Curriculum theory Senior Deputy Chief Education Specialist, 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 Appeals Committee	1 / 1
Mr A Mocke	Member	08-06-2010	n/a	BA Hons MA (Counseling Psychology) HED	Special schools and inclusion education	n/a	Audit Committee	1 / 1
Professor R Moletsane	Member	08-06-2010	n/a	BA BEd MSc PhD	Curriculum studies Teacher education Gender and education Health and education Social justice education	Agenda Feminist Media 2003- 2008: ChildrenFirst	n/a	1 / 1
Professor MLE Monnapula-Mapesel	Member	01-03-2013	n/a	PhD (Higher Education) M Ed (Comparative Education and Education Management) B Ed (Education Leadership and Management) BSc Ed (Biology and Chemistry)	Higher education transformation Job satisfaction Change management Capacity development Policy and policy analysis The applicability of indigenous knowledge systems in higher education Postgraduate supervision and research development Student preparedness and development	n/a	n/a	1 / 1

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Mr E Mosuwe	Member	08-06-2010	n/a	MSc (Physiology) B Tech (Business Administration) BSc Hons	Education	KwaZulu-Natal Science Centre  South African Actuaries Development Programme (SAADP)  Trustee of the JSE Education Fund	Remuneration and Human Resources Committee  Qualifications Standards Committee	1 / 1
Mr CS Ndaba	Member	08-06-2010	n/a	BA Hons. MA DIP TEFL 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	1 / 1
Dr RA Patel	Member	08-06-2010	n/a	Ph.D (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	1 / 1
Ms JS Samuels	Member	01-03-2012	n/a	BSc Hons (Physiology) MPhil (Adult Education)	Qualifications Framework Policy Adult education	Council on Higher Education  QCTO SAQA	n/a	1 / 1

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
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	Appeals Committee	0 / 1
Dr ZC Sosibo	Member	08-06-2010	n/a	PhD (Adult Education) Postgraduate Diploma in International Ethics Postgraduate Diploma in Adult Education BA Hons BA JSTC	Teacher education (T&L) Curriculum development Diversity and transformation in education Education management Research (developing area)	CHE	Adult and Vocational Education and Training Advisory Committee	1 / 1
Ms PA Vinjevold	Member	08-06-2010	n/a	HED BA MA (Ed)	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	1 / 1

THE MINISTER OF BASIC EDUCATION APPOINTED NEW COUNCIL MEMBERS FOR THE PERIOD 8 JUNE 2014 TO 7 JUNE 2018. THE PRESENT COUNCIL CONSISTS OF 15 MEMBERS AND THE CHIEF EXECUTIVE OFFICERS OF THE SOUTH AFRICAN QUALIFICATIONS AUTHORITY AND THE THREE QUALITY COUNCILS.

**Table 2** contains information about the Council members and their attendance at meetings since their first meeting on 26 and 27 August 2014.

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Professor JD Volmink	Chairperson	08-06-2014	n/a	HDE BSc Hons MSc PhD	Mathematics education Curriculum Leadership	Juta (Pty) Ltd Towerstone (Pty) Ltd Durban University of Technology Cape Peninsula University of Technology UKZN DG Murray Trust Victor Daitz Foundation	Executive Committee	3 / 3
Professor ND Kgwadi	Deputy Chairperson	08-06-2014	n/a	BSc (Ed) (Physics, Chemistry) MSc (Physics) MPhil (Environmental Law) PhD (Physics Ed)	Physics	Council and Senate of North West University	Executive Committee	1 / 3
Dr Mafu S Rakometsi	Chief Executive Officer	08-06-2014	n/a	BA Hons (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 Assessment Standards Committee Information and Communication Technology Oversight Committee	3 / 3
Dr LR Becker	Member	08-06-2014	n/a	BA MA (Linguistics) HED PhD	Education English Literacy practices	None	Accreditation Committee	3 / 3

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g. Audit committee)	No. of Meetings attended
Professor PAD Beets	Member	08-06-2014	n/a	PhD  Advanced Professional Diploma (Educational Development)  MA  Secondary Teachers Diploma  BA Hons	Curriculum studies Teacher development	None	Research Forum	2 / 3
Ms F Dada	Member	08-06-2014	n/a	BA  Senior Management and Leadership  Finance and Strategy	Senior management and leadership Strategy and planning Organisation analysis and resourcing Education policy development Curriculum analysis and reform Schools reform and improvement Organisation development	CTI Education Group  Pearson Southern Africa  Oasis Asset Management  Africa Ignite  Media in Education Trust	Executive Committee	1 / 3
Mr MHW Ehrenreich	Member	08-06-2014	n/a	HDE BA	Secondary education	None	Audit and Risk Committee	3 / 3
Mr A Essop	Member	08-06-2014	n/a	Honours degree in Sociology  Masters in International Development Education	Higher education	SAQA  QCTO  Old Mutual Educational Trust	None	3 / 3
Professor CF Loock	Member	08-06-2014	n/a	THED  FDE  BA  BEEd  MEd  DEd	Educational Management  Education Assessment and standard setting	South African Education Law Association  Centre for Education Law and Policy  Provincial Teacher Education Development Committee  Extra-ordinary Professor of the University of Mpumalanga	Executive Committee  Assessment Standards Committee	3 / 3

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Dr EB Mahlobo	Member	08-06-2014	n/a	BA (Pedagogy) BEd MEd DEd	Curriculum development Institutional planning Applied linguistics	None	None	3 / 3
Professor MG Mahlomaholo	Member	08-06-2014	n/a	BA UEd BEd MEd	Psychology of learning Sustainable learning environment	National Heritage Council Performing Arts Council of the Free State	Information and Communication Technology Oversight Committee	3 / 3
Professor L Makalela	Member	08-06-2014	n/a	BA HED BA Hons (English language and literature) MA (Applied English language studies) PhD	Languages		Qualifications Standards Committee	3 / 3
Dr MR Mampane	Member	08-06-2014	n/a	PhD (Educational Psychology) MEd (Educational Psychology) BEd Honours (Educational Psychology) BA	Children and families Family well-being Child and adolescent psychology Learning diversity and Inclusion Learning support Resilience research and measurement	None	Assessment Standards Committee	3 / 3
Ms GJ Mashabela	Member	08-06-2014	n/a	MA MBA MS	Teaching and administration	CHE QCTO SAQA	None	3 / 3
Professor MLE Monnapula-Mapesela	Member	08-06-2014	n/a	PhD (Higher Education) MEd (Comparative Education and Education Management) BEd Comparative Education and Education Management BSc (Ed) Biology and Chemistry)	Education Educational management and leadership	Council of CUT	Executive Committee	2 / 3

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Mr HM Mweli	Member	08-06-2014	n/a	BA (Ed) Hons B ADMIN Hons (Industrial relations) Masters of Development and management	Education Management and development	None	None	2 / 3
Professor NA Ogude	Member	08-06-2014	25 August 2014	Diploma in Tertiary Education BSc MSc PhD	Research Curriculum development Chemistry Management	International Union of Pure and Applied Chemistry  Judicial Education Institute  National Advisory Council on Innovation  Higher Education South Africa  Professional Development Committee of the American Council on Higher Education	None	0 / 0
Ms JS Samuels	Member	08-06-2014	n/a	BSc Hons (Physiology)  MPhil (Adult education)	Qualifications Framework  Policy  Adult education	Council on Higher Education  QCTO  SAQA	None	3 / 3
Dr SNP Sishi	Member	08-06-2014	n/a	STD  BA  BEd  MEd  PhD	Policy Educational measurements, Assesment and Public Examinations  Curriculum development	Umalusi	None	2 / 3
Dr D Webbstock *	Member	08-06-2014	n/a	BA (Political Science, English)  Honours (Political Science) ( <i>cum laude</i> )  Postgraduate  PhD (Policy and Development Studies)	Higher Education,  Quality assurance in higher education	As Acting CEO:  Umalusi  QCTO  SAQA  CHE	None	0 / 0

(\*) Appointed Acting Chief Executive Officer of the Council on Higher Education on 1 March 2015

## COUNCIL COMMITTEES

**Table 1** shows the composition of the Committees of Council before the appointed Council's term of office ended on 7 June 2014, as well as attendance at meetings.

**TABLE 1**

Committee	No. of meetings held	No. of members	Name of members
Quality Promotion Committee (QPC)	3	8	Dr ZC Sosibo Professor I van der Merwe Professor R du Pré Ms K Janssens Ms S Blignaut Mr M Khalo Ms C Prins Mr M Matlala
Accreditation Committee of Council (ACC)	4	12	Ms L Mlanjana Ms N Young Mr J Scarrott Mr M Netshandama Ms H de Clercq Dr V Scherman Ms D Phutsisi Mr B Phillips Mr R Pettitt Ms S Kruger Professor M Nokaneng Ms D Mampuru
Research Forum	0	16	Dr J Gamble Dr S Akojee Dr D Daniels Professor TT Dunne Professor C Foxcroft Professor S Mahlomaholo Dr U Hoadley Dr M Maistry Professor A Mji Professor M Modiba Dr J Papier Dr H Narsee Professor M Robinson Dr P Rule Professor N Yeld Dr V Wedekind
Qualifications Standards Committee	1	11	Mr E Mosuwe Ms H Brown Ms S Carthy Dr C Long Mr T Madibeng Mr A Mathekga Mr T McBride Dr R Naidoo Ms AK Oberholzer
Assessment Standards Committee	1	10	Professor ND Kgwadi Professor TT Dunne Professor M Moodley Professor JD Volmink Professor JJW Aitchison Professor SJ Howie Dr J Gamble Mr BK Schreuder Professor LP Fatti



Committee	No. of meetings held	No. of members	Name of members
Executive Committee	2	5	Professor SG Mabizela Professor ND Kgwadi Dr MS Rakometsi Ms F Dada Dr RA Patel
Information and Communication Technology Oversight Committee	1	9	Professor TT Dunne (Chairperson and member of Umalusi Council) Dr MS Rakometsi (Chief Executive Officer and member of Umalusi Council) Mr CH van der Merwe Senior Managers
Remuneration and Human Resources Committee	0	4	Dr RA Patel (Chairperson and member of Umalusi Council) Dr MS Rakometsi (Chief Executive Officer) Ms F Dada Professor M Fourie-Malherbe

**Table 2** shows the composition of the Committees of Council after the newly appointed Council was appointed for the period 8 June 2014 to 7 June 2018, as well as attendance at meetings.

The Chairpersons and members were appointed at the first Council meeting on 26 and 27 August 2014 to serve on the Committees for the period until 7 June 2018.

Committee	No. of meetings held	No. of members	Name of members
Quality Promotion Forum (*)	0	10	Dr GA Niebuhr Dr SP Goshier Dr ZC Sosibo Mr MA Khalo Mr MC Greeff Mr P Masilo Ms S Blignaut Professor GE Chiloane-Tsoka Professor IDJ van der Merwe Professor RH du Prè
Accreditation Committee of Council (ACC)	4	13	Dr LR Becker (Chairperson and member of Umalusi Council) Mr J Scarrott Ms N Young Ms D Phutsisi (**) Ms K Janssens Mr M Netshandama Dr V Scherman Ms S Kruger Mr KP Naidu (***) Mr R Pettitt Mr B Phillips Ms D Mampuru Mr TK Basjan Ms E Erasmus

Committee	No. of meetings held	No. of members	Name of members
Research Forum	1	14	Dr J Gamble (Chairperson – independent) Professor PAD Beets (member of Umalusi Council) Dr A Badroodien Dr P Rule Professor M Maistry Dr U Hoadley Dr V Wedekind Professor C Foxcroft Professor A Mji Professor N Yeld Professor D Daniels Dr J Papier Mr V Schöer Mr D Makhado
Assessment Standards Committee	3	14	Professor CF Look (Chairperson and member of Umalusi Council) Dr MR Mampane (Deputy Chairperson and member of Council) Professor P Sepeng Professor M Moodley Mr BK Schreuder Professor SJ Howie Dr S Hansraj Professor DE North Dr PN Rule Dr N Mrwetyana Professor LC Jita Dr BLK Mofolo-Mbokane Professor FP Fatti Dr ME Nthangeni
Executive Committee	4	6	Professor JD Volmink (Chairperson of Council) Professor ND Kgwadi (Deputy Chairperson of Council: re-appointed) Dr MS Rakometsi (Chief Executive Officer) Ms F Dada (re-appointed) Professor CF Look Professor MLE Monnapula-Mapesela
Audit and Risk Committee	4	6	Ms L Rossouw (Chairperson) Mr MHW Ehrenreich (member of Umalusi Council) Dr MS Rakometsi (Chief Executive Officer) Ms N Molalekoa Ms L Gani Mr FS Petersen
Information and Communication Technology Oversight Committee	2	3	Professor MG Mahlomaholo (Chairperson and member of Umalusi Council) Dr MS Rakometsi (Chief Executive Officer) Mr C Baxter

Committee	No. of meetings held	No. of members	Name of members
Qualifications Standards Committee	1	9	Professor L Makalela (Chairperson and member of Umalusi Council) Ms H Brown Ms S Carthy Dr C Long Mr T McBride Dr A Mathekga Professor PR Naidoo Ms AK Oberholzer Dr T Penxa

(\*) the Quality Promotion Committee of Council was replaced by the Quality Promotion Forum which is an advisory body of the Evaluation and Accreditation Unit of Umalusi

(\*\*) Ms D Phutisi resigned as member with effect from 24 February 2015

(\*\*\*) Mr KP Naidu was appointed member of the Committee on 25 February 2015

#### **Remuneration of Board members**

COUNCIL MEMBERS	Salary / Fees	Bonuses and performance related payments	Retirement Fund contributions	Medical contributions	Total 2015	Total 2014
	R	R	R	R	R	R
Prof ND Kgwadi	8,959	-	-	-	8,959	57,549
Prof TT Dunne	12,590	-	-	-	12,590	57,048
Prof M Fourie-Malherbe	-	-	-	-	-	1,360
Prof SSG Mabizela	505	-	-	-	505	40,710
Ms L Mlanjana	17,651	-	-	-	17,651	43,487
Mr A Mocke	2,427	-	-	-	2,427	1,381
Dr ZC Sosibo	17,831	-	-	-	17,831	14,724
Dr EB Mahlobo	-	-	-	-	-	1,440
Prof JD Volmink	143,383	-	-	-	143,383	-
Dr PA Beets	5,867	-	-	-	5,867	-
Ms F Dada	55,875	-	-	-	55,875	-
Prof CF Loock	76,351	-	-	-	76,351	-
Prof L Makalela	26,297	-	-	-	26,297	-
Dr MR Mampane	42,012	-	-	-	42,012	-
Prof MLE Monnapula-Mapasela	24,672	-	-	-	24,672	-
Dr LR Becker	27,288	-	-	-	27,288	-
	<b>461,708</b>	-	-	-	<b>461,708</b>	<b>217,699</b>



Front Row (Left to Right): Ms L Rossouw (Chairperson), Dr MS Rakometsi, Ms N Molalekoa  
Back Row (Left to Right): Mr MHW Ehrenreich, Ms L Gani, Mr FS Petersen

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## AUDIT AND RISK COMMITTEE REPORT

# REPORT OF THE 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 the 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 the 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:
  - o Financial reporting risks, including the risk of fraud
  - o Internal financial controls
  - o 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 Auditor reviews 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 these 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 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 Audit and Risk 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 Audit and Risk 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.

## 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 Audit and Risk 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.

The tables below disclose relevant information on the Audit and Risk Committee members.

Table 1 shows the composition of the committee, as well as attendance at meetings. Their last meeting was on 25 June 2014.

**TABLE 1**

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Ms L Rossouw	BCompt Hons MCom (Taxation) CIA CA(SA)	External	n/a	22 March 2013	n/a	1 / 1
Mr CH van der Merwe <sup>1</sup>	FCIS ACMA BCompt (CTA)	External	n/a	1 September 2012	n/a	0 / 1
Ms N Molalekoa	Bachelor of Commerce	External	n/a	1 September 2012	n/a	1 / 1
Ms D Voges	BA LLB LLM	External	n/a	1 September 2012	3 September 2014	1 / 1
Mr A Mocke	BA Honours MA (Counselling Psychology)HED	External	n/a	23 February 2012	7 June 2014	1 / 1
Dr MS Rakometsi	BA BA Honours (History) MA (History) Management Development Programme PhD	Internal	Chief Executive Officer	1 September 2012	n/a	1 / 1

<sup>1</sup> Passed away in August 2014

New Council members were appointed for the period 8 June 2014 to 7 June 2018. Subsequently, the new Audit and Risk Council, at its meeting of 26 August 2014, re-appointed some of the members mentioned in Table 1, and appointed new members, for the period 8 June 2014 to 7 June 2018 (Table 2). Their first meeting was on 12 November 2014.

**TABLE 2**

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Ms L Rossouw	BCompt Honours MCom (Taxation) CIA CA(SA)	External	n/a	8 June 2014	n/a	2 / 2

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Mr MHW Ehrenreich	HDE BA	External	n/a	8 June 2014	n/a	2 / 2
Ms N Molalekoa	Bachelor of Commerce	External	n/a	8 June 2014	n/a	2 / 2
Ms L Gani	LLB	External	n/a	8 June 2014	n/a	2 / 2
Mr FS Petersen	Advanced Management Development Programme  Advanced Financial Management  Senior Financial Management Course  Certificate Programme in Management Development	External	n/a	8 June 2014	n/a	2 / 2
Dr MS Rakometsi	BA  BA Honours (History)  MA (History)  Management Development Programme  PhD	Internal	Chief Executive Officer	1 September 2012	n/a	2 / 2

## 1. 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.

## 2. 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.

### 3. CODE OF CONDUCT / ETHICS

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

### 4. 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.

### 5. 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.

### 6. 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.



## The General and Further Education and Training Qualifications Sub-framework

NQF level	Qualification types and qualifications					Certificates for units of learning
<b>Level 4</b>	<b>National Certificate (NC)</b>					Subject certificates towards one or more qualification designated variants
<b>Designated variants</b>	Senior Certificate/ National Senior Certificate (Colleges)	National Senior Certificate (NSC)	National Certificate (Vocational) Level 4	National Senior Certificate for Adults (NASCA)	Senior Certificate (SC) (as amended in 2014)	
<b>Level 3</b>	<b>Intermediate Certificate (IC)</b>					Subject certificates towards one or more qualification designated variants
<b>Designated variants</b>	[NSC – Gr 11]	National Certificate (Vocational) Level 3	Intermediate Certificate of Education			
<b>Level 2</b>	<b>Elementary Certificate (EC)</b>					Subject certificates towards one or more qualification designated variants
<b>Designated variants</b>	[NSC – Gr 10]	National Certificate (Vocational) Level 2	Elementary Certificate of Education			
<b>Level 1</b>	<b>General Certificate (GC)</b>					Subject (LA) certificates for adult learners
<b>Designated variants</b>	General Certificate of Education (GCE)		General Education and Training Certificate: ABET	General Education and Training Certificate for Adults (GETCA)		



Eugenie Rabe

## REPORT OF THE CHIEF OPERATIONS OFFICER

Since 2008 and the promulgation of the National Qualifications Framework Act, which declared Umalusi one of three Quality Councils alongside the Council on Higher Education (CHE) and the Quality Council for Trades and Occupations (QCTO), Umalusi has been hard at work transitioning to its amended mandate.

With the Sub-framework of Qualifications for General and Further Education and Training finalised and gazetted in September 2014, Umalusi commenced with advocacy of the qualifications registered on the sub-framework and finalising all necessary supporting policies.

### POLICY DEVELOPMENT

The following policies were finalised or are in the process of review:

- The Standards and Quality Assurance for General and Further Education and Training policy – approved and published
- Policy for the management of qualifications on the General and Further Education and Training Qualifications Sub-framework (Amended) – approved and gazetted
- Umalusi Assessment Framework (amended to align with the SAQA Policy) – finally approved, February 2015
- Umalusi Credit Accumulation and Transfer Policy (in alignment with the SAQA Policy) – finally approved, February 2015
- Policy for the certification of candidate records on the General and Further Education and Training Qualifications Sub-framework (Amended) – approved
- The Policy for the National Senior Certificate for Adults (NASCA) – regulated in Government Gazette No 37659 of 2 September 2014.

- Certification Directives for the Amended Senior Certificate – approved
- The QAA Unit commenced with reviewing all directives for quality assurance of assessment processes.

During 2014 senior Umalusi staff continued to provide input and/or serve on a number of task teams in taking the NQF agenda forward. These included:

- The reference group for the Ministerial task team to investigate the pass requirements for the National Senior Certificate (NSC).
- A SAQA task team, on “learning that does not lead to a qualification”.
- A technical task team to review the Senior Certificate.
- The sub-committee of HEDCOM involved with Curriculum Management and Teacher Education.
- A Human Resource Development Committee, established to look into foundational learning.

Umalusi views the credibility of its qualifications (certificates) as central evidence of acceptable standards in general and further education and training. Umalusi is further of the view that standards are developed and maintained through:

- the design and quality of qualifications and curricula that are benchmarked locally and internationally;
- good practices in the enactment of the curriculum; and
- the integrity of the internal assessment and national examinations.

This approach, informed by penetrating and insightful research, has ensured that Umalusi has remained grounded and steadfast in its positions and approaches.

Umalusi’s work was effected with due consideration for its capacity and budget. New developments and interventions were prioritised for maximum effect in the education and training system.

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 final gazetting of the National Senior Certificate for Adults (NASCA) after a five-year development period. The DHET continued with curriculum development during 2014 with guidance from Umalusi. The curriculum was gazetted for public comment early in 2015. Roll-out is planned for 2017.

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 in 2013, the evaluation of the Intermediate Phase was completed. These two reports have been held over until 2015 when all the phase reports will be completed and to report on transitional aspects between the four phases. The evaluation of the FET Phase commenced in 2013 and was completed in 2014. This resulted in seven reports, titled "What's in the CAPS Package?". The evaluation of the Senior Phase, which had been postponed due to pressure to complete the FET Phase, commenced in the last part of this financial year with completion planned for late 2015. The report on the longitudinal study that includes all the phases of the CAPS from Grades 1–12, will be available in early 2016. While QCC led the project, it was ably assisted by the SIR Unit.

As part of the CAPS project a comparative report on the subject Life Orientation (NSC and NCV), titled "Living Up to Expectations?", was also completed and published, as were a number of reports on the Tourism, Hospitality and Consumer Studies curricula.

In addition, the QCC Unit completed the review of the General Education and Training Certificates (GETC). This is awaiting registration on the NQF, with implementation set for 2016.

#### QUALITY ASSURANCE OF ASSESSMENT

The assessments for the five national qualifications that Umalusi currently certifies, the National Senior Certificate (NSC), The Senior Certificate, the National Certificate Vocational (NCV), the National Technical Certificate N1–N3 and the General Education and Training Certificate (GETC) for Adults, were successfully quality assured. Continued work on a year-on-year comparative analysis of the cognitive demand of NSC examinations papers informed quality assurance processes. An exercise in post-exam analysis of learner responses continued to feed into an embryonic project in item analysis and banking.

The QAA Unit, through its moderation function, uncovered mass copying in KwaZulu-Natal in the Senior Certificate examinations (153 centres), and later in the National Senior Certificate examinations, again in KwaZulu-Natal but also in the Eastern Cape (a total of 20 centres). The results of the centres implicated were withheld, the centres were investigated and Umalusi awaits the final outcomes of the prosecutions.

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 E&A Unit completed the first year of the five-year accreditation implementation plan for independent schools, private TVET colleges and Adult Education and Training centres. Internal accreditation decision processes were finalised and strengthened and a team of permanent subject experts commenced with their work of evaluating independent schools. The other two smaller sectors used ad hoc teams of evaluators.

Independent schools offering an alternative curriculum for the National Senior Certificate, such as Accelerated Christian Education schools, Montessori schools and Waldorf schools, were finally included in the accreditation system. The E&A Unit worked closely with the QCC Unit in appraising these curricula.

The E&A Unit monitored two new private assessment bodies for accreditation, namely the South African Comprehensive Assessment Institute (SACAI), which conducted its first NSC examination in 2014; and Benchmark Assessment Agency, which conducted a pilot GETC examination in November 2014. The E&A Unit received support from the QAA and QCC Units in this undertaking.

## RESEARCH

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

- A comparative investigation into the curriculum and assessment standards of the new Curriculum and Assessment Policy Statement (CAPS) and the previous National Curriculum Statements (NCS). This was presented to the Assessment Standards Committee of Council as part of the qualitative reports that fed into the 2014 standardisation process.
- Efficacy in adult learning centres: a multi-case study. This preliminary study researched factors that contribute to the effective and efficient functioning of adult education centres.
- EFAL as a language of formal learning and teaching (Iolt) and/or EFAL as a language of everyday communication. The findings of this study are intended to indicate whether EFAL, as it is currently taught and examined in South Africa, prepares students adequately for the level of English required to read and write for learners to succeed in all their school subjects.
- NSC Indicators Report. This report is intended to give a comprehensive longitudinal view of the National Senior Certificate qualification registered on the General and Further Education and Training Qualifications Sub-framework.

The SIR Unit led the research but the E&A, QAA, and QCC Units were all involved since they were the beneficiaries of the research and assisted in identifying the areas for investigation.

While the above projects were important cross-unit initiatives for 2014, the various units continued to deliver on their routine processes. These included accreditation and monitoring of assessment bodies; accreditation of independent schools, private FET colleges, and private AET centres; the quality assurance of 11 national examinations and related internal assessment and certification; verification of certificates; evaluation of qualifications and curricula; conducting research; and contributing to various international and national conferences.

## 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 2014 being no exception.

With the requirement for collaboration in articulating the NQF, relationships have to be fostered and maintained. This took the form of consultative processes, partnerships and workshops with the Department of Higher Education and Training (DHET), the Department of Basic Education (DBE), South African Qualifications Authority (SAQA), Quality Council for Trades and Operations (QCTO), Council on Higher Education (CHE), Centre for Education Policy Development (CEPD), 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 2014.

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


The sub-units that comprise Corporate Services supported the work of the four national operations units with public relations and communications, 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 10 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 2014/2015 financial year.

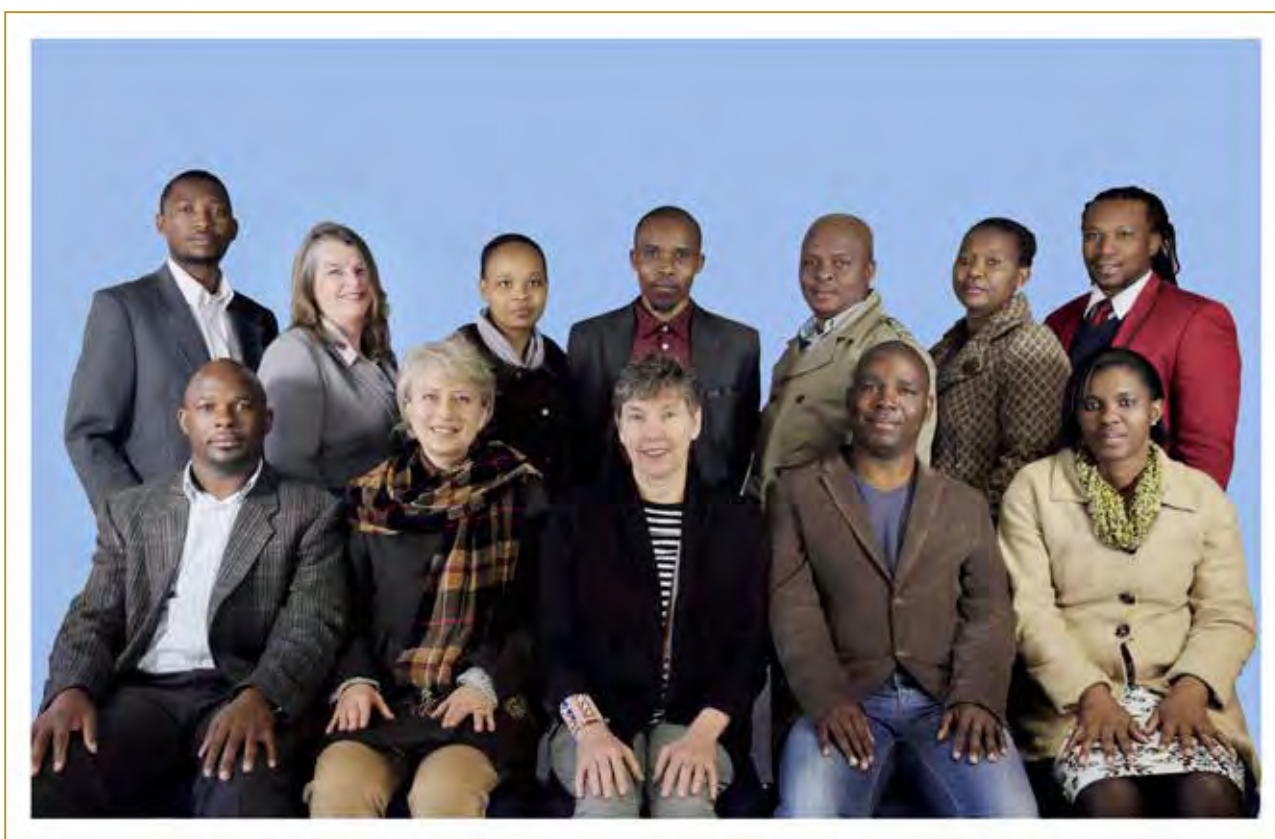
## NATIONAL OPERATIONS PROGRAMMES

- 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)

## CORPORATE SERVICES PROGRAMMES

- Programme E: PR and Communications
- Programme F: Governance and Office of the Chief Executive Officer (GOCEO)
- Programme G: Finance and Supply Chain Management
- Programme H: Information Technology (IT)
- Programme I: Human Resources Management and Development (HRM&D) 

# REPORT ON NATIONAL OPERATIONS



Front Row (Left to Right): Tebogo Mashile, Celia Booyse, Liz Burroughs (Senior Manager), Tebogo Mako, Lerato Molai  
Back Row (Left to Right): Isaac Mokhele, Anne McCallum, Lesego Ndala, Zolile Hlabeni, Tello Motloi, Salphina Magoro, Mohau Kekana

## PROGRAMME A

### QUALIFICATIONS, CURRICULUM AND CERTIFICATION



Liz Burroughs

## PROGRAMME A

# QUALIFICATIONS, CURRICULUM AND CERTIFICATION

The QCC Unit is mandated to carry out the following functions:

- Develop and manage the General and Further Education and Training Qualifications Sub-framework.
- Enhance qualifications on the sub-framework.
- Certify and verify learner achievements.

In carrying out the mandate, the QCC Unit also carries out the following:

- Develops new qualifications and reviews existing qualifications.
- Quality assures, benchmarks and appraises curricula that underpin the qualifications on the sub-framework to strengthen the qualifications.
- Processes the certification and verification of learner achievements.

### QUALIFICATIONS

The Policy for the General and Further Education and Training Qualifications Sub-framework was regulated in Government Gazette No 38029 of 29 September 2014. Among other things, the policy explains the nature of qualifications registered on the sub-framework. The Standards and Quality Assurance for General and Further Education and Training policy was also published.

The policy for the National Senior Certificate for Adults (NASCA) qualification was regulated in Government Gazette No 37659 of 2 September 2014. The NASCA is a qualification for adults that is viewed as a sister qualification to the NSC offered in schools.

The QCC Unit took its responsibility of advocacy to another level by embarking on a deliberate promotion of the General and Further Education and Training Qualifications Sub-framework, and the attendant policies, on various platforms.

### CURRICULUM

Umalusi has been involved in evaluating the various phases of the Curriculum and Assessment Policy Statement (CAPS) since 2012. The evaluation of the FET Phase of the CAPS, which began in 2013, resulted in the publication of a series of seven reports titled 'What's in the CAPS package?' The reports were publicly launched at the Potchefstroom Campus of the University of North West in June 2014. The research into the CAPS follows earlier research conducted by Umalusi in the area of the school curriculum. It is also part of a longitudinal study that includes all the phases of the CAPS from Grades 1–12, which should be available in the next financial year.


The QCC Unit published reports that emanated from an evaluation of the services subjects curricula (Tourism, Hospitality and Consumer Studies) in the FET Phase. These reports, too, form part of the 'What's in the CAPS package?' series.

The publication of the Life Orientation report, titled 'Living up to Expectations?', completed the comparative evaluation of all fundamental subjects in the NSC and the NCV.

The services subjects reports and the Life Orientation report were launched at the Cape Peninsula University of Technology and University of the Western Cape respectively, in keeping with Umalusi's decision to broaden dissemination of research findings beyond the borders of Gauteng.

### CERTIFICATION

The unit continued to capacitate the assessment bodies with regards to certification systems to ensure reliable and credible certification of learner achievement for qualifications registered on the sub-framework. Verification services and systems continued to be strengthened, to ensure reliable and credible verification services, which are critical in light of the increase in fraudulent certificates.

The QCC Unit developed certification directives for the Amended Senior Certificate, which were shared with the relevant assessment bodies. 

“The QCC Unit took its responsibility of advocacy to another level by embarking on a deliberate promotion of the General and Further Education and Training Qualifications Sub-framework, and the attendant policies, on various platforms. “

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

### STRATEGIC OBJECTIVES

Programme A: QUALIFICATIONS, CURRICULUM AND CERTIFICATION					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
The General and Further Education and Training Qualifications Sub-framework is developed and managed	100%	100%	100%	0	None
Curricula are evaluated and approved	100%	100%	100%	0	None
Learner achievement is certified and verified	100%	100%	100%	0	None

### KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme A: QUALIFICATIONS, CURRICULUM AND CERTIFICATION					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Percentage of policies as required by the system developed, revised and approved by Council	100%	100%	100%	0	None
Percentage of curriculum evaluations conducted and reported on as planned	100%	100%	100%	0	None
Percentage of datasets received and processed	100%	100%	100%	0	None
Percentage of verification requests processed	100%	100%	100%	0	None





Front Row (Left to Right): Frank Chinyamakobvu, Nomsa Mdunana, Desmond April, Helen Koorzen, Marcus Lamola.  
Back Row (Left to Right): Lebogang Tsoetsi, Sarah Madigo, Tshegofatjo Machaba, Faith Ramothhale (Senior Manager),  
Reginah Kupa, Kgosi Monageng, Marisa du Toit, Nthabiseng Matsobane.

## PROGRAMME B

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# QUALITY ASSURANCE OF ASSESSMENT



Faith Ramothhale

## PROGRAMME B

# QUALITY ASSURANCE OF ASSESSMENT

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

Through the Quality Assurance of Assessment (QAA) Unit, Umalusi quality assures the standard of all exit assessments for qualifications on the 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 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 Sector

- Quality Assurance of Assessment – TVET Sector
- Quality Assurance of Assessment –Adult Education and Training Sector
- Monitoring and Evaluation – All Sectors
- Standardisation and Resulting – All Sectors.

The following quality assurance processes are applied to each examination across the sectors:

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

The QAA Unit quality assures 11 national examinations annually for five qualifications: the National Senior Certificate, Senior Certificate, National Certificate (Vocational), National Technical Certificate N1–N3 and the General Education and Training Certificate (for Adults), across five assessment bodies and nine Provincial Departments of Education. 🇿🇦

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

### STRATEGIC OBJECTIVES

#### Programme B: QUALITY ASSURANCE OF ASSESSMENT

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Quality assurance of assessment processes maintained and improved as per plan (NSC, SC, NCV, NATED & ABET:GETC)	100%	100%	100%		Benchmark Assessment Agency's application for accreditation was approved after planning

STRATEGIC OBJECTIVES (continued)

Programme B: QUALITY ASSURANCE OF ASSESSMENT					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Standards for assessment articulated and maintained (policy development and monitoring)	100%	100%	100%	0	None
	100%	100%	100%	0	None
Stakeholder relations established and managed as planned (DBE, DHET, IEB, HESA, IPEAC, FET, HEDCOM sub-committee, CMC, etc.)	100%	98%	98%	1	The November '14 NEAC meeting was cancelled by DBE. The December NEIC meeting coincided with the Standardisation meeting.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme B: QUALITY ASSURANCE OF ASSESSMENT					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Percentage (%) of question papers externally moderated per assessment body	NSC: DBE, IEB & SACAI 117%	NSC: DBE, SACAI & IEB 100%	NSC: DBE, SACAI & IEB 100%	0	None
	SC: DBE 100%	SC: DBE 100%	SC: DBE 100%	0	None
	GETC: DHET, IEB 100%	GETC: DHET, BM, IEB 103%	GETC: DHET, BM, IEB 103%	2	Two additional papers were moderated for the Benchmark (BM) Assessment Agency.
	NCV: DHET 101%	NCV: DHET 100%	NCV: DHET 100%	0	None
	NATED: DHET N2-N3 133%	NATED: DHET N2-N3 100%	NATED: DHET N2-N3 100%	0	None
Percentage of sampled internal assessments monitored and moderated: per sample for as planned	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	0	None
	GETC: DHET, IEB 100%	GETC: DHET, IEB, BM 103%	GETC: DHET, IEB, BM 103%	2	Two additional subjects were internally moderated for Benchmark
	DHET: NCV ICASS & ISAT 100%	DHET: NCV ICASS & ISAT 100%	DHET: NCV ICASS & ISAT 100%	0	None
Percentage of assessment bodies monitored for the state of readiness for the conduct, management and administration of examinations	NSC: DBE, IEB 100%	NSC: DBE, IEB 100%	NSC: DBE, IEB 100%	0	None
	GETC: DHET, IEB 100%	GETC: DHET, IEB 100%	GETC: DHET, IEB 100%	0	None
	NCV: DHET 100%	NCV: DHET 100%	NCV: DHET 100%	0	None
	NATED: DHET 100%	NATED: DHET 100%	NATED: DHET 100%	0	None

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS (continued)

Programme B: QUALITY ASSURANCE OF ASSESSMENT					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Percentage of sampled examination centres monitored and reported as per plan	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	0	None
	DBE: SC 100%	DBE: SC 100%	DBE: SC 100%	0	None
	GETC: DHET, IEB 100%	GETC: DHET, IEB, BM 103%	GETC: DHET, IEB, BM 103%	2	Two additional centres monitored for Benchmark
	NCV: DHET 100%	NCV: DHET 100%	NCV: DHET 100%	0	None
	NATED: DHET 100%	NATED: DHET 100%	NATED: DHET 100%	0	None
Number of irregularities detected and reported	NSC: DBE, IEB, SACAI 0%	NSC: DBE, IEB, SACAI 0%	NSC: DBE, IEB, SACAI 0%	20 centres	Group copying was detected for the first time in KZN and Eastern Cape for the DBE NSC examination. The release of results from 20 centres was not approved, pending the outcome of hearings
	DBE: SC 0%	DBE: SC 0%	DBE: SC 0%	153 centres	Mass copying was detected for the first time in KZN for the SC examination. The release of results from 153 centres was not approved, pending the outcome of hearings
Percentage of sampled marking centres monitored	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	0	None
	DBE: SC 100%	DBE: SC 100%	DBE: SC 100%	0	None
	GETC: DHET, IEB, BM 100%	GETC: DHET, IEB, BM 103%	GETC: DHET, IEB, BM 103%	1	One additional marking centre monitored
	NCV: DHET 100%	NCV: DHET 100%	NCV: DHET 100%	0	None
	NATED: DHET 100%	NATED: DHET 100%	NATED: DHET 100%	0	None
Percentage of subjects' memorandum discussions attended and approved	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	0	None
	DBE: SC 100%	DBE: SC 100%	DBE: SC 100%	0	None
	GETC: DHET, IEB 100%	GETC: DHET, IEB 103%	GETC: DHET, IEB 103%	1	Attended and approved two additional memoranda for Benchmark
	DHET: NCV 100%	DHET: NCV 100%	DHET: NCV 100%	0	None
	DHET: NATED 100%	DHET: NATED 100%	DHET: NATED 100%	0	None



KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS (continued)

Programme B: QUALITY ASSURANCE OF ASSESSMENT					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Percentage of subjects' marking verified	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	NSC: DBE, IEB, SACAI 100%	0	None
	DBE: SC 100%	DBE: SC 100%	DBE: SC 100%	0	None
	GETC: DHET, IEB, BM 100%	GETC: DHET, IEB, BM 100%	GETC: DHET, IEB, BM 100%	0	None
	DHET: NCV 100%	DHET: NCV 100%	DHET: NCV 100%	0	None
	DHET: NATED 100%	DHET: NATED 100%	DHET: NATED 100%	0	None
Percentage of quality assurance of assessment policies and processes developed and implemented per plan	100%	50%	50%	1	Review of the Quality Assurance of Assessment directives remain in progress
Percentage of standardisation and resulting data verified and approved	100%	100%	100%	0	Standardisation of NATED/ NCV results delayed due to late submission of datasets by the DHET
Percentage of Quality Assurance of Assessment reports developed and published	100%	116%	116%	1	One additional report was developed and published for Benchmark
Percentage of collaborative stakeholder relations fostered and maintained as planned	100%	98%	98%	1	One NEIC meeting not attended as it coincided with Standardisation meeting



Front Row (Left to Right): M Madalane, P Letlape, R Mathebe, C Makaleng(Senior Manager), G Kokela, D Oberholster  
 Back Row (Left to Right): P Molusi, M Malie, L Ndou, K Rabotho, T Tshivenga, S Mbatha, G Chili, N Mabitsela, C Thomas



Front Row (Left to Right): B Mehta, S Mchunu, W Ndebele, G Nkambule, V Vollenhoven  
 Back Row (Left to Right): K Lettau, MS Lekgeu, M Stevens, T Nyatlo, A Moodley, W Chauke, L Marandela, E Lechaba

## PROGRAMME C

# EVALUATION AND ACCREDITATION



Chaile Makaleng

## PROGRAMME C

# EVALUATION AND ACCREDITATION

The object of Umalusi's founding act, the GENFETQA Act, 2001 (as amended in 2008) is to enhance the quality of general and further education and training. To that end the Act authorises Umalusi to perform various functions, including the quality assurance of private education and training institutions and private assessment bodies. The E&A Unit's work under Programme C includes the evaluation and accreditation of independent schools, private Adult Education and Training (AET) centres, private Technical and Vocational Education and Training (TVET) colleges, as well as private assessment bodies. The area of work under Programme C is informed by accreditation policies containing accreditation criteria published by the Minister of Higher Education and Training for TVET colleges and Adult Education and Training centres through Government Gazette 33237 (28 May 2010) and the Minister of Basic Education, for schooling, in Government Gazette 35830 (29 October 2012).

The E&A Unit accredits private education and training institutions and private assessment bodies to offer and/or assess exit qualifications registered on the General and Further Education and Training Qualifications Sub-framework that are certified by Umalusi.

For the year under review, the E&A Unit focused on three key areas: a) improved provisioning of qualifications registered on the GFETQSF; b) improved assessment services of qualifications on the GFETQSF; and c) improved relations with stakeholders and partners.


In regard to a) and b) above, the E&A Unit strengthened the organisation's internal accreditation decision-making process. This included enhancing the capacity of decision-making structures such as the full-time evaluation teams, various adhoc teams of evaluators and subject specialists, the Internal Moderation Committee (IMC) and the Accreditation Committee of Council (ACC).

In an effort to ensure a benchmarked approach to the accreditation decision-making process, the evaluation and moderation teams were mentored by Mr Peter Mott, Director of the Commission on International Education at the New England Association for Schools and Colleges (NEASC).

The E&A Unit resolved a protracted issue regarding accreditation of independent schools that offer an "alternate curriculum" to that prescribed by the State. This relates to independent schools that offer the National Senior Certificate (NSC) but have unique philosophies and/or methodologies that underpin, or inform, the practice of curriculum delivery and assessment of learner achievements. This category includes Accelerated Christian Education (ACE) schools, Waldorf schools and Montessori schools. Umalusi will continue to monitor the effective implementation of the agreement with these schools in the next financial year.

To strengthen common understanding of the accreditation policies and standards among its constituency, the E&A Unit conducted provincial information sessions and quality promotion workshops in September, October, February and March. These were attended by delegates from independent schools, TVET colleges and AET centres.

With regard to private assessment bodies the E&A Unit, in collaboration with other Umalusi units, monitored the performance of private assessment bodies like the Independent Examinations Board (IEB) and the South African Comprehensive Assessment Institute (SACAI) against the accreditation criteria. The IEB<sup>1</sup> is accredited to assess and examine the NSC and is provisionally accredited to administer assessments and examinations for the General and Further Education and Training Certificate (Adults). SACAI is provisionally accredited to administer NSC assessments and examinations. The E&A Unit is also processing an application for accreditation of a third private assessment body, the Benchmark Assessment Agency, for the GETC (Adults).

The E&A Unit is satisfied with the progress made in building and maintaining relationships with stakeholders and partners. Substantial work has been completed in conjunction with the DBE, DHET and PEDs in creating effective alignment between the registration and accreditation processes. As a result of this collaboration there has been considerable progress in developing and gaining approval for a joint national guideline document for registering and accrediting independent schools. The DHET and Umalusi have also made progress in strengthening the alignment of the registration and accreditation of private TVET colleges. 

“The E&A Unit is satisfied with the progress made in building and maintaining relationships with stakeholders and partners.”

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

### STRATEGIC OBJECTIVES

Programme C: EVALUATION AND ACCREDITATION					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Accreditation and monitoring system for private education and training institutions maintained and reviewed as planned	100%	100%	100%	0%	None
Accreditation and monitoring system for assessment bodies maintained and reviewed as planned	100%	100%	100%	0%	None
Stakeholder relationships maintained and improved as per plan	100%	100%	100%	0%	None

### KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme C: EVALUATION AND ACCREDITATION					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Percentage of accreditation applications and monitoring reports received and processed across provider sectors (schools, FET colleges and AET centres).	100%	100%	100%	0	None
Percentage of accreditation applications processed (received from assessment bodies)	100%	100%	100%	0	None
Percentage of assessment bodies monitored per plan	100%	100%	100%	0	None
Percentage of annual events i.r.o. stakeholder relations held / attended as planned	100%	100%	100%	0	None





Front Row (Left to Right): Sisanda Loni, Emmanuel Sibanda (Senior Manager), Agnes Mohale  
Back Row (Left to Right): Biki Lepota, Pauline Masemola, Grace Tsomele, Marco MacFarlane

PROGRAMME D

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**STATISTICAL INFORMATION  
AND RESEARCH**



Emmanuel Sibanda

## PROGRAMME D

# STATISTICAL INFORMATION AND RESEARCH

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 General and Further Education and Training Qualifications Sub-framework, the findings of which provide a firm foundation for Umalusi's strategic direction and quality assurance approaches
- 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, which consists of experienced senior researchers and experts.

### RESEARCH

In preparation for the first National Senior Certificate (NSC) examinations based on the new Curriculum and Assessment Policy Statement (CAPS), the SIR Unit conducted research to compare the previous National Curriculum Statements (NCS) and the Curriculum and Assessment Policy Statements (CAPS). The comparison was centred on the assessment (cognitive demands, format and structure of examination papers) and curriculum standards. The findings were presented to the Assessment Standards Committee of Council as part of the qualitative reports that fed into the 2014 standardisation process.

The unit also undertook the following research:

- Efficacy in adult learning centres: a multi-case study. This was preliminary research into the factors that contribute to the effective and efficient functioning of adult education centres in relation to three domains: governance, teaching and learning, and wider community and institutional relations. The research took a multi-disciplinary approach to achieving this purpose, drawing on researchers with expertise in adult education, vocational education and training, educational leadership and management, and education and development.
- EFAL as a language of formal learning and teaching (Iolt) and/or EFAL as a language of everyday communication. This study aimed to identify indicators of different forms of language and literacy and to apply these indicators systematically to a range of examination papers (as above), to 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 required to read and write for learners to succeed in all their school subjects.
- NSC Indicators Report. The intention of this report is to provide a comprehensive, longitudinal view of the National Senior Certificate qualification. It contains statistical overviews of the results, learner population and other contextual trends in its conduct and outputs.
- Training manuals for moderators and examiners were also developed by the unit.

The SIR Unit continued its work on Item Response Theory (IRT) with the purpose of building 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. IRT is also intended to inform quality assurance practices in such approaches.

## DISSEMINATION AND PUBLICATION

The SIR Unit organised various seminars with partners such as the Centre for Education Policy Development (CEPD) and the School of Education of the Witwatersrand University. The seminars addressed issues of common interest that related to enhancing the quality of teaching, learning and assessment in the sectors for which Umalusi is responsible.

## RESEARCH REPORTS PRODUCED BY SIR

- NSC Indicators Report
- Making educational judgments (Part 2)
- NSC as a predictor of success of first-year students at HE institutions
- Consolidated Post-Exam Analysis Report 2014 – Content Subjects: DBE
- Consolidated Post-Exam Analysis Report 2014 – Content Subjects: IEB
- Grade 12 Home Language examinations: Trends and Issues, 2012–2014 (Part 1): question papers from the Department of Basic Education


- Grade 12 Home Language Examinations: Trends and Issues, 2012–2014 (Part 2): question papers from the Independent Examinations Board

## SEMINAR REPORTS PRODUCED

- Working our way up: maths and science education after poor international ratings
- Education and South African Political Parties: considerations for the General Election.

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](http://www.umalusi.org.za)

## KNOWLEDGE DEVELOPMENT AND SUPPORT

The SIR Unit ensured that the resource centre was fully functional and well resourced; conducted internal professional development workshops and provided data analysis and statistical support to other units. 

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

### STRATEGIC OBJECTIVES

Programme D: STATISTICAL INFORMATION AND RESEARCH					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Research is identified, planned, and undertaken	100%	100%	100%	0	None
Research findings and Umalusi positions are disseminated through stakeholder engagement at seminars, conferences and in published research	100%	100%	100%	0	None
Professional knowledge development and support, 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 (continued)

Programme D: STATISTICAL INFORMATION AND RESEARCH					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Percentage of research completed as per research agenda	100%	100%	100%	0	None
Percentage of reports published as per plan	100%	100%	100%	0	None
Percentage of dissemination events as per plan (seminars, conferences, etc.)	100%	100%	100%	0	None
Percentage of knowledge development workshops held internally as per plan	100%	100%	100%	0	None
Percentage of statistical queries from other units resolved	100%	100%	100%	0	None
Percentage of new resources acquired for the Resource Centre as per plan	100%	100%	100%	0	None
A framework of indicators developed per qualification and data collection commenced as per plan	100%	100%	100%	0	None



(Left to Right): Lucky Ditaunyane (Senior Manager), Rachel Masemola, Sphiwe Mtshali

## PROGRAMME E

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# PR AND COMMUNICATIONS



Lucky Ditaunyane

## PROGRAMME E PR AND COMMUNICATIONS

The purpose of the Public Relations and Communications 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 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, the intranet, 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 Basic Department of 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.

The PR and Communications Unit uses different modes of communication to maximise external communication. These include the quarterly newsletter, Makoya, social media, the website, exhibitions with a focus on youth and rural development, road shows by senior management, collaboration in coordinating stakeholder events with other units, as well as print and electronic media. The PR and Communications Unit is also responsible for processing and responding to queries from the public and the media regarding the work of Umalusi. 🌐

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

#### STRATEGIC OBJECTIVES

Programme E: PR AND COMMUNICATIONS					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
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 (continued)

Programme E: PR AND COMMUNICATIONS					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Press releases issued	10 press releases	10 press releases	9 press releases	-1	Key messages were fully covered in the 9 press releases
Media and public queries & responses	100%	100%	100%	0	None
Partnerships with media houses	100%	100%	100%	0	None
Media exposure tracked	100%	100%	100%	0	None
Exhibitions attended	14 exhibitions	10 exhibitions	10 exhibitions	0	None
Involvement in seminars/workshops and conferences	100%	100%	100%	0	None
Development of promotional material	100%	100%	100%	0	None
Printing of research reports	100%	100%	100%	0	None
Annual Report	100%	100%	100%	0	None
Newsletters	3 Makoya publications	4 Makoya publications	2 Makoya publications	-2	Target not met due to understaffing for 5 months
Media conferences	3	2	2	0	None



(Left to Right): Mmarona Letsholo, Rozaan van Wyk, Estella Michael

PROGRAMME F

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**GOVERNANCE AND OFFICE OF  
THE CHIEF EXECUTIVE OFFICER**



## 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, annual performance plans and budget were in place and that the organisation fulfilled its mandate within its capacity. The unit supported the work of Council and its committees through appointed secretaries 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 identified risks were actively managed. Management and professional policies were developed and reviewed as required. Quality of work was monitored through internal audit processes.

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

“GOCEO ensured that a strategic plan, annual performance plans and budget were in place and that the organisation fulfilled its mandate within its capacity.”

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

#### STRATEGIC OBJECTIVES

Programme F: GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Organisational plans reviewed and implemented	100%	100%	100%	0	None
Organisational governance maintained	100%	100%	100%	0	None
Strategic relationships established and managed	100%	100%	100%	0	None



KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS (continued)

Programme F: GOVERNANCE AND OFFICE OF THE CHIEF EXECUTIVE OFFICER					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
New management cycle & calendar drawn up, presented and updated	100%	100%	100%	0	None
Strategic, Annual Performance Plans and budget 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



Front Row (Left to Right): Kgabo Mmola, Simon Mosaka, Dakalo Mudau  
Back Row (Left to Right): Sibongile Mkhathswa, Adelaide Cholo, Ebriem Fillis, Ansie Enslin, Matlhodi Mathebula, Elton Chirowamhangu

## PROGRAMME G

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# FINANCE AND SUPPLY CHAIN MANAGEMENT



Thinus Wessels

## PROGRAMME G FINANCE AND SUPPLY CHAIN MANAGEMENT

This programme maintains a sound and credible finance and accounting system, which is monitored by the Council’s Audit Committee, EXCO and the Council.

The finance function includes supply chain management, security, and asset and facilities management. 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. 🏆

“This programme maintains a sound and credible finance and accounting system, which is monitored by the Council’s Audit Committee, EXCO and the Council.”

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

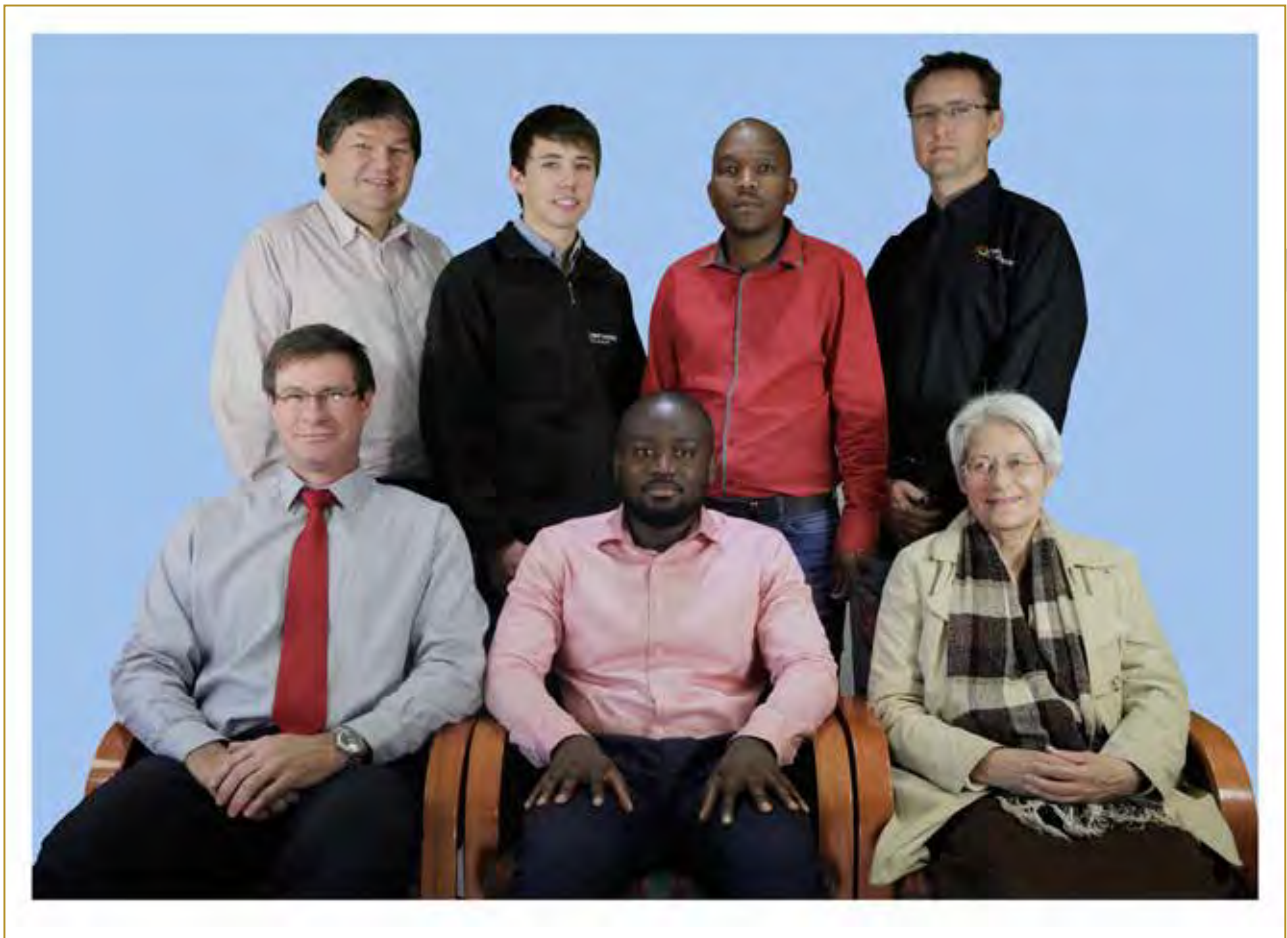
#### STRATEGIC OBJECTIVES

Programme G: FINANCE AND SUPPLY CHAIN MANAGEMENT					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Finance and accounting systems maintained	100%	100%	100%	0	None
Accounting for and collection of revenue	100%	100%	100%	0	None
Payments made for goods and services	100%	100%	100%	0	None
Surplus funds invested	100%	100%	100%	0	None
Fixed assets registered, labelled and monitored after purchase	100%	100%	100%	0	None
Building and security systems maintained	100%	100%	100%	0	None



KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS (continued)

Programme G: FINANCE AND SUPPLY CHAIN MANAGEMENT					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
GRAP-compliant annual financial statements submitted by 31 May each year	1	1	1	0	None
Outstanding debt collected	92.8%	90%	88.7%	-1%	Deviation is as result of March 2015 invoices not collected before year end. Finance allows for 60 days for collection of debt
Creditors paid within 30 days	100%	100%	100%	0	None
Buildings and security systems maintained	100%	100%	100%	0	None



Front Row (Left to Right): Gerhard Booyse (Manager), Archie Ntim, Francis Luus  
Back Row (Left to Right): Gerrit Jansen van Vuuren (Manager), Zander Coetzee, Lucas Mabena, Jacques Bouwer

## PROGRAMME H

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# INFORMATION TECHNOLOGY SYSTEMS



Gerhard Booyse

Gerrit Jansen van Vuuren

## PROGRAMME H

# INFORMATION TECHNOLOGY SYSTEMS

The IT Unit focuses on ensuring that the organisation's information technology requirements are met. It also serves as an enabler and contributes to the achievement of Umalusi's strategic goals. The information technology systems developed, maintained and supported can be grouped into two main categories, viz., development of software applications and user support; and providing and supporting the infrastructure, which includes network and hardware support, installation of software applications, licensing and user support.

Software development and application support comprises of the Mainframe Certification System and the Management Information System. The Mainframe Certification System covers the following three main application areas: certification of learner achievements (main output is certificates to learners); quality assurance of learner achievements and verification of the processing of learner results (standardisation and statistical moderation process); and verification of certificates issued for qualifications for which Umalusi is responsible.

Stringent systems have been developed to assure the quality of the resulting process before assessment bodies may release results of national examinations. These systemic processes have improved the verification and quality assurance of computerised processes by assessment bodies. The computerised certification system produces certificates printed after data capture. The resulting processes are verified again, against certification directives, to ensure that learners qualify and comply with the requirements for the qualification. The verification processes are continuously reviewed and enhanced to deliver improved service to the public.

The Intranet functions as a general portal for the Management Information System and as the supplier of information, such as policies and general information, to staff. The system is continuously evolving and improving, with the focus for enhancement being ongoing development for accrediting private providers. Other areas addressed include workflows for accrediting private providers; managing claims for contract workers; and processing purchase requisitions. There is a drive in Umalusi to convert from a paper-based system to a computerised, electronic system, to speed up provisioning of services to clients and to reduce the cost of the services.

The organisation's network and hardware needs have been met through the installation of the latest IT infrastructure and services to ensure work continues to be well supported and information kept safe. IT processes and hard/software are continuously monitored and improved to meet changing organisational and market requirements. In the past year the unit focused on improving support to the end-user and replacing outdated and obsolete computer equipment – an ongoing project.

The implementation of the Corporate Governance of Information Technology and Communication Policy Framework, as published by the DPSA, was adhered to. Progress has been made with the implementation of this framework and Umalusi is close to completion. IT will continue to focus on maintenance and ongoing improvement of the governance of the IT Unit. 🔄

“Stringent systems have been developed to assure the quality of the resulting process before assessment bodies may release results of national examinations.”

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

### STRATEGIC OBJECTIVES

Programme H: INFORMATION TECHNOLOGY SYSTEMS					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Information technology systems established and maintained	70% of all user requests registered were completed successfully	70% of all user requests registered to be completed satisfactorily	82% of all user requests registered completed satisfactorily	12%	Over-achievement by completing more service requests than planned; fewer requests were registered due to major projects under way
Certification, verification and quality assurance systems implemented	90% of all user requests registered were completed successfully	90% of all user requests registered to be completed satisfactorily	76% of all user requests registered were completed successfully	14%	Under-achievement due to more operational tasks and less time to perform actual system development service requests. No impact on the organisational business processes.
Adequate hardware and software obtained to support operations	100% of all user requests received completed	100% of all user requests received completed	100%	0	None

### KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme H: INFORMATION TECHNOLOGY SYSTEMS					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Percentage of the priority task list completed, as approved by the MIS steering committee	70% of all user requests registered were completed successfully	70% of all user requests registered to be completed satisfactorily	94% of all user requests registered were completed successfully	24%	Over-achievement by completing 145 service requests, with only 9 outstanding. Fewer service requests received due to major projects being implemented.
Percentage of projects identified to be developed and/or maintained	70% of all user requests registered were completed successfully	70% of all user requests registered to be completed	70% of all user requests registered were completed satisfactorily	0%	None
Percentage of the mainframe system maintained as per user requests from QCC and QAA units	100% of all user requests registered were completed successfully	90% of all user requests registered to be completed	76% of all user requests registered were completed satisfactorily	14%	Under-achievement by not completing 43 service requests from the 179 requests registered. 136 were completed.
Percentage hardware and software obtained to support operational work	100% of all user requests received completed	100% of all user requests received completed	100%	0	None





Front Row (Left to Right): Letseba Tosa, Gumani Makwarela  
Back Row (Left to Right): Refilwe Selesho (Manager), Dineo Mokholwane, Olga Matlala, Shakuntla Khatri

## PROGRAMME I

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# HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT



Refilwe Selesho

## PROGRAMME I HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

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

A key challenge for the sub-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.

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

#### STRATEGIC OBJECTIVES

##### Programme I: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	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 2015	100%	0	None
	All staff performance managed	Staff performance agreements signed and performance managed	100%	0	None
	Training plan in place	Staff sent on training as per approved training plan	78% of training done as per the approved training plan	22%	Changing needs of units/sub-units and additional training requests submitted throughout the year.
	Effective Records Management System established	Compliance with the National Archiving Regulations	100%	0	None

## KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme I: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2013/2014	PLANNED TARGET 2014/2015	ACTUAL ACHIEVEMENT 2014/2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2014/2015	COMMENT ON DEVIATIONS
Percentage of HR employment practices in line with policies	100%	100%	100%	0	None
Workplace Skills Plan submitted by 30 April	100%	100%	100%	0	None
Percentage of staff performance managed	100%	100%	100%	0	None
Effective Records Management System established and maintained	100%	100%	100%	0	None

“Umalusi’s Wellness Programme contributes to the health of staff through organising Wellness Days.”

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 on employment of staff. These were improved through capacity development, including skills development programmes.

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

## PERSONNEL COST BY PROGRAMME 2014/2015

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	10 910	12 732	25	36	354
Corporate Services	72 068	11 451	23	27	424
Governance of Chief Executive Officer	1 815	7 062	14	12	589
Qualifications, Curriculum and Certification	6 449	5 812	12	14	415
Quality Assurance of Assessment	34 629	9 039	18	18	502
Statistical Information and Research	6 306	3 853	8	7	550
<b>TOTAL</b>	<b>132 177</b>	<b>49 949</b>	<b>100</b>	<b>114</b>	<b>438</b>

#### 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	4 968	10	4	1 242
Senior Management	4 525	9	5	905
Professional qualified	27 634	55	56	493
Skilled	6 277	12	13	483
Semi-skilled	6 078	12	33	184
Unskilled	467	1	3	156
<b>TOTAL</b>	<b>49 949</b>	<b>100</b>	<b>114</b>	<b>438</b>

#### PERFORMANCE REWARDS

LEVEL	PERFORMANCE REWARDS (R 000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
Top Management	261	4 968	5
Senior Management	222	4 525	5
Professional qualified	827	27 538	3
Skilled	118	6 181	2
Semi-skilled	212	5 982	4
Unskilled	2	467	0
<b>TOTAL</b>	<b>1 642</b>	<b>49 949</b>	<b>3</b>

#### 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	12 671	172 925	1 365	34	50 86
Corporate Services	11 451	874 912	7 640	27	32 404
Governance of Chief Executive Officer	7 001	210 357	3 005	12	17 530
Qualifications, Curriculum and Certification	5 751	62 433	1 086	14	4 460
Quality Assurance of Assessment	8 978	79 627	887	18	4 424
Statistical Information and Research	3 853	24 326	631	7	3 475
	<b>49 705</b>	<b>1 424 580</b>	<b>2 866</b>	<b>112</b>	<b>26</b>

#### EMPLOYMENT AND VACANCIES

PROGRAMME	2012/2013 NO. OF EMPLOYEES	2013/2014 APPROVED POSTS	2014/2015 NO. OF EMPLOYEES	2014/2015 VACANCIES	% OF VACANCIES
Evaluation and Accreditation	19	37	36	1	3
Corporate Services	25	29	27	2	7
Governance of Chief Executive Officer	10	13	12	1	8
Qualifications, Curriculum and Certification	13	18	14	4	22
Quality Assurance of Assessment	16	21	18	3	14
Statistical Information and Research	6	9	7	2	22
	<b>89</b>	<b>127</b>	<b>114</b>	<b>13</b>	<b>10</b>

EMPLOYMENT AND VACANCIES (continued)

PROGRAMME LEVELS	2012/2013 NO. OF EMPLOYEES	2013/2014 APPROVED POSTS	2014/2015 NO. OF EMPLOYEES	2014/2015 VACANCIES	% OF VACANCIES
Top Management	3	4	4	0	0%
Senior Management	4	5	5	0	0%
Professional qualified	37	67	56	11	16%
Skilled	13	14	13	1	7%
Semi-skilled	29	34	33	1	3%
Unskilled	3	3	3	0	0%
<b>TOTAL</b>	<b>89</b>	<b>127</b>	<b>114</b>	<b>13</b>	<b>10%</b>

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	3	1	0	4
Senior Management	4	1	0	5
Professional qualified	40	23	7	56
Skilled	11	2	0	13
Semi-skilled	26	7	0	33
Unskilled	3	0	0	3
Total	87	34	7	114





#### REASONS FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	-
Resignation	4	57%
Dismissal	0	-
Retirement	3	43%
Ill health	0	-
Expiry of contract	0	-
Other	0	-
<b>TOTAL</b>	<b>7</b>	

#### 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	0	0	0	0
Professional qualified	21	0	3	0	1	0	6	0
Skilled	4	0	0	0	0	0	1	0
Semi-skilled	8	0	0	1	0	1	0	2
Unskilled	1	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>38</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>2</b>

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	0	0	0	0	0	1	0
Senior Management	1	0	0	0	0	0	1	0
Professional qualified	14	0	2	0	2	0	7	0
Skilled	4	0	0	1	2	0	2	0
Semi-skilled	24	0	0	0	1	0	0	2
Unskilled	2	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>46</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>11</b>	<b>2</b>

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	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
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### UMALUSI STAFF TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

AREA OF TRAINING	TYPE OF TRAINING	COST	EMPLOYEES
Adjustments to Organogram	PIKOKO Group	1 710	Organisation Annual Report
Workplace Leadership Training	POP Training & Consulting	20 292	Executive Management & Shop Stewards
MacRobert Attorneys	King III Report	10 000	Audit Committee & Executive Committee
The Curry Cove	Catering	1 690	Executive Management & Shop Stewards
Skills Development Workshop	Blue Been Executive Training	13 499	Training & Development Practitioner
Project Management	Stratex Group	12 637	Assistant Managers
Effective Media Release Writing Course	Public Relations Institute of South Africa	4 560	PR Senior Manager & Assistant Manager
Marole Catering Services	Catering	1 780	Audit Committee & Executive Committee
National Development Plan	Intelligence Transfer Centre	20 518	CFO & COO
New Legislative Seminar	Van Zyl Rudd & Associates SA	2 600	HR Practitioner
Annual Ethics Conference	Ethics Institute of South Africa	4 050	CFO
SAS Macro System Training	SAS Institute	8 436	Junior Statistician
Framing of Long Service Award Certificates	The Great Frame Up	716	Organisation
Framing of Performance Award Certificates	The Great Frame Up	1 290	Organisation
Events Organising and Project Management Workshop	Profounder Intelligence	25 078	Receptionist, Admin Assistant
Supply Chain Management	National School of Government	4 925	Admin Assistant
Outstanding Performance Awards	Woolworths vouchers	5 000	Practitioner, Admin Assistants
Advanced Record Management Workshop	Steven Samuels	9 119	Administrative Assistant Records Office

UMALUSI STAFF TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015 (CONTINUED)

AREA OF TRAINING	TYPE OF TRAINING	COST	EMPLOYEES
Office Cleaning and Maintenance Course	NDJ Consultants	2 394	Housekeeper
Minute-taking Training	Peakford Management Consultants	22 230	Managers, Assistant Managers and Administrative staff,
Secretaries / PA Training	Masana Brainstorm Conferencing cc	27 357	PA, Senior Secretary
Media Relations & Television Interview Workshop	Provox	44 118	CEO, CFO, COO, Senior Managers
Shop Stewards and Management Training	Labour Guide	21 660	Shop Stewards and Management
Report Writing Workshop	N & M HR Consulting	74 989	Senior Manager, Manager, Assistant Manager, Evaluators, Subject Specialists
Specialised Administration and Office Management for Professionals	KKN Training Services (Pty) Ltd	30 500	Administrative Assistants, Assistant Manager
Chairpersons of Interviewing panels	Willem Conradie & Associates	62 575	Executive Management, Senior Managers, HR Manager, HR Practitioner, HR Administrative Assistant
Data Analysis and Dashboard Reporting in Excel Training	Eminent Conferencing	7 999	Senior Manager
Doerich Catering	Catering	3 500	Assistant Managers, Managers, Senior Managers
Retirement Age Talk	Polarity	14 193	CEO, CFO Managers, Assistant Managers
Payroll Taxes & Legislation Mid - Year Seminar	Lexis Nexis	1 425	Accountant
Catering - Minute-taking Training	Food and Beverages	3 300	Admin Assistants, Assistant Managers, Managers
Purco Conference	Purco	10 762	CFO, Managers
PR Development Programme	Provox	19 886	Assistant Manager
Govtech	Govtech Conference	21 360	CFO, IT Managers
MIE	Verification of staff qualifications	3 734	All Staff
MIE	Verification of staff qualifications	1 640	All staff
SABPP	Membership	987	HR Manager
Catering	Report Writing Workshop	6 555	19 E&A Staff , two QAA Assistant Managers
SITA	SITA	21 360	
Litha Lethu Management	Litha Lethu Management	14 488	
Catering	Competency-based Interviews Training	2 658	E&A Managers, Assistant Managers, Evaluators, Subject Specialists
Removals for Africa and storage	Removal of furniture	38 000	Retired HR Manager
Catering Labour Relations Training	Marole Catering Services	2 280	Shop Stewards and Management
Verification of Staff Qualifications	MIE	304	All Staff
Developing ASP.Net MVC4	Torque IT	11 030	IT Developers
The Functions of the SIR Unit	Presented by Marco Macfarlane	0	All Staff
Verification of Staff Qualifications	MIE	138	New Staff
Sage VIP	People Payroll Consultation	72 693.92	Finance Unit
Sage VIP	People Payroll Consultation	33 666.02	Finance Unit



UMALUSI STAFF TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015 (CONTINUED)

AREA OF TRAINING	TYPE OF TRAINING	COST	EMPLOYEES
Sage VIP	People Payroll Consultation	7 789.96	Finance Unit
Sage VIP	People HR Consultation	17 658.49	Finance Unit
Sage VIP	Info slips Consultation and Travelling	4 563.76	Finance Unit
Sage VIP	VIP Umalusi Standard and Service	780.65	Finance Unit
Project Management	Stratexec	8 425	Assistant Manager, Administrative Assistant Manager
Basic Excel Training	CTU Training Solutions	975	Admin Assistant
Excel Intermediate Training	CTU Training Solutions	1 950	Assistant Manager, Manager
Presentation on Verification	Presented by Anne McCullum	0	All Staff
Recruitment of Data Capturers	Express Personnel	8 680	HR
CTU Training Solutions	Excel Training	1 950	Admin Assistants (QCC & QAA)
Sage VIP	People Basic Workshop	5 130	Accountant
People Beyond	Job Description Designing	54 685	HR Unit
People Beyond	HR Policies Reviewed	26 156	HR Unit
Bytes People Solutions	Developing Microsoft SQL Database	6 555	Manager
Excel Training	CTU Training Solutions	975	Admin Assistant: (QCC)
Bytes People Solutions	Implementing a Data Warehouse with Microsoft SQL	6 464	Manager
Bytes People Solutions	Administering Microsoft SQL Server	6 464	Manager
Bytes People Solutions	Querying Microsoft SQL Server 2012	6 555	Manager
NOSA	SHE Representative Course	790	Manager
Sage VIP	People Basic Workshop	10 260	Administrative Assistant HR, T & D Practitioner
Sage VIP	People Basic Workshop	10 260	HR Practitioner, HR Administrative Assistant
The Great Frame Up	Framing of Long Service Award Certificates	1 128	Managers, Assistant Managers, Practitioner, Admin Assistants
NDJ Consultants	Business Ethics Training	30 780	Housekeeper, General Worker, Practitioners, Assistant Manager, PA, Secretary, Admin Assistants
Marole Catering	Business Ethics Training	2 403	Housekeeper, General Worker, Practitioners, Assistant Manager, PA, Secretary, Admin Assistants
Ndwalaza Trading	Skills for Office Professionals and Admin Assistants Programme	11 399	Senior Admin Assistant
Head Space	HIV/AIDS Talk	2 500	All Staff
Centre for Africa Capacity Building & Development	Meeting & Minutes Management Training	6 250	Admin Assistant
The Ethics Institute of South Africa	5th Annual Conference	3 400	CFO
Performance Management Presentation	Presented by Refilwe Selesho	0	All Staff
People Beyond	HR Support Services	54 686	All Staff
People Beyond	HR Support Services	26 157	All Staff

UMALUSI STAFF TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015 (CONTINUED)

AREA OF TRAINING	TYPE OF TRAINING	COST	EMPLOYEES
Ntyilo Training	HR Masterclass	25 998	HR Manager, Training & Development Practitioner
Parity Software	Papyrus System Training	2 166	Assistant Researcher
2015 Annual Payroll Tax Seminar	Sage VIP	5 472	HR Manager, Accountant, Assistant Finance Manager
Profounder Intelligence Management	Procurement Workshop	25 078	Assistant Manager (SCM), Admin Assistant : (SCM)
Marole Catering	Lunch for Business Ethics Training	3 876	Admin Assistants, Managers, Assistant Managers
NDJ Consultants	Business Ethics Training	30 780	Admin Assistants, Managers, Practitioners
MIE	Verification of Staff Qualifications	530	New Staff
Advantage Training	14th Annual African Corporate Governance Conference	35 841	CEO, CFO
Sage VIP	People HR Consultation	650	HR Unit
Sage VIP	People Payroll Consultation	5 886	Finance Unit
Sage VIP	Consultation	9 853	Finance Unit
Sage VIP	People Payroll Consultation	4 934	Finance Unit
Sage VIP	People Payroll Consultation	3 030	Finance Unit
Sage VIP	People Payroll Consultation	3 982	Finance Unit
Sage VIP	People Payroll Consultation	5 886	Finance Unit
Sage VIP	People Payroll Consultation	7 314	Finance Unit
Sage VIP	People Consultation	851	Finance Unit
Sage VIP	People Payroll Consultation	3 506	Finance Unit
Sage VIP	Verification of Qualifications	137	Finance Unit
Sage VIP	People Payroll Consultation	7 314	Finance Unit
Sage VIP	Payroll Consultation	851	Finance Unit
Sage VIP	People Payroll Consultation	3 506	Finance Unit
Sage VIP	People Consultation	2 175	Finance Unit
Work Dynamics	Competency Assessment	19 048	HR Unit
MIE	Verification on New Recruits	224	HR Unit
MIE	Verification of Qualifications	137	HR Unit
People Job Management	Sage VIP	7 524	HR Practitioner, Admin Assistant, Training & Development Practitioner
<b>Training 2014/2015</b>		<b>1 267 998</b>	

STUDY ASSISTANCE APPLICATIONS			
1	National Higher Certificate in Accountancy	3 840	Administrative Assistant: (Finance)
2	Post Graduate Diploma in Educational Management	8 000	Assistant Manager : (E&A)
3	BCom HR	2 570	Administrative Assistant : (E&A)
4	BCom Financial Law	10 700	Admin Assistant: (Finance)
5	Doctor of Education Management	30 000	Senior Manager
6	Post Graduate Certificate	7 500	Admin Assistant
7	BTech Public Management	8 000	Admin Assistant
<b>Sub total study assistance</b>		<b>70 610</b>	

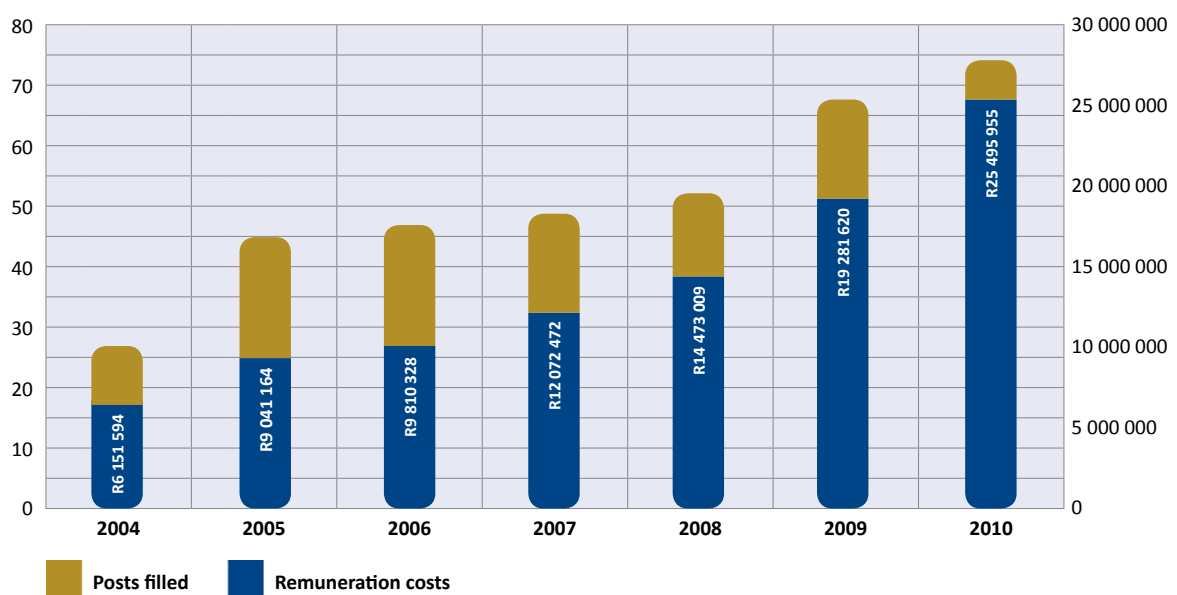
UMALUSI STAFF TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015 (CONTINUED)

AREA OF TRAINING	TYPE OF TRAINING	COST	EMPLOYEES
<b>WELLNESS DAYS X 2</b>			
Friday, 7 November 2014	Mangwanani Day Spa	15 540	All Staff
	Stress Talk	1 000	
	Catering	6 992	
	Stress Management Assessment and Health Risk Assessment	21 290	
Friday, 27 March 2015	Time Management	3 420	All Staff
	Mangwanani Day Spa	13 913	
	Health Talk, Ergonomist and Health Assessment	23 819	
<b>Total Wellness days</b>		<b>85 974</b>	

<b>Grand total</b>	<b>1 424 582</b>
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UMALUSI HUMAN RESOURCES YEAR-ON-YEAR STATISTICS



## UMALUSI HUMAN RESOURCES YEAR-ON-YEAR STATISTICS (continued)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	R	R	R	R	R	R	R	R	R	R	R	R
<b>Remuneration costs</b>	R6 151 594	R9 041 164	R9 810 328	R12 072 472	R14 473 009	R19 281 620	R25 495 955	R28 811 508	R34 208 050	R35 452 000	R41 112 783	R49 949 940
Remuneration Year-on-Year Increase		47%	9%	23%	20%	33%	32%	13%	34%	23%	16%	21%
<b>Total Expenditure</b>	R15 705 632	R18 391 033	R21 329 502	R28 024 522	R30 887 357	R41 378 379	R52 391 296	R63 043 934	R75 279 084	R89 149 000	R101 529 647	R132 177 344
% of Total Expenditure	39%	49%	46%	43%	47%	47%	49%	46%	45%	40%	40%	38%
<b>Number of posts</b>	32	52	57	75	77	77	80	86	86	103	100	114
Posts YOY Increase		63%	10%	32%	3%	0%	4%	8%	8%	20%	-3%	14%
Posts filled	26	45	48	49	54	67	75	81	81	83	89	101
<b>Additional posts (contract)</b>	6	4	5	5	4	6	5	5	5	5	14	13
<b>Vacancy rate</b>	19%	13%	16%	35%	30%	13%	6%	6%	6%	19%	11%	11%
<b>Staffing levels</b>												
Lower Skilled (Levels 1-2)	1	1	1	1	1	1	3	3	3	3	3	3
Skilled (Levels 3-5)	10	10	13	14	17	21	27	30	30	24	31	33
Highly Skilled: production (Levels 6-8)	8	9	6	6	6	13	11	15	15	12	13	13
Highly Skilled: supervision (Levels 9-12)	9	20	22	22	23	25	31	30	30	36	45	43
Senior Management (Levels 13-16)	4	5	6	6	7	7	8	8	8	8	8	9
<b>Training costs</b>	R39 000	R29 000	R60 000	R140 000	R194 000	R335 914	R465 049	R389 132	R397 933	R602 000	R554 802	R1 424 582
Training YOY Increase		-26%	107%	133%	39%	73%	38%	-16%	-14%	55%	-8%	157%
<b>Senior Management costs</b>	R1 605 368	R2 314 000	R2 934 000	R3 775 000	R3 432 000	R5 223 000	R6 326 817	R7 120 444	R7 691 161	R7 879 000	R8 386 769	R9 493 195
SMS % of remuneration costs	26%	26%	30%	31%	24%	27%	25%	25%	22%	22%	20%	19%
<b>Number of SMS posts</b>	4	6	6	7	7	7	8	8	8	8	8	9
SMS Posts Year-on-Year Increase		50%	0%	17%	0%	0%	14%	0%	0%	0%	0%	13%

# MATRIX OF UMALUSI QUALITY ASSURED AND CERTIFIED QUALIFICATIONS

	NATIONAL SENIOR CERTIFICATE (NSC)	AMENDED SENIOR CERTIFICATE	NATIONAL CERTIFICATE VOCATIONAL (NCV) LEVEL 4	GENERAL EDUCATION AND TRAINING CERTIFICATE: ADULT BASIC EDUCATION AND TRAINING (GETC: ABET)
On which NQF level is the qualification?	NQF Level 4	NQF Level 4	NQF Level 4	NQF Level 1
What kind of qualification is this?	Academic qualification	Academic qualification	Vocational qualification	General qualification with academic and vocational subjects
Which Grade is equivalent to this qualification?	Grade 12	Grade 12	Grade 12	Grade 9
Who can study for the qualification?	School learners who are between 16 and 19 years old and who have passed Grade 9	Adult learners who are over the age of 21 years	School learners who are between 16 and 19 years old and who have passed Grade 9 or another NQF Level 1 qualification	Learners who are 16 years and older who have not passed Grade 9 or another NQF Level 1 qualification
How long does it take to complete the qualification	A minimum of three years, from Grade 10, then Grade 11 and finally Grade 12	It takes a minimum of one year to complete the qualification	A minimum of three years, since NCV Level 2 and NCV Level 3 must be completed before entry into NCV Level 4. Each of the NCV qualifications takes a minimum of one year.	Minimum of one year to complete AET Level 4, which is the point of certification. The one year does not include AET Levels 1–3.
How many subjects are required to successfully complete the qualification?	Register for 7 subjects <ul style="list-style-type: none"> <li>1 official language at Home Language (HL) Level</li> <li>1 official language at First Additional Language (FAL) Level</li> <li>Mathematics/Mathematical Literacy</li> <li>Life Orientation</li> <li>3 subjects from the list of approved NSC subjects</li> </ul>	Register for 6 subjects <p><b>New SC applicants</b></p> <ul style="list-style-type: none"> <li>2 official languages</li> <li>Mathematics/Mathematical Literacy</li> <li>3 subjects selected from the list of newly approved SC subjects</li> </ul> <p><b>Learners with SC credits obtained before July 2014</b></p> <ul style="list-style-type: none"> <li>Select the remaining subject from the list of approved SC subjects</li> </ul> <p><b>NSC part-time repeaters</b></p> <ul style="list-style-type: none"> <li>3 subjects selected from the list of approved SC subjects</li> <li>Mathematics is a requirement for certification purposes</li> </ul>	Register for 7 subjects <ul style="list-style-type: none"> <li>1 official language at HL or FAL level</li> <li>Life Orientation</li> <li>Mathematics/ Mathematical Literacy</li> <li>4 subjects chosen from the vocational programmes</li> </ul>	Register for a minimum of 5 subjects, which must add up to 120 credits <ul style="list-style-type: none"> <li>Language, Literacy and Communication</li> <li>Mathematical Literacy/ Mathematics and Mathematical Sciences</li> <li>Life Orientation</li> <li>A minimum of 2 electives from the academic or vocational specialisations, which must make up 51 credits</li> </ul>
What are the pass requirements for the qualification?	<ul style="list-style-type: none"> <li>Minimum 40% in three subjects, one of which must be an official language at HL level</li> <li>Minimum 30% in 3 subjects</li> <li>Submit the SBA component in the failed subject</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 40% in a minimum of 5 subjects which must include 2 languages, one at HL and one at FAL Level</li> <li>Obtain a minimum aggregate of 720 marks</li> <li>A sub-minimum of 20% in the failed subject</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 40% in the required official language</li> <li>Minimum 40% in Life Orientation</li> <li>Minimum 30% in Mathematics/ Mathematical Literacy</li> <li>Minimum 50% in each of the 4 vocational subjects</li> </ul>	Minimum 50% in a minimum of 5 subjects which must add up to 120 credits
Where can one study for this qualification?	At public schools or independent schools accredited by Umalusi	At public Adult Learning Centres or private Adult Learning Centres accredited by Umalusi	At public Technical and Vocational Education and Training (TVET) colleges or Umalusi-accredited private TVET colleges	At public Adult Learning Centres or private Adult Learning Centres accredited by Umalusi



Setting and monitoring educational standards today to ensure tomorrow.



# FINANCIAL CONTENTS

Council’s Responsibilities and Approval .....	78
Report of the Audit and Risk Committee .....	79
Report of the Independent Auditors .....	80
Report of the Council .....	82
Statement of Financial Position .....	84
Statement of Financial Performance .....	85
Statement of Changes in Net Assets .....	86
Cash Flow Statement .....	87
Statement of Comparison: Budget and Actual Amounts.....	88
Accounting Policies .....	89
Notes to the Annual Financial Statements .....	97
Detailed Statement of Financial Performance .....	106



## Council's

# RESPONSIBILITIES AND APPROVAL

The Council is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the 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 Standards 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 place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to

ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

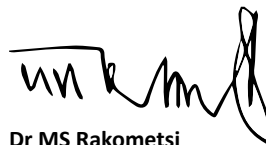
Although the Council is primarily responsible for the financial affairs of the entity, they are supported by the entity's Internal Auditors.



**Professor JD Volmink**

Chairperson : Umalusi Council

30 July 2015



**Dr MS Rakometsi**

Chief Executive Officer: Umalusi

30 July 2015



## 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 2015.

### AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 51(1)(a)(ii) of the PFMA and Treasury Regulation 3.1.

The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

### 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, SizweNtsalubaGobodo Inc. , 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.

Internal Audit identified some weaknesses during the year and these were reported to the Audit and Risk Committee. These items were added to the Audit Action Plan for continuous follow up by Executive Management and Internal Audit as their regular field work. The Committee also considered the risk register and ensured that this informed the Internal Audit Plan. Ongoing monitoring of the progress against the risk register was conducted quarterly.

### EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report , with the approved External Auditor, SizweNtsalubaGobodo Inc.;
- Reviewed the External Auditor's management report and Management's responses thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the entity's compliance with legal and regulatory provisions;
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor's report of the Annual Financial Statements, and are of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the Auditor, SizweNtsalubaGobodo Inc.

### INTERNAL AUDIT

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

### External Audit

The Audit and Risk Committee has met with the External Auditor to ensure that there are no unresolved issues.



**Ms L Rossouw**

Chairperson of the Audit and Risk Committee

Date: 31 July 2015

# Report of the INDEPENDENT AUDITORS

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

We have audited the financial statements of the Umalusi (Council for Quality Assurance in General and Further Education and Training) set out on pages 78 to 106, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information 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 Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act of South Africa, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on financial statements based on our audit. We conducted our audit in accordance with 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 Assurance in General and Further Education and Training) as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with 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 Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, we have a responsibility to report findings on the reported performance information against predetermined objectives for the selected programmes or objectives presented in the Annual Report, non-compliance with legislation and 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 objectives presented in the annual performance report of Umalusi for the year ended 31 March 2015:

- Programme A: Qualifications, Curriculum and Certification set out on page 37;
- Programme B :Quality Assurance of Assessment set out on page 40 ;
- Programme C: Evaluation and Accreditation set out on page 45;
- Programme D: Statistical Information and Research set out on page 48; and
- Programme G: Corporate Services - Finance and Supply Chain Management set out on page 58.

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.

The material findings in respect of the selected objectives are as follows:

#### **PROGRAMMES A, B, C AND D**

##### **Usefulness of reported performance information**

- Performance targets should be specific in clearly identifying the nature and required level of performance as required by the FMPPi. Significantly important targets in relation to Umalusi were not specific.
- The period or deadline for delivery of targets should be specified as required by the FMPPi. Significantly important targets in relation to Umalusi were not time bound.

#### **Compliance with legislation**

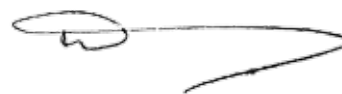
We performed procedures to obtain evidence that the public entity had complied with legislation regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report included in this report.

#### **Leadership**

The accounting authority did not exercise oversight responsibility regarding performance reporting and related internal controls.



**Sizwe Ntsaluba Gobodo Inc**

Registered Auditor

Per: Mxolisi Mthimkhulu

31 July 2015

# Report of the COUNCIL

## 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 (GENFETQA) 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 acts as an external and independent assurance body, mandated to set and maintain standards in general and further education and training through the development of the general and further education and training qualifications sub-framework.

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 R 5,722,849 (2014: surplus R 19,603,472).

## 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 that would require an adjustment of the financial statements.

## 4. PENDING COURT CASE / CONTINGENCY

Council is aware of a pending court case regarding the 2014 group copying incident in KwaZulu-Natal where the results of the implicated candidates were withheld. Umalusi is the fourth respondent in the case and there is uncertainty as to the possible outcome and any financial impact to Umalusi.

## 5. INTERNAL CONTROLS

In accordance with the PFMA, Council is accountable for internal controls. The Council has the responsibility of maintaining a sound system of internal controls that support achievements of Umalusi's objectives, reviewing the system's effectiveness.

## 6. COUNCIL MEMBERS

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

Prof JD Volmink (Chairperson)	Appointed 08 June 2014
Prof ND Kgwadi (Deputy Chairperson)	
Dr MS Rakometsi (CEO)	
Dr LR Becker	Appointed 08 June 2014
Prof PAD Beets	Appointed 08 June 2014
Ms F Dada	
Mr MHW Ehrenreich	Appointed 08 June 2014
Prof CF Look	Appointed 08 June 2014
Dr EB Mahlobo	
Prof MG Mahlomaholo	Appointed 08 June 2014
Prof L Makalela	Appointed 08 June 2014
Dr MR Mampane	Appointed 08 June 2014
Ms GJ Mashabela	Appointed 08 June 2014
Prof MLE Monnapula-Mapesela	Appointed 08 June 2014
Mr HM Mveli	Appointed 08 June 2014
Dr SNP Sishi	Appointed 08 June 2014
Dr D Webbstock	Appointed 01 March 2015
Prof SSG Mabizela (Chairperson)	Term ended 07 June 2014
Prof TT Dunne	Term ended 07 June 2014
Mr A Essop	Term ended 07 June 2014
Prof M Fourie-Malherbe	Term ended 07 June 2014
Mr SBA Isaacs	Term ended 07 June 2014
Ms GJ Mashabela	Term ended 07 June 2014
Mr A Mocke	Term ended 07 June 2014
Prof R Moletsane	Term ended 07 June 2014
Mr E Mosuwe	Term ended 07 June 2014
Mr CS Ndaba	Term ended 07 June 2014
Mr JS Samuels	Term ended 07 June 2014
Prof D Singh	Term ended 07 June 2014
Dr ZC Sosibo	Term ended 07 June 2014

**Note:** Where there is no indication above, these Council members continue together with those appointed on 8 June 2014, until term ends on 7 June 2018.

## 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

COUNCIL MEMBERS	Salary / Fees	Bonuses and performance related payments	Retirement Fund contributions	Medical contributions	Total 2015	Total 2014
	R	R	R	R	R	R
Prof ND Kgwadi	8,959	-	-	-	8,959	57,549
Prof TT Dunne	12,590	-	-	-	12,590	57,048
Prof M Fourie-Malherbe	-	-	-	-	-	1,360
Prof SSG Mabizela	505	-	-	-	505	40,710
Ms L Mlanjana	17,651	-	-	-	17,651	43,487
Mr A Mocke	2,427	-	-	-	2,427	1,381
Dr ZC Sosibo	17,831	-	-	-	17,831	14,724
Dr EB Mahlobo	-	-	-	-	-	1,440
Prof JD Volmink	143,383	-	-	-	143,383	-
Dr PA Beets	5,867	-	-	-	5,867	-
Ms F Dada	55,875	-	-	-	55,875	-
Prof CF Looock	76,351	-	-	-	76,351	-
Prof L Makalela	26,297	-	-	-	26,297	-
Dr MR Mampane	42,012	-	-	-	42,012	-
Prof MLE Monnapula-Mapasela	24,672	-	-	-	24,672	-
Dr LR Becker	27,288	-	-	-	27,288	-
	<b>461,708</b>	-	-	-	<b>461,708</b>	<b>217,699</b>
<b>EXECUTIVE MANAGEMENT</b>						
Dr MS Rakometsi	1,727,316	336,188	159,516	12,168	2,235,188	1,866,680
Mrs E Rabe	1,187,811	113,768	102,215	-	1,403,794	1,183,271
Mr JR Thomas	1,102,457	73,184	102,215	12,168	1,290,024	1,183,271
Mr VD Naidoo	-	-	-	-	-	839,221
Mr SE Ditaunyane	782,872	31,408	71,792	-	886,072	784,036
Mrs EM Burroughs	885,573	54,547	76,197	-	1,016,317	864,199
Mr E Sibanda	766,499	142,449	75,071	-	984,019	866,696
Mr CJ Makaleng	733,017	233,419	71,792	-	1,038,228	799,395
Mrs EF Ramotlhale *	460,246	47,782	45,871	8,112	562,011	-
Mrs Z Modimakwane **	70,625	-	6,917	-	77,542	-
	<b>7,716,416</b>	<b>1,032,745</b>	<b>711,586</b>	<b>32,448</b>	<b>9,493,195</b>	<b>8,386,769</b>
	<b>8,178,124</b>	<b>1,032,745</b>	<b>711,586</b>	<b>32,448</b>	<b>9,954,903</b>	<b>8,604,468</b>

\* Appointed 01 August 2014

\*\*Appointed 01 March 2015

## 9. AUDITORS

SizweNtsalubaGobodo Inc will be recommended to continue in office for the next financial period in accordance with Section 25(2) of the Public Audit Act.

## Statement of

# FINANCIAL POSITION

AS AT 31 MARCH 2015

	NOTE(S)	2015 R	2014 R
<b>Assets</b>			
Cash and cash equivalents	7	50,832,675	46,737,706
<b>Current Assets</b>			
Receivables from exchange transactions	6	7,716,370	4,186,696
		58,549,045	50,924,402
<b>Non-Current Assets</b>			
Property, plant and equipment	3	37,313,877	37,485,127
Intangible assets	4	87,817	155,370
		<b>37,401,694</b>	<b>37,640,497</b>
<b>Total Assets</b>		<b>95,950,739</b>	<b>88,564,899</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	10	11,271,634	9,578,740
Provisions	9	5,266,420	5,296,323
		<b>16,538,054</b>	<b>14,875,063</b>
<b>Net Assets</b>		<b>79,412,685</b>	<b>73,689,836</b>
<b>Reserves</b>			
Revaluation reserve	8	8,196,622	8,196,622
Accumulated surplus		71,216,063	65,493,214
<b>Total Net Assets</b>		<b>79,412,685</b>	<b>73,689,836</b>

## Statement of

# FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2015

	NOTE(S)	2015 R	2014 R
Revenue	11	132,452,948	118,275,614
Other revenue	12	2,036,209	367,893
Operating expenses		(132,177,344)	(101,529,647)
<b>Operating surplus</b>	<b>13</b>	<b>2,311,813</b>	<b>17,113,860</b>
Investment revenue	15	3,411,036	2,489,612
<b>Surplus for the year</b>		<b>5,722,849</b>	<b>19,603,472</b>

## Statement of

# CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2015

	Revaluation Reserve R	Accumulated Surplus R	Total Net Assets R
<b>Balance at 01 April 2013</b>	<b>8,196,622</b>	<b>45,889,742</b>	<b>54,086,364</b>
Surplus for the year	-	19,603,472	19,603,472
Total changes	-	19,603,472	19,603,472
<b>Balance at 01 April 2014</b>	<b>8,196,622</b>	<b>65,493,214</b>	<b>73,689,836</b>
Surplus for the year	-	5,722,849	5,722,849
Total changes	-	5,722,849	5,722,849
<b>Balance at 31 March 2015</b>	<b>8,196,622</b>	<b>71,216,063</b>	<b>79,412,685</b>



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	NOTE(S)	2015 R	2014 R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receivables from exchange transactions		21,417,936	19,214,789
Grant : Department of Basic Education		107,354,000	97,662,000
Investment revenue		3,411,036	2,489,612
		<b>132,182,972</b>	<b>119,366,401</b>
<b>Payments</b>			
Payables from exchange transactions		(125,312,260)	(94,850,360)
<b>Net cash flows from operating activities</b>	18	<b>6,870,712</b>	<b>24,516,041</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	3	(2,779,862)	(12,927,071)
Proceeds from sale of plant and equipment		4,119	12,638
Purchase of intangible assets	4	-	(166,705)
<b>Net cash flows in investing activities</b>		<b>(2,775,743)</b>	<b>(13,081,138)</b>
Net increase in cash and cash equivalents		4,094,969	11,434,903
Cash and cash equivalents at the beginning of the year		46,737,706	35,302,803
<b>Cash and cash equivalents at the end of the year</b>	7	<b>50,832,675</b>	<b>46,737,706</b>

## Statement of Comparison:

# BUDGET AND ACTUAL AMOUNTS

31 MARCH 2015

	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Note
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						1
<b>Revenue from exchange transactions</b>						2
Accreditation fees	4,370,000	-	4,370,000	10,655,844	6,285,844	
Certification fees	2,880,000	-	2,880,000	5,995,564	3,115,564	
Verification fees	8,000,000	-	8,000,000	8,447,540	447,540	3
Rental income	-	-	-	1,959,078	1,959,078	
Sundry revenue	-	-	-	77,131	77,131	
Interest received-investment	1,550,000	-	1,550,000	3,411,036	1,861,036	
<b>Total revenue from exchange transactions</b>	<b>16,800,000</b>	<b>-</b>	<b>16,800,000</b>	<b>30,546,193</b>	<b>13,746,193</b>	
<b>Revenue from non-exchange transactions</b>						4
<b>Transfer revenue</b>						
Government grants : Department of Basic Education	107,354,000	-	107,354,000	107,354,000	-	
Reserves	10,654,000	-	10,654,000	-	(10,654,000)	
<b>Total revenue from non- exchange transactions</b>	<b>118,008,000</b>	<b>-</b>	<b>118,008,000</b>	<b>107,354,000</b>	<b>(10,654,000)</b>	
<b>Total revenue</b>	<b>134,808,000</b>	<b>-</b>	<b>134,808,000</b>	<b>137,900,193</b>	<b>3,092,193</b>	5
<b>Expenditure</b>						6
Personnel costs	(52,560,000)	-	(52,560,000)	(49,949,940)	2,610,060	
Depreciation and amortisation expense	(2,951,000)	-	(2,951,000)	(3,012,171)	(61,171)	7
Debt impairment	-	-	-	(1,920,621)	(1,920,621)	
Moderator and Verifier costs	(27,970,000)	-	(27,970,000)	(23,726,586)	4,243,414	
Repairs and maintenance	(867,000)	-	(867,000)	(1,858,004)	(991,004)	
Administrative expenses	(50,460,000)	-	(50,460,000)	(51,707,647)	(1,247,647)	
<b>Total expenditure</b>	<b>(134,808,000)</b>	<b>-</b>	<b>(134,808,000)</b>	<b>(132,174,969)</b>	<b>2,633,031</b>	
<b>Operating surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,725,224</b>	<b>5,725,224</b>	
Loss on disposal of assets	-	-	-	(2,375)	(2,375)	
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,722,849</b>	<b>5,722,849</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,722,849</b>	<b>5,722,849</b>	

1. With the roll-out of full accreditation that commenced in 2013/14, the volumes of applications for accreditation has continued to exceed the anticipated volumes resulting in a positive variance.
2. Certification income for private assessment bodies above expectation.
3. Increased interest income realised from the reserve funds invested with the CPD.
4. National Treasury authorised the use of the reserve funds to fund the anticipated shortfall which was mainly as a result of the planned renovations to the new building. Renovations to commence in the 2015/16 financial year.
5. Newly created approved budgeted positions not filled thus resulted in a saving.
6. In line with the cost containment guidelines, Council and the Management continue to effectively and efficiently monitor and control the usage of moderators in order to reduce costs.
7. General expenses more than budget as a result of the additional expenses incurred due to the group copying incidents. It should be noted that the investigations also took place during the festive season and costs relating to flights and accommodation were high during this period.

# 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), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for land and buildings, which are measured according to fair value, unless specified otherwise.

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 Presentation currency

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the entity.

#### 1.2 Going concern assumption

These Annual Financial Statements have been prepared based on the going concern basis. In assessing whether Umalusi is a going concern, the Council has considered the fact that Umalusi receives State contributions from (Voted Funds), which is sufficient to classify Umalusi as a going concern for at least the next 12 months.

#### 1.3 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses, except for land and

buildings, which are carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

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

The revaluation surplus included in net assets related to a specific item of property, plant and equipment is transferred directly to accumulated surplus or deficit when the asset is derecognised.

The revaluation surplus included in net assets related to a specific item of property, plant and equipment is transferred directly to accumulated surplus or deficit as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

<b>Item</b>	<b>Average useful life</b>
Land	Indefinite
Buildings	20 years
Plant and machinery	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 as of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

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

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use 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 deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## 1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. 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 binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent Management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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

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.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Useful life
Computer software	2 years

## 1.5 Financial instruments

### ***Receivables from exchange transactions***

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue)

are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

### ***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 and subsequently recorded at fair value.

## **1.6 Leases**

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

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

### ***Operating leases - lessor***

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in the statement of financial performance.

## **1.7 Impairment of cash-generating assets**

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

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

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

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

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

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

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

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

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

## **1.8 Employee benefits**

### ***Short-term employee benefits***

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

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

### ***Defined contribution plans***

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or State plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

## **1.9 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.

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

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

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

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

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

Contingent assets and contingent liabilities are not recognised..

### **1.10 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 entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

#### ***Measurement***

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

#### ***Rendering of services***

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

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

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

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

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



### **1.11 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.

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.

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.

### **1.12 Investment income**

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

### **1.13 Comparative figures**

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

### **1.14 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.

### **1.15 Irregular expenditure**

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial period and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required, with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required, with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### **1.16 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 entity 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 2014/04/01 to 2015/03/31.

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

## Notes to the

# ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

## 2. NEW STANDARDS AND INTERPRETATIONS

### 2.1 Standards and Interpretations early adopted

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

Standard/ Interpretation:	Effective date:	
	Years beginning on or after	Expected impact:
GRAP 105: Transfers of functions between entities under common control	01 April 2015	No impact
GRAP 106: Transfers of functions between entities not under common control	01 April 2015	No impact

### 2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2015 or later periods:

Standard/ Interpretation:	Effective date:	
	Years beginning on or after	Expected impact:
GRAP 18: Segment Reporting	01 April 2015	No impact
GRAP 107: Mergers	01 April 2015	No impact
GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2015	No impact
GRAP32: Service Concession Arrangements: Grantor	01 April 2016	No impact
GRAP108: Statutory Receivables	01 April 2016	No impact

## 3. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	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	31,724,097	(4,181,634)	27,542,463	31,814,097	(2,401,422)	29,412,675
Plant and equipment	605,349	(502,725)	102,624	491,749	(491,749)	-
Furniture and fixtures	1,907,663	(1,366,200)	541,463	1,720,788	(1,297,974)	422,814
Office equipment	1,419,154	(820,358)	598,796	935,091	(649,512)	285,579
Computer equipment	6,540,608	(3,958,229)	2,582,379	4,964,695	(3,594,535)	1,370,160
Other fixed assets	504,284	(408,132)	96,152	504,284	(360,385)	143,899
<b>Total</b>	<b>48,551,155</b>	<b>(11,237,278)</b>	<b>37,313,877</b>	<b>46,280,704</b>	<b>(8,795,577)</b>	<b>37,485,127</b>

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Reconciliation of property, plant and equipment - 2015

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land	5,850,000	-	-	-	5,850,000
Buildings	29,412,675	(90,000)	-	(1,780,212)	27,542,463
Plant and equipment	-	113,600	-	(10,976)	102,624
Furniture and fixtures	422,814	206,150	-	(87,501)	541,463
Office equipment	285,579	484,062	-	(170,846)	598,795
Computer equipment	1,370,160	2,066,050	(6,494)	(847,336)	2,582,380
Other fixed assets	143,899	-	-	(47,747)	96,152
	<b>37,485,127</b>	<b>2,779,862</b>	<b>(6,494)</b>	<b>(2,944,618)</b>	<b>37,313,877</b>

#### Reconciliation of property, plant and equipment - 2014

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
	<b>26,939,624</b>	<b>12,927,071</b>	<b>(10,380)</b>	<b>(2,371,188)</b>	<b>37,485,127</b>

#### Revaluations

The effective date of the revaluations was 31 March 2012. Revaluations were performed by independent valuer, Mr RH Roper [BCom.FRICS MIV (SA) MIEASA Valuer], of The Property Partnership. The Property Partnership is not connected to Umalusi. Land and buildings are re-valued independently every 4 years.

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

The land and buildings 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.

Using the cost model, the buildings would have been valued at cost of R26, 659, 043 and net book value R22, 027,409 (2014).

#### 4. INTANGIBLE ASSETS

	2015			2014			
	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	(1,912,915)	87,817	2,000,732	(1,845,362)	155,370	
<b>Reconciliation of intangible assets - 2015</b>				<b>Opening balance R</b>	<b>Amortisation R</b>	<b>Total R</b>	
Computer software				155,370	(67,553)	87,817	
<b>Reconciliation of intangible assets - 2014</b>				<b>Opening balance R</b>	<b>Additions R</b>	<b>Amortisation R</b>	<b>Total R</b>
Computer software				62,459	166,705	(73,794)	155,370

#### 5. EMPLOYEE BENEFIT OBLIGATIONS

##### Defined benefit plan

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

#### 6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2015 R	2014 R
Trade receivables	6,388,660	4,186,176
IAEA 2016 Conference **	1,327,190	-
City of Tshwane	520	520
	<b>7,716,370</b>	<b>4,186,696</b>

\*\* Umalusi is hosting the 2016 International Association for Educational Assessment (IAEA) conference. The amount above relates to the deposit paid to secure the conference venue in Cape Town, in line with the IAEA conference handbook for the hosting country. Conference registration fees will reimburse Umalusi for this seed expenditure.

##### Trade receivables analysis

The ageing of amounts past due but not impaired is as follows:

Current	3,631,051	3,473,128
Past due 31- 60 days	1,114,269	898,268
Past due 61- 90 days	480,898	215,993
Past due 91- 120 days	250,761	627,612
Past due > 120 days	4,132,348	271,221
	<b>9,609,327</b>	<b>5,486,222</b>

## 6. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	2015 R	2014 R
<b>Reconciliation of provision for impairment of trade and other receivables</b>		
Opening balance	1,300,046	1,664,386
Provision for impairment	1,920,620	(32,276)
Utilisation of provision for impairment	-	(332,064)
	<b>3,220,666</b>	<b>1,300,046</b>

The provision for bad debts relates to the debtors that are above 90 days. With the approval of both the Council and the Department of Basic Education, Umalusi blocks the debtors with long outstanding debt and services will not be rendered. Future services can only be provided after servicing the debt.

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Cash on hand	2,495	2,669
Bank balances	7,355,628	5,130,374
Short-term deposits	43,474,552	41,604,663
	<b>50,832,675</b>	<b>46,737,706</b>

Short term deposits is held with the Corporation of Public Deposits (CPD), is available on demand and is subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise of cash on hand, bank balances and deposits held at call with CPD.

### 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		
Bank- AAA	7,355,628	5,130,374
CPD- AAA	43,474,552	41,604,663
	<b>50,830,180</b>	<b>46,735,037</b>

## 8. REVALUATION RESERVE

<b>Revaluation surplus relating to property, plant and equipment</b>		
Revaluation surplus beginning of period	8,196,622	8,196,622

## 9. PROVISIONS

	Opening Balance R	Additions R	Utilised during the year R	Total R
<b>Reconciliation of provisions - 2015</b>				
Provision for leave pay	4,989,119	4,557,216	(4,739,166)	4,807,169
Provision for bonus	307,204	1,076,373	(924,326)	459,251
	<b>5,296,323</b>	<b>5,633,589</b>	<b>(5,663,492)</b>	<b>5,266,420</b>

### Reconciliation of provisions - 2014

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
	<b>4,014,240</b>	<b>2,547,535</b>	<b>(1,265,452)</b>	<b>5,296,323</b>

## 10. PAYABLES FROM EXCHANGE TRANSACTIONS

	2015 R	2014 R
Trade payables	4,253,595	4,545,289
Other accrued expenses	5,299,579	4,571,828
Sundry creditors	1,718,460	461,623
	<b>11,271,634</b>	<b>9,578,740</b>

## 11. REVENUE

Accreditation	10,655,844	8,508,007
Certification	5,995,564	5,239,945
Verification	8,447,540	6,865,662
Grant: Department of Basic Education	107,354,000	97,662,000
	<b>132,452,948</b>	<b>118,275,614</b>

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

Accreditation	10,655,844	8,508,007
Certification	5,995,564	5,239,945
Verification	8,447,540	6,865,662
	<b>25,098,948</b>	<b>20,613,614</b>

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

### Transfer revenue

Grant: Department of Basic Education	107,354,000	97,662,000
--------------------------------------	-------------	------------

12. OTHER REVENUE	2015 R	2014 R
Rental income	1,959,078	280,914
Sundry revenue	77,131	84,721
Gains on disposal of assets	-	2,258
	2,036,209	367,893

### 13. OPERATING SURPLUS

Operating surplus for the year is stated after accounting for the following:		
<b>Office equipment rental</b>		
<b>Equipment</b>		
Contractual amounts	231,158	215,649
(Loss) gain on sale of property, plant and equipment	(2,375)	2,258
Amortisation on intangible assets	67,553	73,794
Depreciation on property, plant and equipment	2,944,618	2,371,188
Employee costs	49,949,940	41,112,738
Research and development	11,322	15,194

### 14. PERSONNEL COSTS

Basic Salary	42,755,243	35,295,204
Medical aid	1,235,472	967,296
UIF	371,516	288,308
Pension	5,587,709	4,561,930
	49,949,940	41,112,738

### 15. INVESTMENT REVENUE

<b>Interest revenue</b>		
Bank deposit	3,411,036	2,489,612

### 16. TAXATION

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

### 17. AUDITORS' REMUNERATION

External Audit fees	243,449	218,629
Internal Audit fees	480,722	8,208
	724,171	226,837



## 18. CASH GENERATED FROM OPERATIONS

	2015 R	2014 R
Surplus	5,722,849	19,603,472
<b>Adjustments for:</b>		
Depreciation and amortisation	3,012,171	2,444,982
Loss/ (Gain) on sale of assets	2,375	(2,258)
Movements in provisions	(29,903)	1,282,083
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(3,529,674)	(1,764,460)
Other non-cash items	-	2
Payables from exchange transactions	1,692,894	2,952,220
	<b>6,870,712</b>	<b>24,516,041</b>

## 19. COMMITMENTS

<b>AUTHORISED CAPITAL EXPENDITURE</b>		
<b>Not yet contracted for and authorised by members</b>		
Property, plant and equipment	15,000,000	10,500,000
<b>Total capital commitments</b>		
Not yet contracted for and authorised by Council	15,000,000	10,500,000
<b>TOTAL COMMITMENTS</b>		
<b>Total commitments</b>		
Authorised capital expenditure	15,000,000	10,500,000

At the end of the 2013/14 financial year, Umalusi acquired the building adjacent to it, to cater for the growth of the organisation and effectively fulfil its mandate. Renovations to the building will commence in the 2016 financial period as the building was still occupied by tenants and Umalusi had to honour the remaining period of the current lease agreements. This committed expenditure will be financed by the available bank reserves and approval was granted by the National Treasury and Minister of Basic Education .

### OPERATING LEASES - AS LESSEE (EXPENSE)

Minimum lease payments due		
- within one year	43,800	135,631
- in second to fifth year inclusive	752	44,552
	<b>44,552</b>	<b>180,183</b>

## 20. RELATED PARTIES

2015  
R

2014  
R

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 note 8 on the Report of the Council)	

### Related party balances

#### Amounts owing to related parties

SITA	1,109,854	659,428
Telkom	31,267	-

#### Related party transactions

SITA	4,426,320	5,480,436
Telkom	342,624	276,742
Department of Basic Education	107,354,000	97,662,000
Associated Institutions Pension Fund	5,587,709	4,561,930
Non-Executive Members (refer to note 8 of the Council Report)	461,708	217,699
Executive Management (refer to note 8 of the Council Report)	9,493,195	8,386,769

## 21. 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.

	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
<b>At 31 March 2015</b>				
Payables from exchange transactions	11,271,634	-	-	-
<b>At 31 March 2014</b>				
Payables from exchange transactions	9,578,740	-	-	-

## 18. CASH GENERATED FROM OPERATIONS

2015  
R

2014  
R

### Credit risk

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

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

Credit risk with respect to accounts receivables 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:

Receivables from exchange transactions	7,716,370	4,186,176
Cash and cash equivalents	50,838,180	46,735,037

## 22. CONTINGENCY

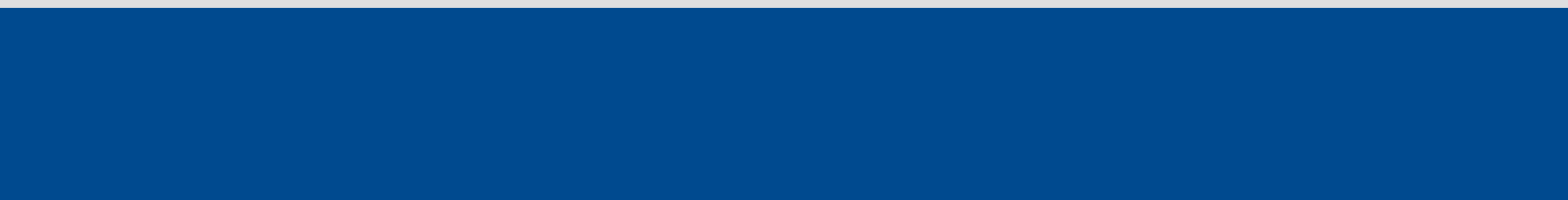
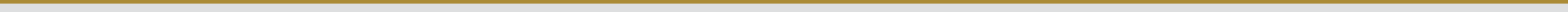
Council is aware of a pending court case regarding the 2014 group copying incident in KwaZulu-Natal where the results of the implicated candidates were withheld. Umalusi is the fourth respondent in the case and there is uncertainty as to the possible outcome and any financial impact to Umalusi.

## Detailed Statement of

# FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2015

	NOTE(S)	2015 R	2014 R
<b>Revenue</b>			
Accreditation		10,655,844	8,508,007
Certification		5,995,564	5,239,945
Verification		8,447,540	6,865,662
Government Grant : Department of Basic Education		107,354,000	97,662,000
		<b>132,452,948</b>	<b>118,275,614</b>
<b>Other Revenue</b>			
Rental income		1,959,078	280,914
Sundry revenue		77,131	84,721
Interest received	15	3,411,036	2,489,612
Gains on disposal of assets		-	2,258
		<b>5,447,245</b>	<b>2,857,505</b>
<b>Operating expenses</b>			
Administrative expenses		(214,349)	(346,053)
Advertising		(966,987)	(920,308)
Audit Committee expenses		(7,612)	(11,331)
Auditors' remuneration	17	(724,171)	(226,837)
Bank charges		(170,189)	(72,278)
Certification expenses		(3,630,872)	(3,531,325)
Cleaning		(359,189)	(330,212)
Communication expenses		(3,169,289)	(1,667,241)
Community development and training		(438,770)	18,320
Computer expenses		(1,584,478)	(1,459,088)
Conference and workshops		(6,122,443)	(1,875,980)
Conferences and seminars		(586,280)	(1,637,997)
Consulting and professional fees		(1,978,570)	(5,726,159)
Council related expenses		(200,722)	(69,318)
Depreciation, amortisation and impairments		(3,012,171)	(2,444,982)
Donations		-	(8,692)
Electricity		(943,250)	(455,572)
Entertainment		(1,515)	-
Insurance		(149,611)	(116,950)
Lease rentals on operating lease		(231,158)	(215,649)
Legal expenses		(233,698)	(413,956)
Levies		(525,515)	(194,829)
Loss on disposal of assets		(2,375)	-
Meeting expenses		(1,374,661)	(874,041)
Membership fees		(47,975)	(35,392)
Moderator and verifier costs		(23,726,586)	(14,647,846)
Personnel costs		(49,949,940)	(41,112,738)
Postage		(145,493)	(207,458)
Printing and stationery		(3,567,351)	(4,529,345)
Provision for bad debts movement		(1,920,620)	32,276
Repairs and maintenance		(1,858,004)	(717,957)
Research and development costs		(11,322)	(15,194)
Security		(611,577)	(504,613)
Staff welfare and refreshments		(172,896)	(419,712)
Subscriptions		(150,037)	(150,675)
Telephone and fax		(764,690)	(699,070)
Training		(1,617,701)	(797,786)
Travel and accommodation-local		(20,512,086)	(14,147,562)
Travel and accommodation-overseas		(493,191)	(996,097)
		<b>(132,177,344)</b>	<b>(101,529,647)</b>
<b>Surplus for the year</b>		<b>5,722,849</b>	<b>19,603,472</b>



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