

ANNUAL  
REPORT  
**2008/9**



UMALUSI



Council for Quality Assurance in  
General and Further Education and Training



# Umalusi Annual Report

2008/2009

**Photography credits:** Boston City Campus (Arcadia); Crawford College (Pretoria); Cornerstone College (Pretoria); Damelin (Pretoria); PC Training and Business College (Pretoria); St Paulos Pre-Primary School (Pretoria); Tshwane South College (Centurion)

UMALUSI



Council for Quality Assurance in  
General and Further Education and Training

# Acronyms

<b>ABET</b>	Adult Basic Education and Training
<b>ADCOM</b>	Advisory Committee (Colleges)
<b>AET</b>	Adult Education and Training
<b>CASS</b>	Continuous Assessment
<b>CEO</b>	Chief Executive Officer
<b>CEPD</b>	Centre for Education Policy Development
<b>CTA</b>	Common Task for Assessment
<b>CHE</b>	Council for Higher Education
<b>CI</b>	Corporate Image
<b>CMC</b>	Curriculum Management Committee
<b>CPD</b>	Corporation for Public Deposits
<b>DOE</b>	Department of Education
<b>DOL</b>	Department of Labour
<b>EAP</b>	Employee Assistance Programme
<b>E&amp;A</b>	Evaluation and Accreditation Unit
<b>EE</b>	Employment Equity
<b>ETDP</b>	Education, Training and Development Practitioners
<b>ETQA</b>	Education and Training Quality Assuror
<b>F&amp;A</b>	Finance and Administration Sub-Unit
<b>FET</b>	Further Education and Training
<b>GAAP</b>	Generally Acceptable Accounting Practices
<b>GET</b>	General Education and Training
<b>GEC</b>	General Education Certificate
<b>GENFETQA (Act)</b>	General and Further Education and Training Quality Assurance (Act)
<b>GETC</b>	General Education and Training Certificate
<b>GFET</b>	General and Further Education and Training
<b>GRAP</b>	Generally Recognised Accounting Principles
<b>HE</b>	Higher Education
<b>HEDCOM</b>	Heads of Education Departments Committee
<b>HESA</b>	Higher Education South Africa
<b>HG</b>	Higher Grade
<b>HR</b>	Human Resources
<b>IEB</b>	Independent Examinations Board
<b>IECS</b>	Integrated Examination Computer System

<b>IPEC</b>	Inter Provincial Examinations Committee
<b>IRT</b>	Item Response Theory
<b>IT</b>	Information Technology
<b>MIS</b>	Management Information System
<b>MP</b>	Member of Parliament
<b>MSS</b>	Management Support Structures
<b>NAISA</b>	National Association of Independent Schools
<b>NATED</b>	National Technical Education (policy)
<b>NCV</b>	National Certificate Vocational
<b>NEIC</b>	National Examinations Irregularities Committee
<b>NLRD</b>	National Learner Record Database
<b>NQF</b>	National Qualifications Framework
<b>NSC</b>	National Senior Certificate
<b>OAER</b>	Onafhanklike Afrikaanse Ekamenraad
<b>PALC</b>	Public Adult Learning Centre
<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 Trades and Occupations
<b>SAFCERT</b>	South African Certification Council
<b>SAQA</b>	South African Qualifications Authority
<b>SC</b>	Senior Certificate
<b>SETA</b>	Sector Education and Training Authority
<b>SG</b>	Standard Grade
<b>SIR</b>	Statistical Information and Research Unit
<b>SITA</b>	State Information Technology Agency
<b>SLA</b>	Service Level Agreement
<b>VET</b>	Vocational Education and Training
<b>WSP</b>	Workplace Skills Plan



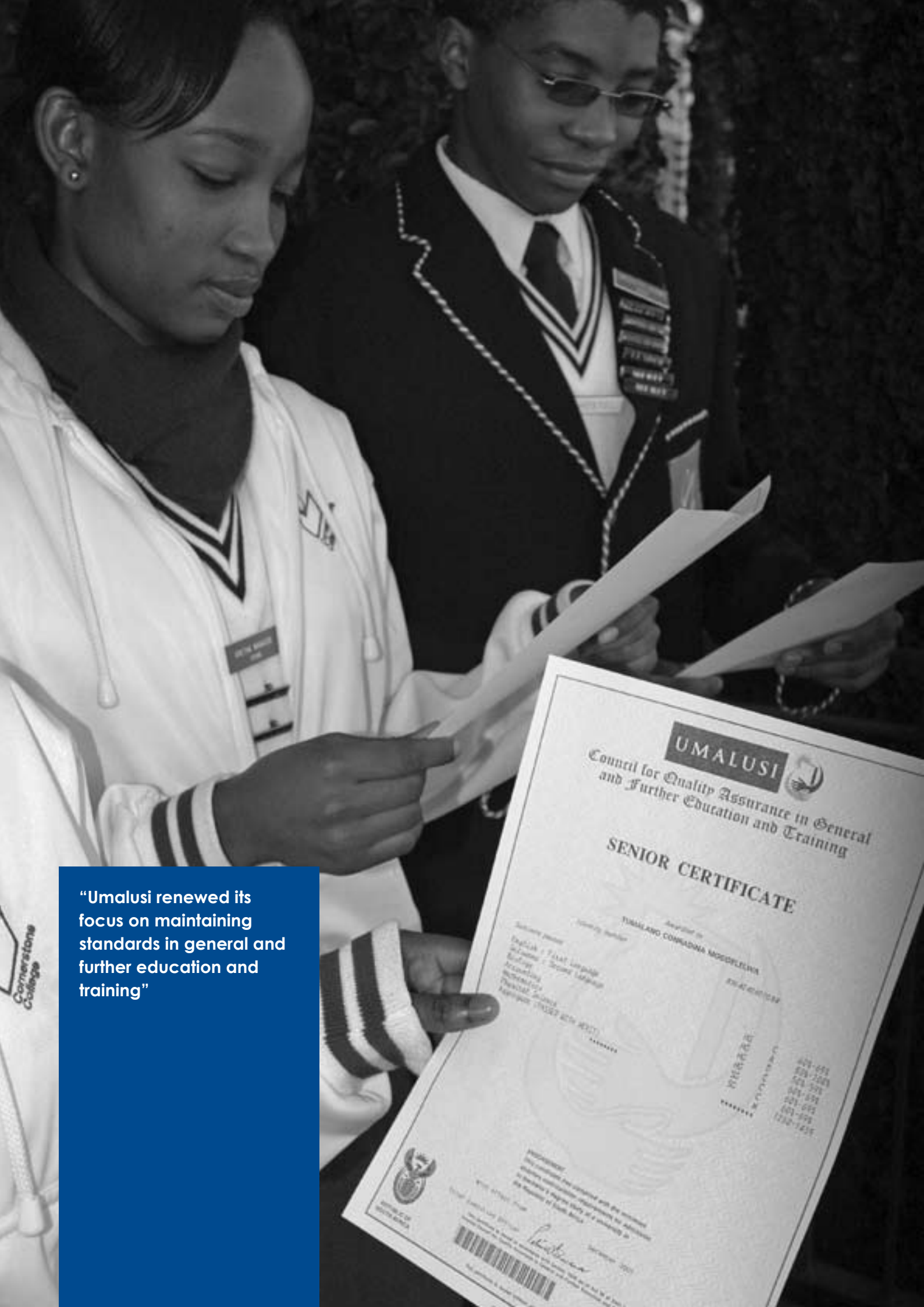
# Annual Report

## 2008/2009

### Contents

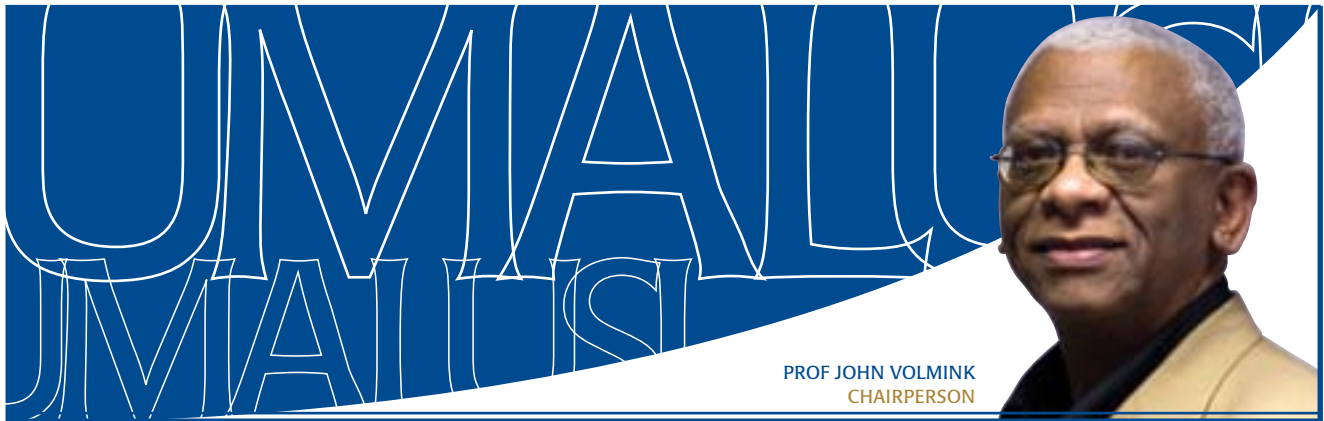
List of Acronyms	2
Chairperson's Report	5
Letter from the outgoing Chief Executive Officer	7
Address from the new Chief Executive Officer	11
Corporate Governance Report	13
Report on Operations	17
Annual Financial Statements	36
Report of the Audit and Risk Committee	37
Report of the Independent Auditors	38
Report of the Council	39
Statement of Financial Position	42
Statement of Financial Performance	42
Statement of Changes in Net Assets	43
Cash Flow Statement	43
Notes to the Annual Financial Statements	44
Detailed Statement of Financial Performance	56
Human Resources Management and Development	57
Staff 2008 to March 2009	68





“Umalusi renewed its focus on maintaining standards in general and further education and training”

# Chairperson's Report



2008 was a year in which the demands of an education and training landscape in transition, required Umalusi Council for Quality Assurance in General and Further Education and Training, to demonstrate its commitment to values of integrity, rigour, innovation, creativity and service delivery in an unprecedented manner.

While Umalusi energetically renewed its focus on maintaining standards in general and further education and training, it also moved towards building its capacity to take on its extended mandate of setting standards as a Quality Council (QC), as outlined in the newly promulgated National Qualifications Framework (NQF) Act of 2008.

Change also occurred on a number of other levels – not least being the resignation of Dr Peliwe Lolwana, Chief Executive Officer since 2000 and the appointment of a new CEO, Dr Mafu S Rakometsi on 1 January 2009. The transition was marked by a gala dinner on 26 February 2009 at which the Minister of Education, Mrs Naledi Pandor MP, formally bid farewell to the outgoing CEO and welcomed the new CEO. The evening highlighted Umalusi's substantive achievements under the leadership of Dr Lolwana, but also looked into the future with Dr Rakometsi expressing his vision that, while retaining its tradition of rigorous quality assurance, Umalusi would embrace its new role as Quality Council with integrity.

The introduction of the new National Senior Certificate (NSC) to replace the old Senior Certificate (SC) as the national qualification at the end of 12 years of schooling was a watershed moment in the South African education system. The key challenge was the setting and maintenance of standards in the absence of any historical averages or norms. Umalusi demonstrated its innovativeness and creativity in developing a standardisation model that proved to be consistent and reliable and the Quality Council was able to approve the 2008 results without reservation.

I am also pleased to attest that Umalusi continued to accredit and monitor private providers of education and training and assessment bodies. Most notably,

Umalusi extended its quality-assurance processes to the evaluation of the assessment system for the National Certificate Vocational (NCV), which is the new qualification introduced in Further Education and Training (FET) Colleges.

The Council and staff of Umalusi engaged in transitional discussions with the various role players in the new National Qualifications Framework (NQF) landscape and commenced with the development of its sub-framework of qualifications and attendant quality assurance processes as required by the new NQF Act of 2008.

Umalusi's work is supported by rigorous and credible research and 2008 was no exception. Umalusi continued to raise public debates around important educational issues and engaged with stakeholders and colleagues in various seminars and forums, including attendance of international conferences and consultation with foreign-examination bodies. Notably, the "Maintaining Standards" research project involving a comparative study of the standard of curricula and examination papers of the SC, and new NSC, contributed richly to the credibility of the standardisation processes for the NSC and will be extended in 2009.

On behalf of the Council, I would like to thank the outgoing CEO, Dr Lolwana, for her dedicated commitment and visionary leadership in the last eight years. I would also like to extend this vote of thanks to the senior management team and staff of Umalusi for their integrity and enduring commitment to quality. I am also confident that the new CEO, Dr Rakometsi, will ensure that Umalusi retains its impeccable performance record.

Umalusi has delivered on its mandate to the best of its capacity and therefore, it is with pride in a job well done that the Council and I present the 2008/9 annual report to parliament through the Minister of Education.

  
**JOHN VOLMINK**  
Chairperson

“I was filled with great pride about the institution that had risen from the humble beginnings of its predecessor, the South African Certification Council (SAFCERT) to the organisation that Umalusi has become in the field of quality assurance in education.”



# Letter from the outgoing Chief Executive Officer



Dear Readers

## When is it easy to say good-bye?

I have been wondering for a while what it would be like to finally leave Umalusi and what my identity would be without the trappings of business cards, and staff – who are ever willing to step aside when you come their way or drop everything they are doing to be at your command; or invitations to this or that meeting...my identity being synonymous with Umalusi. Many people still ask me why I decided to leave. This is an attempt to explain what has been going on in my mind and the reasons why I felt it was time to make way for new leadership. As you will see, this decision was not easy to make.

My last year at Umalusi gave me reason to reflect on my job and whether or not it was time to leave the employment of the organisation, where I had been for the past eight years. Looking back, at where the organisation came from, I was filled with great pride about the institution that had risen from the humble beginnings of its predecessor, the South African Certification Council (SACERT) to the organisation that Umalusi has become in the field of quality assurance in education. Nostalgia took me back to the earlier times of building the organisation, with seven staff members who were primarily engaged in administrative work, supporting more than 300 moderators all over the country, as well as statisticians in various universities. With the General and Further Education and Training Quality Assurance (GENFETQA) Act of 2001, tensions in the development trajectory of the organisation began to surface. In the beginning, the long-standing questions about the standards of the Senior Certificate (SC) examinations dominated the discourse and threatened to hijack the broader objectives of the GENFETQA Act.

**“It was clear that Umalusi had a definite role in the education system of this country.”**

It was a pleasure to see the organisation confront the public concerns about the standards of the SC, and its growth of work on standards in other areas of the education system like the General Education Certificate (GETC) for adults and vocational education assessments. We also grew in other areas like accreditation and research, as well as in corporate governance. Past annual reports detail the progress and successes from year to year for the unconvinced reader. Suffice to say, that the step-by-step description of organisational progress pales in comparison when one views the whole distance travelled from 2000 to the end of this financial year (2008).

It was the sense of satisfaction with the distance travelled and the growth in substance within the organisation, as well as its impact in the education system, that provided the reason for feeling that maybe I had completed my job at Umalusi. In particular, looking at the past year, it was easy to think about saying good-bye. It was easy because the organisation had taken shape in a most admirable way. The organisation had grown to fully-functional units that could deal with the standards of assessments; accreditation of institutions; accreditation of qualifications and programmes; setting of standards; statistical analysis; research and development and had a competent corporate affairs division. The organisation had also managed to purchase its own building. Although functioning with limited resources, the organisation was always liquid and above all had never received a qualified-audit report. The organisation was definitely maturing and this realisation made my decision to leave Umalusi much easier. It was clear that Umalusi had a definite role in the education system of this country and I was very proud of that.

Over the years, Umalusi had to engage with other government regulatory frameworks that sometimes did not sit well with the philosophy that was beginning to emerge in Umalusi's work. The special case to be mentioned here is the conflicting philosophy of Umalusi's standards-setting processes and meanings attached to qualifications, with that of the National Qualifications Framework (NQF). For many years,

## Letter from the outgoing Chief Executive Officer (continued)



### Umalusi Staff 2008/9

Umalusi argued against the workability of the approaches adopted in the NQF. From 2002 there was a raging debate on how the NQF needed to be reviewed as it was found not to be working for a number of reasons by a number of entities.

Finally, in 2007, the Departments of Education and Labour agreed on the terms for revising the NQF and, by this time, some of the arguments put forward by Umalusi had been internalised in the NQF discourse. It was therefore not surprising that the proposed new NQF accommodated a whole lot of our suggestions made over the years. This begged the question: "Why leave now when you are about to have your cake and eat it?" The point was that the new NQF presented a turning point. The decision was whether to stay and start the implementation of a new system, or to concede that the new NQF and its challenges presented an opportunity for a new leader to take on. I decided that this new wave of challenges was best handled by new leadership who would bring new perspectives.

However, what was not easy in this decision was looking at the new, exciting and irresistible challenges ahead and resisting the desire to stay.

Umalusi, as a quality assurance body, faces many new challenges ahead. Firstly, as a Quality Council with a new and substantive role in qualifications development and standards setting, the Council is entering an exciting era where it can test the principles and approaches it has been advocating over the years. In addition, there is a real opportunity to liberalise the education system, a requirement if our multitude of young people are to be educated and trained, and at the same time, maintain high standards in what South Africa has to offer its citizenry in the name of education. This requires innovative creativity and a sincere appreciation of the role of curriculum in education.

Secondly, the Further Education and Training (FET) colleges are just about to emerge as the most important institutional type in the country's educational landscape. Umalusi is very well placed to play an influential role in the quality of the education

and training offered in FET colleges. It requires imagination and faith in the capacity of FET colleges to intervene in the lives of those who are outside of the schooling and university systems. The FET college system is likely to challenge the known boundaries in the education system in a new and bold way that has never been experienced in this country, and Umalusi is ideally situated to take up the challenge and make a difference.

**"The FET college system is likely to challenge the known boundaries in the education system in a new and bold way that has never been experienced in this country, and Umalusi is ideally situated to take up the challenge and make a difference."**

Thirdly, the school system has just taken on a brand new qualification in the form of the National Senior Certificate (NSC) and the transition from the old to the new, while challenging, has taken place without major problems. Umalusi will continue to play its role in ensuring that this qualification delivers its promise of a modernised curriculum for the school-going population in developing the country's human capital and citizenry. What is most exciting on the horizon however, is the newly proposed "inspection" system for schools. Umalusi has always believed that the standards of school education can be enhanced through high standards in examinations combined with good teaching and learning. The establishment of a new unit – whose aim is to evaluate classroom practices – is good because the combination of the two, Umalusi and the inspectorate, will have more

## Letter from the outgoing Chief Executive Officer (continued)

meaningful capacity to intervene in the school education system. This all depends on the extent to which these institutions collaborate and the choices they make, including the data to be collected and exchanged.

It is clear that I am very excited about what “could be” in Umalusi’s future and this has made the decision to leave doubly hard. But one cannot stay in an organisation forever because of what one could potentially still do. There is merit in giving others a chance to be excited about the future. I have always been reminded by those who are wiser and came before me that it takes a generation (25 years) to make a difference in education. This means that Umalusi as an organisation has a long way to go to make a meaningful impact on education. As a committed “shepherd” of the nation’s valued asset, standards in education, I know that the organisation will use its mandate to ensure that standards in South African education improve through the changes that lie ahead.

**“Umalusi has always believed that the standards of school education can be enhanced through high standards in examinations combined with good teaching and learning”**

I have confidence in the individuals who work at Umalusi, their dedication, commitment and competence to take the organisation to new levels. I have confidence in the Council members who give direction and support Umalusi’s work through their

wisdom, depth and passion for the organisation. I have confidence in the Department of Education (DOE) for their valued support and appreciation of the independence of the organisation, as well as Umalusi’s value in the education system. I am thankful to all these people who have played such important and meaningful roles in making Umalusi the organisation it is.

Lastly, to my successor – the organisation has always been underpinned by the following values:

- Integrity, through upholding behaviour that is ethical, reliable and honest;
- Rigour, with quality in all work and achieved through thoroughness and consistency;
- Service excellence; and
- Innovation and creativity, by striving for new ideas, approaches, trends, improvements, and dealing with problems in an original way.

These values will continue to take the organisation very far, especially if the staff lives by this doctrine. These values have always made one appreciate the special space Umalusi occupies, not tied to bureaucratic entrapment, but an organisation that is dynamic in its approaches, which makes the leadership specifically responsible for the growth or lack of development in the organisation. I am confident that, as my successor, you will soon find your feet and take the organisation to higher levels. I place the care of this infant in your hands and trust that it will grow up to be the responsible adult it is meant to be. I will be watching with interest from not so very far away.

Good-bye Umalusians, friends and colleagues.

  
**DR PELIWE LOLWANA**  
January 2009

### Interesting Facts:

*The history of Umalusi is inextricably tied to the history of the Senior Certificate Examination (SCE). The history can be divided into three distinct phases:*

*The Joint Matriculation Board phase (1918 – 1992), which involved formalising the matriculation examination in South Africa’s education system;*

*South African Certification Council (SAFCERT) phase (1992 – 2001), which saw the centralisation of quality control measures; and*

*The Umalusi phase, which many believe to be the third phase of the Senior Certificate Examinations. Umalusi, the Council for Quality Assurance in General and Further Education and Training, was established by an Act of Parliament, the General and Further Education and Training Quality Assurance Act (the GENFETQA Act No.58 of 2001) in December 2001. This act gave Umalusi the expanded mandate of quality assuring the standards of qualifications, assessment, provision and certification in schools, colleges and adult learning centres. More recently the Act has been amended to establish Umalusi as a Quality Council with its own sub-framework of qualification for general and further education and training.*



**“This is not the time for resting on our laurels – new challenges are on the horizon as Umalusi moves towards taking on its responsibilities as a Quality Council.”**

## Address from the new Chief Executive Officer



Dr Rakometsi succeeds Dr Peliwe Lolwana and was appointed to the position of Chief Executive Officer by the Umalusi Council on 1 January 2009.

I take over an organisation that is substantial in its reputation and well recognised for its quality assurance work. I feel enormously privileged at the opportunity to lead Umalusi into the next, exciting stage of its development as a Quality Council.

The closest I ever came to dreaming that I would be entrusted with such an enormous responsibility was when as a young lad I practiced my signature, and bragged that one day I would be signing bank notes as the Governor of the Reserve Bank of South Africa. How naïve! Black South Africans did not rise to that level at that time. As God would have it, through His providence, I will soon be putting my signature to some very important South African documents – namely the National Senior Certificate (NSC), the National Certificate Vocational (NCV), the General and Further Education Certificate (GETC) for Adults, not to mention some new qualifications which Umalusi, as a future Quality Council, may include in its sub-framework of qualifications.

I take over the responsibilities as the Chief Executive Officer from Dr Peliwe Lolwana, aware that not only has she been the founding CEO of Umalusi, but one who has put her distinctive imprint upon the organisation, and, as a result, on education as a whole. In the nine years that she built up this organisation her focus has been unwavering and uncompromising – quality education for all. It is perhaps therefore fitting that she was responsible for overseeing the 2008 cohort of matriculants – the very first to write a truly national exam – the culmination of a country's efforts to unify education as a major keystone in the development of its democracy.

However, this is not the time for resting on our laurels – new challenges are on the horizon as Umalusi moves towards taking on its responsibilities as a Quality Council. Its extended mandate includes the development and management of a sub-framework

of qualifications for general and further education and training and advising the Minister on matters related to it. Therefore as Umalusi moves from maintaining standards to setting standards, it must promote and strengthen the qualifications under its care. In addition, Umalusi will need to put its best efforts into improving both academic and vocational education. It will need to look to the needs of out-of-school youth and adults who need flexible and accessible education and training options. Umalusi will need to strengthen even the best of its quality-assurance practices as it supports its assessment bodies to deliver quality assessment. Umalusi has always set a remarkable precedent in terms of the quality of the research it has done, and now, by formal mandate it must continue to do so.

Umalusi cannot achieve these goals alone. It is therefore imperative that we build and maintain relationships and networks in education and quality assurance locally and internationally.

This exciting trajectory will, I hope, allow me to make a meaningful input to the South African education system.

I share Dr Lolwana's confidence in the staff of Umalusi, their dedication, loyalty and rigorous approaches to quality in education, and I know that together we will raise Umalusi the infant, to adulthood with integrity, and innovation.

Finally I would like to thank the Umalusi Council for placing their faith in me – your support, wisdom and guidance in the few months I have been at Umalusi is an indication of your dedication and commitment to quality education for the people of South Africa.

**DR MAFU S RAKOMETSI**  
March 2009



DR MAFU S RAKOMETSI



PROF M FOURIE



PROF SG MABIZELA



DR MA MAKHAFOLA

U M A L U S I  
C O U N C I L  
2 0 0 8 / 9



PROF DS ZINN



DR PJN STEYN



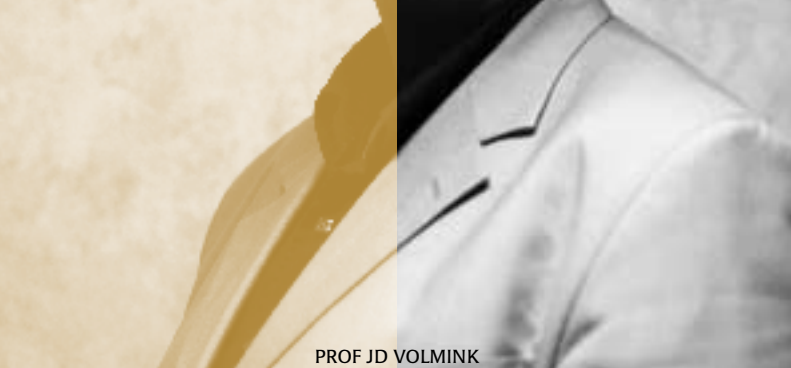
PROF JD VOLMINK



MR J PAMPALLIS



DR PP LOLWANA



DR RA PATEL



DR ZC SOSIBO



PROF IL RENSBURG



MR GR AGOCS



MS J NAIDOO



MS PT TYOBEKA



MR L NENGOVHELA



# Corporate Governance Report



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

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

## Umalusi Council

The Council consists of 15 members appointed by the Minister of Education. The Minister also appoints one of the members as Chairperson. The Council is responsible

for policy and overall governance, with the day-to-day management delegated to the Chief Executive Officer (CEO).

In accordance with the General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001 amended 2008), 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 table below contains information about the current Council members and their attendance at meetings for the year under review.

Name	Date appointed	Meetings attended	Gender	Race
<b>Professor JD Volmink</b> (Chairperson)	09-06-2006	4 / 4	Male	Coloured
<b>Mr J Pampallis</b> (Deputy Chairperson)	09-06-2006	2 / 4	Male	White
<b>Mr GR Agocs</b>	09-06-2006	4 / 4	Male	White
<b>Dr PP Lolwana</b>	09-06-2006	3 / 3 (*)	Female	Black
<b>Professor SG Mabizela</b>	09-06-2006	2 / 4	Male	Black
<b>Dr MA Makhafola</b>	09-06-2006	3 / 4	Male	Black
<b>Ms J Naidoo</b>	09-06-2006	3 / 4	Female	Indian
<b>Mr L Nengovhela</b>	09-06-2006	2 / 4	Male	Black
<b>Dr RA Patel</b>	09-06-2006	3 / 4	Male	Coloured
<b>Dr MS Rakometsi</b>	09-06-2006	3 / 4 (**)	Male	Black
<b>Dr PJN Steyn</b>	09-06-2006	3 / 4	Male	White
<b>Professor IL Rensburg</b>	09-06-2006	1 / 3 (***)	Male	Coloured
<b>Dr ZC Sosibo</b>	09-06-2006	1 / 4	Female	Black
<b>Ms PT Tyobeka</b>	November 2006	1 / 4	Female	Black
<b>Professor M Fourie</b>	09-06-2006	3 / 4	Female	White
<b>Professor DS Zinn</b>	14-03-2008	3 / 4	Female	Coloured

(\*) Resigned as Chief Executive Officer

(\*\*) Resigned as Member of Council and appointed Chief Executive Officer with effect 1 January 2009

(\*\*\*) Resigned on 24 February 2009

## Corporate Governance Report (continued)



### Executive Committee of Council

The Executive Committee comprises of five Council members. The members are appointed for the specific knowledge and skills they bring to the committee. They are, amongst other things, responsible for monitoring the following:

- Financial spending according to the budget.
- Implementing strategies and policies as approved by the Council.
- Adherence to the work programme.
- Adequacy of resources and staff.
- Compliance with relevant legislation.
- Any special investigations undertaken by the organisation.

The Executive Committee is also responsible for any other functions delegated to it by the Council.

The Executive Committee met on six occasions during the period under review. The table below shows the composition of the Executive Committee as well as attendance at meetings.

### Internal Controls

Systems of financial and internal control are in place to provide reasonable assurance that the assets are safeguarded, and that liabilities and working capital are efficiently managed. The CEO is the Accounting Officer of the Council and is charged with accounting for moneys received, payments made and moveable property purchased. The internal and external auditors liaise closely, and any material weaknesses are brought to the attention of the Audit Committee and Executive Committee for consideration and remedial action.

Name	Date appointed	Meetings attended	Gender	Race
<b>Professor JD Volmink</b> <i>(Chairperson)</i>	09-06-2006	6 / 6	Male	Coloured
<b>Mr J Pampallis</b> <i>(Deputy Chairperson)</i>	09-06-2006	6 / 6	Male	White
<b>Dr RA Patel</b>	09-06-2006	5 / 6	Male	Coloured
<b>Dr PJN Steyn</b>	09-06-2006	6 / 6	Male	White
<b>Dr PP Lolwana</b>	09-06-2006	3 / 5 (*)	Female	Black
<b>Dr MS Rakometsi</b>	01-01-2009	1 / 1 (**)	Male	Black

(\*) Resigned as Chief Executive Officer with effect 1 January 2009

(\*\*) Appointed Chief Executive Officer with effect 1 January 2009



Professor JD Volmink



Mr J Pampallis



Dr RA Patel



Dr MS Rakometsi



Dr PJN Steyn



Dr PP Lolwana

## Corporate Governance Report (continued)

### Audit Committee

The Council has an Audit Committee which meets at least twice a year in terms of the Public Financial Management Act (PFMA). The Audit Committee met three times during the period under review. This committee has an advisory function and meets to scrutinise the performance of internal and external auditors and their recommended appointment or retention. They are, amongst other things, responsible for the following:

- Review and scope of audits.

- Review the effectiveness of internal controls.
- Monitor the remedial action put in place to deal with any shortcomings.
- Ensure that audits address critical risk areas.
- Ensure that adequate measures are in place to prevent fraud.
- Review the adequacy of financial policies.
- Review financial statements and finalise them before submission.

The table below shows the composition of the Audit Committee, as well as attendance at meetings for the period under review.

Name	Date appointed	Meetings attended	Gender	Race
<b>Ms T Fubu</b> (Chairperson)	01-09-2008	3 / 3	Female	Black
<b>Mrs N Molalekoa</b>	01-09-2008	2 / 3	Female	Black
<b>Mr CH van der Merwe</b>	01-09-2008	2 / 3	Male	White
<b>Dr PP Lolwana</b>	01-09-2008	2 / 2 (*)	Female	Black
<b>Ms A Albäck</b>	01-09-2008	1 / 3	Female	Black
<b>Ms D Voges</b>	01-09-2008	2 / 2 (**)	Female	White
<b>Dr MS Rakometsi</b>	01-01-2009	1 / 1 (***)	Male	Black

(\*) Resigned as Chief Executive Officer with effect 1 January 2009

(\*\*) Appointed on 1 September 2008

(\*\*\*) Appointed Chief Executive Officer with effect 1 January 2009

### Risk Management

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

### Environment, Health and Safety

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

### Code of Ethics

The Council and employees are required to observe the highest ethical standards to ensure that business

practices are conducted in a manner that is beyond reproach. These principles are incorporated in the Code of Ethics and Service Standards, which have been approved and implemented. These provide clear guidelines regarding expected behaviour of all employees.

### Materiality and Significance Framework

The 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 Education.

### Public Finance Management Act (PFMA)

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



“Umalusi’s work was effected with due consideration for its capacity and budget and therefore its quality assurance interventions were prioritised for maximum effectiveness in the education system.”

# Report on Operations



The operations report reflects on organisational progress with respect to the operational plans implemented for the 2008/2009 financial year. It refers very specifically to the quality assurance work of Umalusi Council described by its mandate in its establishment Act. However, organisational planning was also informed by the anticipated promulgation of the National Qualifications Framework (NQF) Act and the amendment of the General and Further Education and Quality Assurance (GENFETQA) Act in this financial year. Umalusi's work was effected with due consideration for its capacity and budget and therefore its quality assurance interventions were prioritised for maximum effectiveness in the education system.

Umalusi views the credibility of its certificates as central evidence of acceptable standards in General and Further Education and Training (GFET). To guarantee recognition and legitimacy for its certificates, Umalusi holds that standards are developed and maintained through the design and quality of qualifications and curricula that are benchmarks in the education system; through the rigour of the enacted curriculum; and through the integrity of the internal assessment and examinations. Its quality assurance regime, informed by insightful research, is implemented through four national operations units namely, the Quality Assurance of Assessment Unit (QAA), the Evaluation and Accreditation Unit (E&A), the Qualifications, Curriculum and Certification Unit (QCC) and the Statistical Information and Research Unit (SIR).

The organisation achieved new levels of efficiency through co-ordination and integration of its quality-assurance processes across units. In support of this various internal structures and systems were refined and improved. A number of projects that were the focus of Umalusi's work in 2008 were coordinated across units. These included:

- Quality assurance of the assessment for three national qualifications that Umalusi certifies, namely; the National Senior Certificate (NSC), National Certificate Vocational (NCV) and the General Education and Training Certificate for

Adults (GETC). The NSC and NCV required new approaches to standardisation, which Umalusi developed and implemented with great success.

- Research into a number of critical educational issues, with particular focus on maintaining the standards of the matriculation examination. Three units were integrally involved in the "Maintaining Standards" research project, namely SIR, QAA, and QCC. The research looked into the standards of examination instruments and curricula of six gateway subjects across the old Senior Certificate (SC) and the new NSC. The subject reports that emanated were used to inform the standardisation process.
- In anticipation of the new NQF landscape the QCC unit, in consultation with all the other units, continued to conceptualise a draft sub-framework of qualifications and a supporting quality assurance policy towards meeting the new expanded mandate of developing qualifications for GFET. Consistent with this mandate it began to engage with the thinking in the other Quality Councils and stakeholder organisations to establish a foundation for future collaboration.
- Development of directives and systems for certification for the two new qualifications namely the NSC and NCV. Umalusi was also concerned with the development of the Integrated Examination Computer System (IECS) by the Department of Education (DOE) in as far as this affected the certification function.
- Monitoring of the national assessment system with particular attention to the assessment system for the NCV, which will be certificated at NQF Level 4 at the end of 2009. Umalusi evaluated the assessment system at national, provincial and FET college levels, focusing on not only the examination system but also on the quality and standard of internal assessment, which makes up 50% of the final mark towards the awarding of the NCV certificate. The evaluation drew on expertise from the E&A and the QAA Units.

## Report on Operations (continued)

While the projects listed previously were the highlights of 2008, the various units continued to deliver on their routine processes. These include the accreditation and monitoring of assessment bodies; accreditation of independent schools, private FET colleges, and private Adult Education and Training (AET) centres; the quality assurance of assessment in respect of qualifications being phased out (namely the SC and the N3); routine certification of the GETC and other certification functions; verification of certificates; conducting research, hosting of seminars and attendance at various international and national conferences.

In promoting quality in its sector, Umalusi has actively engendered co-operative and supportive relationships with its stakeholders and role players as well as other bodies in the wider education and

training community. However, in 2008 the importance of collaboration was highlighted as critical to the success of the new NQF landscape and Umalusi participated in a number of meetings with the key role players in the system to plan the way forward – these included the national Department of Education (DOE), South African Qualifications Authority (SAQA), Higher Education (HE) structures the Department of Labour (DOL) and the Quality Council for Trades and Occupations (QCTO).

Umalusi has strived to promote quality by virtue of its stakeholder relationships hosting a Provider Conference for the first time in 2008 and in early 2009 established a consultative Provider Forum. It has also continued to create debate on important educational and quality issues and dissemination of insightful research reports.

The Management Support Structures (MSS) unit comprises the Office of the CEO (OCEO), which provides support in respect of leadership and governance. The sub-units that make up Corporate Services have supported the work of the four National Operations units in respect of IT development, administration, financial management and human resource management and development. The contributions made by these functions have ensured successful delivery on the Council's mandate.

The reports on the eight programmes that comprise Umalusi's scope of work reflect accomplishments that the Council is justly proud of and provide detail on the deliverables achieved during the 2008/2009 financial year.

### National Operations

<b>Programme A:</b>	<b>Quality Assurance of Assessment (QAA)</b>
<b>Programme B:</b>	<b>Evaluation and Accreditation (E&amp;A)</b>
<b>Programme C:</b>	<b>Qualifications, Curriculum and Certification (QCC)</b>
<b>Programme D:</b>	<b>Statistical Information and Research (SIR)</b>
<b>Programme E:</b>	<b>Management Support Structures and Governance (MSS)</b>

### Corporate Services

<b>Programme F:</b>	<b>Information Technology Systems (IT)</b>
<b>Programme G1:</b>	<b>Finance and Administration (F&amp;A)</b>
<b>Programme G2:</b>	<b>Human Resource Management and Development (HR)</b>

### Interesting Facts:

#### **Quality Assurance of Assessment Reports:**

*Report on the Quality Assurance of the National Senior Certificate Assessment and Examination 2008*

*Report on the Quality Assurance of the ABET Level 4 Examination 2008*

*Report on the Quality Assurance of the Vocational Education and Training Assessment 2008*

#### **Accreditation and Evaluation Reports:**

*Report on the Evaluation of the Assessment System for the National Certificate Vocational*



VIJAYEN NAIDOO  
SENIOR MANAGER

### PROGRAMME A:

#### Quality Assurance of Assessment (QAA)

Umalusi is mandated in terms of the General and Further Education and Training Quality Assurance (GENFETQA) Act to assure the quality of all exit point assessments. In the year under review, Umalusi was required to quality assure the National Senior Certificate (NSC) – a new qualification based on the National Curriculum Statement, which was examined for the first time at the Grade 12 level in 2008 – and the National Certificate Vocational (NCV) Level 3. This increased the number of examinations quality assured by the Quality Assurance of Assessment (QAA) Unit in 2008 to 11.

Quality assuring both the NSC and the NCV presented an immense challenge to Umalusi. Key challenges revolved around the setting and maintenance of standards. Planning for the quality assurance of the NSC commenced as early as January of 2007, with Umalusi grappling with how it was going to standardise these examinations in the absence of any historical averages (norms). The model which was developed and refined over the two year period faced its ultimate test at the standardisation of the 2008 examinations. It is pleasing to report that for the majority of subjects, the “norm” generated was reflective of the candidates’ performance. In addition, a year long “Maintaining Standards” research project was conducted to determine the relative levels of cognitive difficulty

of the 2008 exam papers. Findings of the research were able to describe the type and level of difficulty of the 2008 exams, and provided invaluable input into the standardisation process. The project is to be extended to include other subjects in 2009.

Umalusi also played a key role in ensuring that the standardisation and resulting modules in the newly-established Integrated Examination Computer System (IECS) was developed and tested.

Challenges in the implementation of the NCV had a “knock-on” effect on the quality assurance of assessment. The approval of the NCV results had to be deferred in order to allow for further quality assurance to be undertaken.

A detailed report is captured in the following sector specific publications:

- Report on the “Quality Assurance of the National Senior Certificate Assessment and Examination”
- Report on the “Quality Assurance of the ABET Level 4 Examination”
- Report on the “Quality Assurance of the Vocational Education and Training Assessment”

Umalusi is satisfied that it has succeeded in fulfilling its quality-assurance mandate without any of its quality-assurance processes and procedures being compromised. Going forward, Umalusi will focus on ensuring that assessment standards continue to be of an acceptable standard, thus ensuring that the certificates it issues retain their value, both to Higher Education as well as in industry.



Eardley Twigg



Confidence Dikgole



Marisa Du Toit



John April

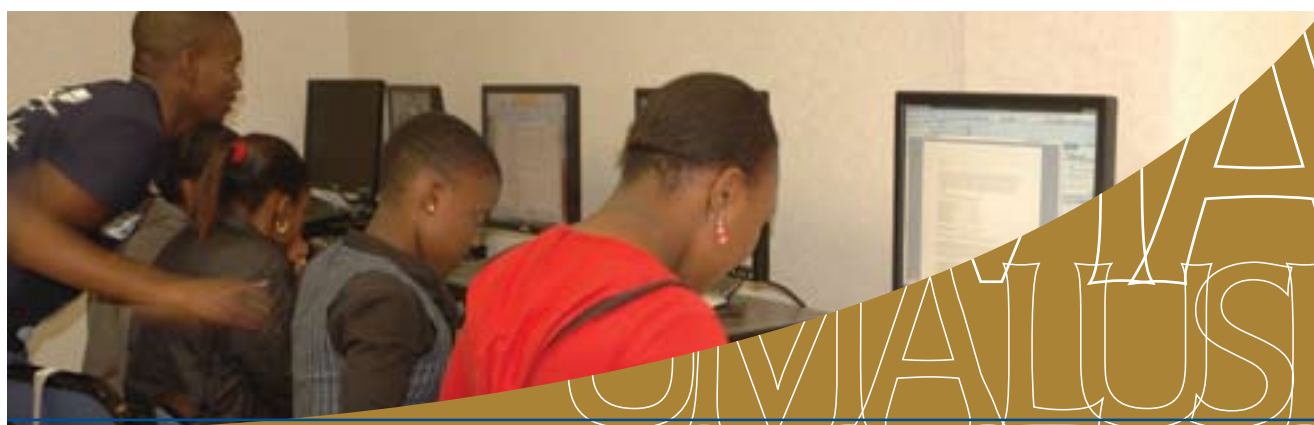


Antoinette Diwayo



Andy Thulo

## Report on Operations (continued)



Outcome	Key performance indicator	Target	Performance results
<b>Quality Assurance of Assessment maintained and improved</b>	Question papers for: NSC, SC, NCV and GETC externally moderated – multiple examinations across assessment bodies	All papers moderated and approved within examination cycle timeframes	Question papers for all examinations externally moderated: Grade 12 SC, and NSC, GETC (ABET Level 4), NCV Level 2&3 and NATED N1-N3
	External moderators appointed / evaluated for NCV Level 4 and NSC	Suitably qualified and experienced subject experts appointed and trained	NSC moderators evaluated 80% of moderators for NCV Level 4 appointed and trained
	Internal assessment i.r.o: NSC, NCV Level 2&3 and GETC monitored and moderated	Internal assessment systems monitored per policy  Internal assessment of sample of subjects across assessment bodies moderated	Internal assessment for sampled Grade 12 NSC, ABET Level 4, NCV Level 2&3 moderated and reports produced Systems for moderation of Life Orientation audited
	Conduct of examinations monitored and reported on	The conduct of examinations monitored across assessment bodies annually	Examinations monitored and reports produced
	Reliable assessment outcomes	Marking centres monitored per exam  Representative sample of scripts moderated per exam  Assessment outcomes standardised	Marking moderated and results standardised / statistically moderated Results approved for Grade 12 NSC, SC, GETC (ABET Level 4), NCV Level 2&3 and NATED N1-N3
	CTA for the DOE & IEB moderated	All CTAs moderated and approved within examination cycle timeframes	DOE and IEB CTAs moderated and approved

Note: Please refer to the Acronym list on page 2.



Siphamandla Nxumalo



Heather Erasmus



Nthabiseng Matsobane



Frans Mashilo



Shiela Phora



Josephine Pitje

## Report on Operations (continued)



Outcome	Key performance indicator	Target	Performance results
<b>Standards for assessment articulated and maintained</b>	Policies regulating quality assurance of assessment developed and implemented	System for quality assuring the NSC implemented	NSC quality assured per policy
	The IECS tested and approved – only applicable to modules required by Umalusi	Standardisation and resulting modules developed and tested prior to December 2008 examinations	Standardisation and Resulting modules functional
	Maintaining standards project – NSC/SC question papers benchmarked	Project findings to feed into NSC standardisation process	Research findings contributed to standardisation process
	The quality of exam products and administration of examinations, reviewed and monitored, reported on annually	Monitoring of the annual implementation of assessment practices completed and reported on to stakeholders in the GFET band	Separate reports on the NSC, VET and GETC examinations submitted to the Minister of Education in December 2008  NEIC Investigation into the 2009 resulting delays monitored and reported to the Minister of Education
<b>Stakeholder relations established and managed</b>	Collaborative stakeholder relations fostered and maintained through stakeholders' bilateral meetings; consultative workshops; and effective communication	Regular communication maintained with stakeholders through letters, circulars, and attendance of relevant meetings	Regular stakeholders' bilateral meetings conducted and attended; HESA; IPEC; ADCOM etc.  Consultative workshops conducted and attended

### Interesting Facts:

Total number of examinations quality assured: 11

Total number of subjects moderated across the qualifications quality assured: 157

Total number of exam papers externally moderated: 557

Total number of examination centres monitored: 362

Total number of monitors used: 27

Total number of external moderators: 176



### PROGRAMME B:

#### Evaluation and Accreditation (E&A)

The year under review has seen the enhancement of the evaluation and accreditation function of Umalusi. Many of the accreditation activities have been interrogated and reviewed with the purpose of creating a more responsive approach to its constituencies. In addition, through its evaluation of the national assessment system for the National Certificate Vocational (NCV) the unit has increased its presence in the public sector.

In terms of the Evaluation and Accreditation (E&A) Unit's key outcome, "the extension of accreditation and monitoring", the unit has done exceptionally well. Institutions are increasingly meeting the provisional-accreditation requirements. This has become evident through the large number of site visits to fully compliant, private institutions undertaken in 2008. The Unit's evaluators visited 229 independent schools, 203 sites of private Further Education and Training (FET) colleges and seven Adult Education and Training (AET) centres.

In the interim, the Unit's routine-monitoring activities continued with the evaluation of monitoring reports from 459 independent schools, 86 private FET colleges and 23 private AET centres. In addition, an increasing number of institutions are approaching Umalusi for accreditation – an additional 150 independent schools, 91 private FET colleges and 17 private AET centres applied to the Unit for accreditation.

However, ever aware of the implications of the changing education and training environment, the E&A Unit critically examined its own assumptions in respect of accreditation as a quality assurance approach. This interrogation resulted in two discussion papers that informed the unit's work:

- Quality assurance of colleges; and
- Quality assurance of independent schools

One of the most important outcomes of this interrogation has been the review of the Unit's interaction with its stakeholders. Two important events emanated from the review: Umalusi's first annual Provider Conference and the establishment of a Provider Forum.

The theme of the Provider Conference in June 2008 was *Increasing Access to Quality Education for all: Quality and Quantity – Two sides of the same coin?* The Conference was very well attended and established a benchmark for the organisation's annual engagement with its stakeholders.

The establishment of the Provider Forum in March 2009 was directly influenced by the research undertaken in the Unit. The purpose of the Forum is first and foremost to build Umalusi's provider constituency. A Steering Committee was elected which will oversee the activities of the Forum.

In keeping with its role in monitoring the assessment system, the E&A Unit hosted a Best Practice workshop with provincial and private assessment bodies responsible for the assessment of the National Senior Certificate (NSC).



Vani Chatty



Chaile Makaleng



Chris Nyangintsimbi



Mary-Louise Madalane



Veenay Bennideen



Zitha Kumalo

## Report on Operations (continued)

Finally, by far the most far-reaching activity for this period was the evaluation of the assessment system for the NCV. The two key areas of assessment under scrutiny was the assessment system itself (the structures and processes for the conduct of assessment), and the standard of assessment as exemplified by internal and external assessment. A draft report was served at the February 2009 Council meeting and will be published and

disseminated to all concerned and improvement plans will be established.

The period 2008/2009 was eventful and exciting. The E&A Unit is looking forward to deepening its understanding of how the organisation's accreditation unit can further contribute towards improving the quality of teaching, learning and assessment.

Outcome	Key performance indicator	Target	Performance results
<b>Accreditation and monitoring systems for providers of education and training maintained and extended</b>	Accreditation policy framework approved and declared policy	March 2009	Accreditation policy and criteria reviewed for all provider sectors and assessment bodies  Accreditation framework approved by Council in February 2009 and submitted to the Minister of Education for declaration as policy
	Extension of provisional accreditation process continued	Throughout	New applications received for the period under review: 150 independent schools 91 private FET learning sites 17 private AET centres
	Monitoring against improvement plans, including provider monitoring reports completed	May/June 2008	Private providers monitored: 450 independent schools 86 private FET colleges 23 private AET centres
	Site visits to institutions conducted	October 2008 and March 2009	229 independent schools 203 private FET learning sites 7 private AET centres
	Articulation with registration process of National Department and PDEs facilitated	March 2008 and throughout	Reporting process established between Umalusi and PDEs in respect of independent schools  197 sites of private FET colleges recommended for registration to the National Department of Education  A further 171 SETA FET providers referred to the National Department of Education
	Monitoring of existing assessment bodies against improvement plans, including individual monitoring reports	September 2008	Monitoring site visits conducted to: IEB and OAE

Note: Please refer to the Acronym list on page 2.



Tlhuphi Moroke



Estella Michael



Tsholofelo Mokonoto



Kholofelo Rabotho



Kabelo Lekala



Gugu Chili

## Report on Operations (continued)

Outcome	Key performance indicator	Target	Performance results
<b>Accreditation and monitoring systems for providers of education and training maintained and extended (continued)</b>	Evaluation of the assessment system for the NCV	September 2008	Evaluation site visits conducted to: National Department of Education Four Provincial Departments of Education 29 sites of public colleges  Report on the Evaluation of the Assessment System for the NCV submitted to the DOE
	Emerging assessment bodies for adult and vocational education identified	Throughout	Four emerging assessment bodies have undergone a first-screening process (two AET and two FET) Two assessment bodies' applications were declined
<b>Unit administration system maintained and extended</b>	Unit MIS is functional  Improved workflows  Unit policies formalised  Internal audit findings addressed	Ongoing	Unit MIS is fully functional and able to produce meaningful status reports  Workflows are constantly revised and implemented  Unit policies have been formalised  Internal audit findings have been satisfactorily addressed
<b>Provider and stakeholder relationships extended and maintained</b>	Consultation with stakeholders  Annual provider workshops  Annual Provider Conference  Provider Forum established	Meetings, workshops and conference as per plan	Quarterly meetings conducted with provider associations  Nine annual provider workshops in preparation for the monitoring cycle for 2008/2009 Best practice workshop – assessment bodies conducted  Provider Conference hosted  Provider Forum and Steering Committee established

Note: Please refer to the Acronym list on page 2.

### Interesting Facts:

#### Accreditation:

Total private FET colleges accredited: 450 campuses

Total adult education and training centres accredited: 120

Total independent schools accredited: 453

Number of site visits (schools, colleges, AET): 439

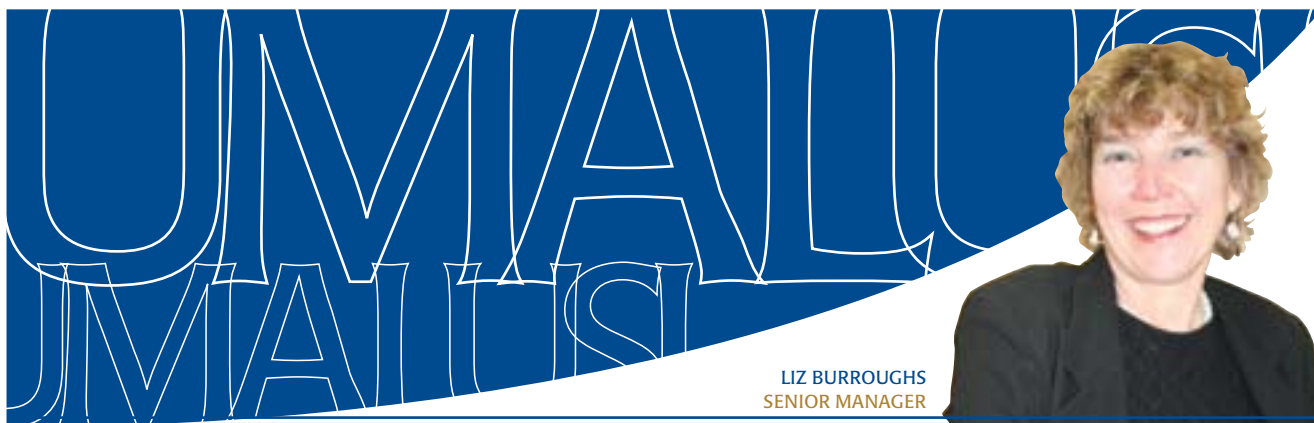
Number of providers monitored (schools, colleges, AET): 559

Number of providers referred for registration with the Department of Education: 368

Accredited assessment bodies monitored: 2

New applications for accreditation – assessment bodies: 4

Provincial assessment bodies monitored: 4



### PROGRAMME C:

#### Qualifications, Curriculum and Certification (QCC)

The Qualifications, Curriculum and Certification (QCC) Unit has made its own contribution to the maintenance of standards during this past year. Even as the entire educational environment began to adapt itself to the new challenges posed by the National Qualifications Framework (NQF) Bill, the Unit tackled significant tasks needed to ensure the smooth running and continuity of Umalusi's functions.

In the past year, the certification sub-unit has issued certificates while preparing for the significant demands of certifying the National Senior Certificate (NSC) for the first time. Certifying a new qualification requires the development of new directives and adaptation of the mainframe systems, but the introduction of the NSC has coincided with the development, by the Department of Education (DOE), of a new computer system, a significant additional challenge. Umalusi has provided support to the DOE, and has advised on the development of the new system, while officials of the DOE have helped Umalusi with the refinement of the NSC directives. Umalusi will commence with certification of the 2008 cohort on receipt of the data sets from the DOE.

Umalusi quality assured the 2007 results for the National Certificate Vocational (NCV) NQF Level 2 in 2008.

The Unit's verification function has continued to draw in new clients for its services and remains a substantial income stream for Umalusi. The verification policies and plans have been reviewed and workshopped with clients.

In June 2008, Umalusi printed its policy, "Standards Setting for the General and Further Education and Training Qualifications Sub-framework", which together with its draft qualifications framework document, has been used as the basis for informal discussions in anticipation of the formation of three separate Quality Councils to manage the different sub-frameworks on the NQF. These discussions have yielded insights into the opportunities for co-operation that exist under the new Act. The draft sub-framework has been submitted to the Minister of Education for declaration as policy.

The Qualifications and Curriculum sub-unit are proud to have assisted with the ground-breaking curriculum research on six gateway NSC subjects, which was undertaken by the Statistical Information and Research (SIR) Unit. They have also assisted in the conceptual thinking, planning and implementation of the Foundation Phase curriculum evaluation, which is poised to begin. In addition, in order to understand the challenges of the qualifications sub-framework, the unit mapped the existing Level 4 and 5 qualifications on the NQF in order to understand what role Umalusi could play as a Quality Council responsible for maintaining and developing the sub-framework for General and Further Education.

The unit looks forward to extending its work in 2009 in support of its new pending mandate of qualifications development and standard setting.

## Report on Operations (continued)

Outcome	Key performance indicator	Target	Performance results
<b>Umalusi's policy to establish and maintain its qualifications framework is developed</b>	A Framework of qualifications in GFET and a quality assurance policy developed and consulted	Draft Framework of qualifications developed  Quality Assurance Policy Council approved and published	The draft Framework of qualifications developed and submitted to The Minister of Education for declaration as policy in March 2009  The policy document was published under the title, Standards Setting for the GENFETQA sub-framework in June 2008
	Guidelines that support the development and evaluation of qualifications and curricula developed and piloted	The guidelines for the evaluation and approval of qualifications and curricula are piloted and refined	Criteria and guidelines for evaluating the standards of curricula structured the evaluation instrument used for the "Maintaining Standards" project
<b>Curricula are evaluated and approved</b>	The "Maintaining Standards" project is supported and contributed to	In conjunction with the SIR Unit, the NSC curricula are compared to Higher and Standard Grade SC subjects, in time for the standardisation of the NSC results	"Maintaining Standards" curriculum reports successfully supports standardisation of the first NSC exams
	The evaluation of the GEC curriculum is supported and contributed to	An comparative evaluation of the GEC foundation phase curriculum is undertaken with the SIR Unit	The GEC research conceptualised and commenced  Report on teacher education In Foundation Phase is completed
<b>Certification of learner achievements is ensured</b>	Learner certification processes are developed, maintained and improved	Certificates are issued per request from the assessment bodies, in accordance with the data sets submitted and internal policy  Capacity building conducted for assessment bodies	778 445 certificates were issued during the year beginning 1 April 2008 and ending 31 March 2009, including about 223 500 first issue SC, including those with endorsement  The new certification tariffs were successfully implemented from the 1st June 2008  A certification workshop was held on the 28 January 2009 with DOE, IEB and SITA to discuss the certification of the NSC
	Certification system for NCV developed	The IT system for the NC(V) is functional	The certification system is in place
	Directives for the certification of the NSC developed and consulted	Directives for NSC disseminated by August 2008	The directives developed and disseminated
	System for the certifying of the NSC is ready	The certification system has been developed and tested in time for certification to take place	The system is in place and has been tested

Note: Please refer to the Acronym list on page 2.



Rachel Matshoba



Zolile Hlabeni



Tello Motloi



Mbuleleni Myataza

## Report on Operations (continued)

Outcome	Key performance indicator	Target	Performance results
<b>Verification service is provided</b>	Processing of certificate verifications is maintained at a consistently high standard	The verification service keeps pace with the growth it is experiencing  Existing client contracts renewed and new contracts undertaken  The verification system is continually monitored and improved	The number of verifications processed from 1st April 2008 – 31 March 2009 is 171 813  The number of contracted clients is 31  Systems are in place to monthly monitor internal records, invoicing and reporting on verification statistics and fraud cases
<b>Provider and stakeholder relationships extended and maintained</b>	Existing stakeholder relationships are maintained and new relationships fostered to deal with changes in the legislative environment	QCC to meet with key role players and stakeholder iro qualifications and certification as needed	QCC (with IT) participates on the DOE IECS user group and ITC committees established to develop policies and systems for the administration of examinations for the new NSC and qualification records  QCC participates in consultative meetings and workshops: with DOE, SAQA, HESA, QCTO and SETAs
	Positive working relationships are maintained with contracted verification clients	Existing clients are efficiently and accurately serviced and supported	Meetings with all verification contract clients conducted as required to improve service delivery

Note: Please refer to the Acronym list on page 2.

### Interesting facts:

*CERTIFICATES PRINTED FOR THE PERIOD 01 APRIL 2008 TO 31 MARCH 2009*

*Senior Certificate with endorsement (first issue): 52 833*

*Senior Certificate (first issue): 170 667*

*N3 (first issue): 5 621*

*Endorsement (combinations): 1 766*

*Senior Certificate (combinations, re-issues, duplicates): 81 145*

*N3 (combinations, re-issues, duplicates): 12 134*

*GETC (ABET L4): 3 203*

*Subject certificates: Senior Certificate: 335 651*

*Subject certificates: N3 certificates: 62 204*

*Subject certificates: GETC & ABET L4: 51 290*

*National Senior Certificates (college qualification): 625*

*National Senior Certificates (Combinations, re-issues (college qualification)): 1 306*

**Total number of certificates printed: 778 445**



Mpho Mavhunga



Lerato Molai



Salphina Magoro



Lesego Mgidi



EMMANUEL SIBANDA  
SENIOR MANAGER

## PROGRAMME D:

### Statistical Information and Research (SIR)

The mandate of the Statistical Information and Research (SIR) unit is to report on the key indicators of quality and standards in General and Further Education and Training (GFET) as it pertains to Umalusi's mandate and to undertake research projects, the findings of which must provide firm foundations for Umalusi's strategic approaches and quality assurance processes and instruments.

The unit's main focus in 2008 – 2009 was on research, which was intended to inform the organisation on the standards of the National Senior Certificate (NSC) curriculum and examinations in comparison with the Report 550 curriculum and examinations for certain key subjects. The subjects included in this research were Mathematics; Mathematical Literacy; Physical Science; Life Sciences (previously Biology); Geography; and English (First Additional language (FAL)).

The 2008 NSC exam papers were also analysed in relation to higher and standard grade papers written between 2005 and 2007. The aim of the project was to assess the relative levels of difficulty of the old and new curricula and exams, with the goal of monitoring standards in the transition from the old to the new systems. Umalusi used the findings of the research in the 2008 standardisation of Grade 12 exam results.

Linked to the "Maintaining Standards" project, is the Umalusi report on "Analysis of School Performance". The project tracks the performance of Grade 12 learners by school, per subject, over a period of five

years running up to 2008. The aim of the project is to identify patterns in the levels of performance of schools across time and the transition to the NSC.

Other important research projects were also initiated in the second quarter of the 2008 financial year. Probably the most important research is on indicators of quality in GFET. The indicators will provide "a report at a glance" on the levels of quality in the GFET system in the context of Umalusi's mandate. The project will produce a report in the next financial year.

A further research project was initiated in the last year in collaboration with Higher Education of South Africa (HESA) in equivalence setting. The focus of the project is to compare selected NSC subjects with their foreign equivalence with an emphasis on Higher Education (HE) gateway subjects. This project will produce a report in the next financial year.

The Statistical Information and Research (SIR) Unit jointly with the Centre for Education Policy Development (CEPD) organised a series of three seminars focused on improving public education.

The SIR unit also hosted three Research Forum meetings in the last financial year. The members of the Forum are education researchers from different universities, and Non-Governmental Organisations. The purpose of the Forum is to guide the Unit's research work.

In 2009, the Unit will focus on reporting on indicators of quality in GFET, while continuing with a number of identified research projects. All Umalusi's research reports as well as information on research currently underway, can be viewed on Umalusi's website [www.umalusi.org.za](http://www.umalusi.org.za).



Heidi Bolton



Pauline Masemola



Paul Mokilane



Biki Lepota



Frank Chinyamakobvu



Grace Tsomele

## Report on Operations (continued)

Outcome	Key performance indicator	Target	Performance results
<b>A conceptual framework for indicators of quality is developed</b>	Indicators of quality in GFET identified and defined	A draft policy on quality indicators consulted	Draft policy consulted with the Research Forum
<b>Research is planned, implemented, managed, and research findings are shared in the organisation</b>	Research projects are commissioned and conducted: Maintaining Standards  GETC evaluation  Practical Assessment Research  Equivalence Setting (HESA)  CASS research  IRT research and pilot	As per research agenda of 2008	Research reports on, "Maintaining Standards" used to support 2008 standardisation  GETC evaluation commissioned  Practical Assessment research commissioned  Equivalence Setting project conceptualised  Report completed  Report completed
<b>Research Forum maintained</b>	Research Forum meetings conducted	Guidance and advice provided by leading education experts throughout the year	Three successful meetings of the Research Forum took place
<b>Strategic support is provided to the organisation</b>	Strategic documents produced  Professional development and support provided	Ongoing or as required	See research reports  Internal quality promotion and training meetings held bi-monthly
<b>Stakeholders are engaged with through conferences and published documents</b>	Public seminars organised  Umalusi's presence in the educational area is maintained and strengthened through debates	Ongoing or as required	Seminar on Adult Education hosted  Seminar series hosted and reports produced  Conferences and forums attended, and appropriate contributions made
<b>Resource Centre maintained</b>	Resource Centre improved to support Umalusi's conceptual work and staff professional development	New resources obtained  Organisation of resources improved by 30 March 2008	The electronic catalogue was maintained and improved  Books, journals, and research reports were obtained and catalogued  Ongoing support in organising and storing data was provided to the organisation

### Research publication highlights:

*Maintaining Standards: a report on the comparison of the NSC curricula and exam papers to the NATED 550 curricula and exam papers*

*Signalling Performance: An analysis of continuous assessment and matriculation examination marks in South African schools, a report on the correlation between the continuous assessment mark and the exam mark*

*The Role of IRT in selected examination system: a literature review on the Item response theory and how it is used in different countries*

## Report on Operations (continued)



### PROGRAMME E:

#### Management Support Structures and Governance (MSS)

The Management Support Structures (MSS) ensured that a strategic plan and budget was in place and that the organisation fulfilled its mandate. The Unit supported the work of Council and its committees and ensured that the Council was kept informed and was able to do its work. The Unit ensured that all

internal work was co-ordinated in an efficient and effective manner and that progress was monitored quarterly and reported on.

The externally contracted Public Relations (PR) and communications company Stone Soup, continued to provide media and communication support. They ensured that a number of press releases, radio and television interviews occurred and also managed the press conference for the release of the matriculation results. Three issues of the newsletter *Makoya* were produced during the year.

Outcome	Key performance indicator	Target	Performance results
<b>Organisational planning, implementation, monitoring and review</b>	Strategic and business plans developed and approved	PFMA and other targets met – Planning conducted June 2008  Plans submitted to Minister of Education for approval by September 2008	Strategic and business planning completed and approved by the Minister of Education
	New management cycle and calendar drawn up, presented and updated.	New cycle and calendar completed by 1 April 2008	New management planning cycle and calendar implemented
	Plans co-ordinated, implementation monitored, reviewed and reported on internally and externally	Plans co-ordinated on a monthly basis Quarterly report submitted to management and DOE Review meetings conducted thrice annually	Managerial and organisational plans co-ordinated, reviewed and reported on per plan
	Organisational policies developed and implemented after Council approval	Effective administrative and quality-assurance policies developed to guide and support work as required	Quality-assurance policies submitted and approved by Council  Administrative policies developed in accordance with internal audit requirements
	Performance evaluation conducted	Staff performance evaluated and rewarded annually in March 2008	Staff performance evaluated and rewarded as per plan
	Internal quality improvement facilitated	Umalusi responsive to customer needs Effective quality-assurance procedures implemented	Process integration implemented through internal structures and MIS development Internal audit reports complied with PFMA

Note: Please refer to the Acronym list on page 2.

## Report on Operations (continued)

Outcome	Key performance indicator	Target	Performance results
<b>Organisational governance maintained</b>	<p>Council and Committee meetings supported efficiently and effectively</p> <p>Council programmes adhered to</p> <p>Reports and key matters presented to Council and Committees and information shared</p>	<p>Council and Committees well supported in terms of logistics and documentation</p> <p>Council meets four times annually Committee meetings conducted as scheduled</p> <p>Reports to Council submitted with regards to all Umalusi's plans, Committees and governance matters four times annually</p> <p>Reports and matters discussed with Committees for recommendation to Council as per committee schedules</p>	<p>Council and Committees supported</p> <p>Administrative services rendered</p> <p>Council meetings in May 2008, August 2008, November 2008 and February 2009 Committee programmes adhered to</p> <p>Reports submitted to Council and Committees as per plan</p> <p>Complied with as per schedule</p>
<b>Stakeholder relations established and managed</b>	<p>Meetings with: Political structures Educational administration Other statutory bodies</p>	<p>Synchronisation of Umalusi work with political, administrative and other statutory imperatives as well as benchmarking organisational work with that of other similar organisations</p>	<p>Umalusi engaged in discussions with all stakeholders as quality assurance landscape moved into transition in respect of the new NQF landscape (and the passing of the NQF Act 2008). Regular meeting with executive of the DOE and SAQA</p>
<b>Public relations and communication strategy implemented</b>	<p>Enhanced participation in public debate</p> <p>Umalusi media profile improved</p> <p>Corporate identity strengthened</p> <p>Good internal communication processes in place</p>	<p>The Umalusi "brand" is recognised</p> <p>Umalusi well profiled in the media</p> <p>Corporate Image established</p> <p>Effective internal communication processes implemented</p>	<p>Seminar series around public education conducted in collaboration with CEPD</p> <p>PR and communications strategy developed and implemented</p> <p>Regular media briefings and press releases sent out</p> <p>Corporate Image (CI) reviewed – and CI manual developed</p> <p>Website reviewed and updated</p> <p>Newsletters published</p> <p>Media liaison managed and media queries responded to promptly</p> <p>Intranet developed and Internal newsletter distributed</p>

Note: Please refer to the Acronym list on page 2.



Dr PP Lolwana



Eugenie Rabe



Jeremy Thomas



Lebogang Molapise



Eugene du Plooy



Phillistas Masinga

## Report on Operations (continued)



JEREMY THOMAS  
CHIEF FINANCIAL OFFICER

### Corporate Services

The Corporate Services Unit ensures the effective and efficient utilisation of all organisational resources. It offers centralised and co-ordinated support to the core business of Umalusi through provision of the following:

- Information Technology (IT) management (Programme F)

The organisation's needs have been met through the installation of the latest IT infrastructure and services to ensure that work is well supported. IT processes and hard/software are continuously monitored and improved.

- Financial management (Programme G1)

This section maintains a credible accounting system which is monitored by the Audit Committee of Council. It is also regularly monitored by the Executive Committee (EXCO) and the full Council. The finance function also includes asset and facilities management.

- Human Resource (HR) management and development (Programme G2)

This section is responsible for recruitment, appointments and equity, as well as performance evaluation and staff development.

### PROGRAMME F:

#### Information Technology Systems (IT)

Outcome	Key performance indicator	Target	Performance results
<b>IT systems established, maintained and improved</b>	Well functioning MIS	MIS system extended, maintained and improved – ongoing	MIS development progress was good – 70% of all requests registered were completed. Progress is monitored by the MIS Steering Committee
	Maintained website according to requests received from users	Website consistently updated and efficient – ongoing	The Umalusi website is fully operational

Note: Please refer to the Acronym list on page 2.



Marie Botha



Thinus Wessels



Gerrit Jansen van Vuuren



Gerhard Booysse



Innocent Gumbochuma



Olga Matlala

## Report on Operations (continued)



Outcome	Key performance indicator	Target	Performance results
<b>Certification process effectively supported</b>	<p>Effective certification process ensured</p> <p>Maintained certification system according to requests received from the users</p> <p>Verification processes computerised</p>	Certification and verification processes effectively, developed, maintained and improved by March 2009	<p>The certification system for SC and N3 was maintained</p> <p>A system to certify the (NCV) and NSC certificates was developed</p> <p>All verifications processed electronically and improved with control measures implemented</p>
<b>Adequate computer hardware and software in place to support operations</b>	<p>Computer equipment procured as required</p> <p>Daily back-up of organisational data</p>	<p>Computer hardware and software efficiently procured and supported during 2008/9</p> <p>Ongoing back-up services provided</p>	<p>Equipment was procured, maintained and installed as required</p> <p>Software licenses were acquired and are up to date</p> <p>SLA with designated providers was effectively managed to meet demands</p> <p>Network support was adequately provided</p> <p>A solution to ensure high availability of servers was implemented and is operational</p> <p>Development of a Disaster Recovery Strategy and Plan is in place with the assistance of SITA</p> <p>Adequate off-site back-ups facilitated</p>

Note: Please refer to the Acronym list on page 2.



Carlen van der Walt



Shakuntla Khatri



Letseba Tosa



Miriam Mathews



Ulrike Badenhorst



Archie Ntim

## Report on Operations (continued)

### PROGRAMME G1:

#### Finance and Administration (F&A)

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

Council. The finance function also includes asset and facilities management.

Outcome	Key performance indicator	Target	Performance results
<b>Finance and accounting systems maintained and improved</b>	Accounting systems in line with PFMA maintained and improved	Policy implemented in terms of PFMA and various committees' requirements	Internal and external audits met compliance requirements and improved systems
		90% of debt collected	93% of debt collected
		Investments wisely managed	Investments were made with the Corporation for Public Deposits (CPD) at the Reserve Bank in line with prescribed policy
		Assets carefully managed	Assets were timeously labeled and verified during the year. Asset register up to date
<b>Supply-chain management system maintained and improved</b>	Procure goods and services within policy regulations	Creditors paid on time	Creditors were paid within 30 days
		Organisation adequately resourced	Goods and services were sourced on time
<b>Building and security systems maintained and improved</b>	Alterations effected to accommodate organisational requirements	Alterations in accordance with action plan	Additional parking areas were completed
			The undercover parking bays on northern side of the building were converted into additional office space
			OCEO office space remodeling has commenced and the project is expected to be completed in the 2009/2010 financial year
	Buildings and security systems managed against the budget and management requirements	Preventative-maintenance programme implemented	Building re-painted and ongoing maintenance implemented
			CCTV equipment was installed
			Metal detector installed at front entrance
			Security guard stationed at front entrance
			Staff-parking area fenced off with palisade fencing and access through the gate is controlled to valid tag-holders
	Building power-supply systems managed per management requirements	Emergency power back-up implemented	Back-up generator plant installed
			UPS power supply installed

Note: Please refer to the Acronym list on page 2.



Makoena Mokgadi



Sebongile Mkhathshwa



Irene Thobejane



Fhatuwani Ramuvhudu



Louisa Nomatye



Matlhodi Mathebula

## Report on Operations (continued)

### PROGRAMME G2:

#### Human Resource Management and Development (HR)

Outcome	Key performance indicator	Targets	Performance results
<b>Human resources managed and developed</b>	HR policies realigned, amended and made available electronically	HR policies in terms of labour legislation to ensure good labour practices implemented and maintained	HR policies and procedures completed, electronically available and maintained
	HR plan developed and implemented	Ongoing as per organisational needs	Plans implemented in line with changing education environment and new mandate
	Recruitment, selection, placement, termination	Ongoing as required	Recruitment in line with time frames and policies
	Staff and contract-workers service benefits managed	Ongoing per policy	Effective and efficient administration and adherence to service benefit policies
<b>Staff development processes in place</b>	Performance management processes managed	Staff performance evaluated March 2009	Staff performance evaluated annually and performance awards adjudicated
	Skills and competency shortcomings identified and training programmes implemented	Staff development strategies in place Training programmes implemented	Training was provided for administrative cadre bi-weekly. Staff participated in the various in-house and off-site training courses and workshops
	WSP / report submitted to the ETDP SETA	Internal training conducted	Submitted to ETDP SETA within timelines
	EAP programme administered		The EAP was expanded to include a wellness day for all staff members
<b>General services provided</b>	Reception, cleaning and telephone services maintained and improved	Reception, telephone and cleaning services provided and maintained – ongoing	Maintained reception, telephone and cleaning services  Cleaning services contract recently renewed and managed according to policy
<b>Document Management System implemented</b>	Central Registry conceptualised and development commenced	Document Management System and Registry established	Project planning, information audit and file plan developed and approved

Note: Please refer to the Acronym list on page 2.



Simon Mosaka



Kgabo Mmola



Johanna Choba



Sam Gohla



Pinkie Pule

# Annual Financial Statements

For the year ended  
31 March 2009



# Report of the Audit and Risk Committee

## For the year ended 31 March 2009

The Audit and Risk Committee consists of members as listed elsewhere in the annual report and meets at least twice a year in terms of the Public Finance Management Act of 1999. The committee continued its mandate, executing an oversight role over risk management, internal audit and financial reporting. It confirms that, in accordance with its formal terms of reference and the requirements of the Treasury Regulations, it has reviewed:

- the effectiveness of internal control;
- the effectiveness of the internal audit function;
- the risk management processes of Umalusi;
- the risk areas of Umalusi's operations covered in the scope of the internal and external audits;
- the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- Umalusi's compliance with legal and regulatory provisions;
- the contents of the annual financial statements;
- accounting and auditing concerns identified as a result of internal and external audits;
- the quality of Umalusi's monthly and quarterly management reports;
- the activities of the internal audit function, including its annual work programme, co-ordination with external auditors; and
- the reports of significant investigations and the responses of management to specific recommendations.

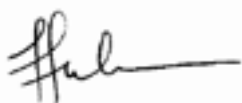
The Audit and Risk Committee reviewed the internal and external audit reports. Following the reviews of the Committee, we are confident that the stipulations of the relevant provisions of the Public Finance Management Act of 1999, as amended and Treasury Regulations, which have been incorporated in the Committee's own terms of reference, have been complied with, to a satisfactory extent.

In the opinion of the Audit and Risk Committee, the internal controls of Umalusi are considered to be appropriate to:

- meet the business objectives of Umalusi;
- ensure the entity's assets are safeguarded; and
- ensure that transactions undertaken are recorded in Umalusi's accounting records.

Where weaknesses in specific controls have been identified, management has undertaken to implement the appropriate corrective action to mitigate weaknesses identified.

The Audit and Risk Committee has evaluated the annual report for the year ended 31 March 2009 and considers that it complies in all material respects with the requirements of the Public Finance Management Act, 1 of 1999, Statements of South African Generally Accepted Accounting Practice (GAAP) and incorporating statements of Generally Recognised Accounting Practice (GRAP) where these have been issued.



---

Ms T Fubu  
Chairperson  
25 June 2009

# Report of the Independent Auditors

For the year ended 31 March 2009

## REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL

### Report on the financial statements

We have audited the annual financial statements of Umalusi which comprise the report of the Council, the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of net assets, and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 - 55.

### Council's responsibility for the financial statements

The entity's Council is responsible for the preparation and fair presentation of these financial statements in accordance with Statements of South African Generally Accepted Accounting Practice (GAAP), the effective Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP statement and in the manner required by the Public Finance Management Act, 1 of 1999, as amended, and the Public Audit Act, 25 of 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 controls 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 controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the senior management, as well as evaluating the overall presentation of the financial statements. The audit was also planned and performed to obtain reasonable assurance that our duties in terms of section 27 and 28 of the Public Audit Act, 25 of 2004, have been complied with.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the entity as of 31 March 2009, and its financial performance and cash flows for the year that ended in accordance with Statements of South African Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act, 1 of 1999, as amended.

### Supplementary information

We draw attention to the fact that the detailed supplementary information set out on page 56 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

*SizweNtsaluba VSP*

### SizweNtsaluba vsp

Partner: M Mthimkhulu

Registered Auditor

25 June 2009

Woodmead

# Report of the Council

## For the year ended 31 March 2009

The Council presents its report for the year ended 31 March 2009.

### 1. Incorporation

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

### 2. Review of activities

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

The operating results and state of affairs of the Council are fully set out in the attached annual financial statements.

### 3. Statement of responsibility

The Council is responsible for the maintenance of adequate accounting records, the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements in accordance with the reporting framework and applicable legislation. The financial statements have been prepared in accordance with Statements of South African Generally Accepted Accounting Practice (GAAP), with issued and effective Statements of Generally Recognised Accounting Practice (GRAP) replacing the equivalent standard of GAAP (refer to note 1 to the financial statements), and in the manner required by the PFMA.

The Council is also responsible for the entity's system of internal control. These are designed to provide reasonable, but not absolute assurance to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss.

Nothing has come to the attention of the Council to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on a going concern basis, since the Council has every reason to believe that the entity has adequate resources in place to continue its operations in the foreseeable future.

### 4. Post statement of financial position 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.

### 5. Internal controls

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

The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the organisation's objectives; to evaluate the nature and extent of those risks and to manage them effectively and efficiently. The system of internal control is underpinned by compliance with the relevant corporate and governance legislation.

**Report of the Council (continued)**  
For the year ended 31 March 2009

## 6. Losses through fraud, fruitless and wasteful expenditure, and irregular expenditure

The Council has considered the PFMA provisions relating to fruitless and wasteful expenditure. In terms of the materiality framework as agreed with the executive authority and Section 55(1) (d) of the PFMA, any material losses due to criminal conduct or irregular or fruitless and wasteful expenditure must be reported in the annual financial statements.

During the current financial year the company identified instances of the nature contemplated in S55 (1) (d) that require disclosure in the annual statements, summarised as follows:

Nature	Amount R	Recoveries
Fraud – fake deposit refund scam	44,695	-

## 7. Council members

The Council members during the year and as at the date of this report were as follows:

Prof JD Volmink (Chairperson)  
Mr J Pampallis (Deputy Chairperson)  
Mr GR Agocs  
Prof M Fourie  
Prof SG Mabizela  
Dr MA Makhafola  
Ms J Naidoo  
Mr L Nengovhela  
Dr RA Patel  
\*Dr MS Rakometsi  
\*\*Prof IL Rensburg  
Dr ZC Sosibo  
Dr JPN Steyn  
Ms PT Tyobeka  
Prof DS Zinn

## 8. Remuneration of Council members and key management

Council members	2009	2008
	Fees paid R	Fees paid R
Prof SG Mabizela	-	4,449
Dr MA Makhafolo	18,096	1,132
Ms J Naidoo	1,131	6,545
Dr RA Patel	8,089	-
Dr ZC Sosibo	3,463	1,282
Dr JPN Steyn	29,509	-
Prof JD Volmink (Chairperson)	37,434	54,543
	<u>97,722</u>	<u>67,951</u>

\*Dr MS Rakometsi resigned from Council and was appointed as CEO on 1 January 2009

\*\*Resigned on 24 February 2009

**Report of the Council (continued)**  
For the year ended 31 March 2009

**8. Remuneration of Council members and key management (continued)**

Key management					
2009	Position	Salary R	Pension contributions R	Bonus and performance payments R	Total R
*Dr PP Lolwana	Chief Executive Officer	778,651	96,145	96,992	971,788
Mrs E Rabe	Chief Operations Officer	670,004	78,915	38,152	787,071
Mr JR Thomas	Chief Financial Officer	607,516	72,288	56,494	736,298
Dr MS Rakometsi	Chief Executive Officer (01/01/09)	309,094	37,833	-	346,927
Mr VD Naidoo	Senior Manager: QAA	591,403	65,385	54,042	710,830
Dr JP Blom	Senior Manager: E&A	529,956	65,385	47,925	643,266
Ms EM Burroughs	Senior Manager: QCC	520,303	65,022	39,475	624,800
Mr E Sibanda	Senior Manager: SIR	472,664	60,552	27,856	561,072
		4,479,591	541,252	360,936	5,382,052

2008	Position	Salary R	Pension contributions R	Bonus and performance payments R	Total R
Dr PP Lolwana	Chief Executive Officer	658,023	51,927	73,860	783,810
Mr MQ Potterton		61,437	3,549	17,745	82,731
Mrs E Rabe	Chief Operations Officer	555,694	42,633	15,534	613,861
Mr JR Thomas	Chief Financial Officer	515,665	34,942	46,911	597,518
Dr SJ Allais		513,439	-	52,643	566,082
Mr VD Naidoo	Senior Manager: QAA	451,762	36,649	36,813	525,224
Dr JP Blom	Senior Manager: E&A	377,642	30,616	20,266	428,524
Ms EM Burroughs	Senior Manager: QCC	54,398	3,243	-	57,641
Ms SH Mafanga-Kibi		256,810	-	9,480	266,290
		3,444,870	203,559	273,252	3,921,681

\* Resigned with effect from 31 December 2008

**9. Secretary**

The secretary of the Council is Mr. EP du Plooy:

**Business address:** 37 General van Reyneveld Street  
Persequor TechnoPark  
Pretoria, 0121

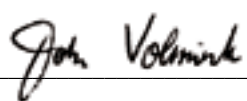
**Postal address:** Postnet Suite 102  
Private Bag X1  
Queenswood  
Pretoria, 0121

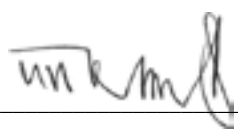
**10. Auditors**

SizweNtsaluba VSP were appointed as auditors with effect from November 2008.

**Address:** 20 Morrison Street East  
Woodmead, 2191

**11. Approval**

  
\_\_\_\_\_  
Prof JD Volmink  
Chairperson

  
\_\_\_\_\_  
Dr MS Rakometsi  
Chief Executive Officer

# Statement of Financial Position

At 31 March 2009

	Notes	2009 R	2008 R
<b>Assets</b>			
<b>Non-current assets</b>		<b>14,453,789</b>	<b>13,156,103</b>
Property and equipment	2	14,290,658	13,152,227
Intangible assets	3	163,131	3,876
<b>Current assets</b>		<b>30,170,245</b>	<b>24,038,826</b>
Trade and other receivables	4	5,047,446	10,036,339
Cash and cash equivalents	5	25,122,800	14,002,487
<b>Total assets</b>		<b>44,624,034</b>	<b>37,194,929</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated surplus		39,109,004	34,053,015
<b>Liabilities</b>			
Trade and other payables	6	5,515,031	3,141,914
<b>Total equity and liabilities</b>		<b>44,624,035</b>	<b>37,194,929</b>

# Statement of Financial Performance

For the year ended 31 March 2009

	Notes	2009 R	2008 R
Revenue	7	<b>27,019,914</b>	21,682,498
Other operating income	8	16,602,570	12,744,096
Depreciation and amortisation		(1,230,423)	(799,415)
Staff costs	9	(19,281,620)	(14,473,009)
Other operating expenses	10	(20,866,337)	(15,614,933)
<b>Operating surplus</b>		<b>2,244,104</b>	<b>3,539,237</b>
Investment revenue	11	2,811,885	1,586,972
<b>Surplus for the year</b>		<b>5,055,989</b>	<b>5,126,209</b>

# Statement of Changes in Net Assets

For the year ended 31 March 2009

	Accumulated surplus R
<b>Balance at 31 March 2007</b>	<b>28,926,806</b>
Surplus for the year	5,126,209
<b>Balance at 31 March 2008</b>	<b>34,053,015</b>
Surplus for the year	5,055,989
<b>Balance at 31 March 2009</b>	<b>39,109,004</b>

## Cash Flow Statement

For the year ended 31 March 2009

	Notes	2009 R	2008 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		32,901,335	33,795,386
Cash paid to suppliers and employees		(22,064,798)	(29,112,182)
Cash generated from operations	12	10,836,537	4,683,204
Interest received		2,811,885	1,586,972
<b>Net cash from operating activities</b>		<b>13,648,422</b>	<b>6,270,176</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	2	(2,211,373)	(12,930,398)
Sale of property and equipment		5,280	5,365
Purchase of other intangible assets	3	(322,016)	(343)
<b>Net cash from investing activities</b>		<b>(2,528,109)</b>	<b>(12,925,376)</b>
<b>Total cash movement for the year</b>		<b>11,120,313</b>	<b>(6,655,200)</b>
Cash at the beginning of the year		14,002,487	20,657,687
<b>Total cash at the end of the year</b>	5	<b>25,122,800</b>	<b>14,002,487</b>

# Notes to the Annual Financial Statements

For the year ended 31 March 2009

## 1. Accounting policies

### 1.1 General information

Umalusi, Council for Quality Assurance in General and Further Education and Training is a public entity listed in schedule 3A of the Public Finance Management Act. The addresses of its registered office, principal place of business and the nature of the business are disclosed in the Council's report.

### 1.2 Statement of compliance

The financial statements have been prepared in accordance with Statements of South African Generally Accepted Accounting Practice (GAAP) including any interpretations of such statements issued by the Accounting Practice Board, with the effective statements of Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent of GAAP statement as follows:

#### Standards of GRAP Replaced statement of GAAP

**GRAP 1:** Presentation of financial statements

**GRAP 2:** Cash flow statements

**GRAP 3:** Accounting policies. Changes in accounting estimates and errors

**AC101:** Presentation of financial statements

**AC118:** Cash flow statements

**AC103:** Accounting policies. Changes in accounting estimates and errors

Currently the recognition and measurement principles in the above GRAP and GAAP statements do not differ substantially or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following changes in the presentation of the financial statements:

Terminology differences:

#### Standards of GRAP

Statement of Financial Performance

Statement of Financial Position

Statement of Changes in Net Assets

Net Assets Equity

Accumulated Surplus/Deficit

#### Replaced Statement of GAAP

Income Statement

Balance Sheet

Statement of Changes in Equity

Surplus/Deficit Profit/Loss

Retained Earnings/Accumulated Loss

The cash flow statement can only be prepared in accordance with the direct method.

There are no restrictions on cash balances.

Paragraph 11 to 15 of GRAP 1 has not been implemented because budget reporting standard is in the process of development by international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

### 1.3 Basis of preparation

The financial statements are prepared on a going concern basis and are prepared under the historical cost convention and incorporate the principal accounting policies set out below. The currency used for presentation is South African Rand.

These accounting policies are consistent with the previous year.

## Notes to the Annual Financial Statements (continued)

### For the year ended 31 March 2009

#### **Standards, interpretations and amendments to published standards which are not yet effective**

The entity has applied all the GAAP and GRAP standards that were effective during this year.

The following are new standards, interpretations and amendments to existing standards that at the date of authorisation were in issue but not yet effective. These standards, interpretations and amendments have not been early adopted by the entity.

- **IAS1 (amendment) Presentation of financial statements (effective 1 April 2009)**

The amendment requires that all non-owner changes in equity (comprehensive income) be presented either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income may not be presented in the statement of changes in equity.

It also requires a balance sheet to be presented at the beginning of the earliest comparative period in a complete set of financial statements when an entity applies an accounting policy retrospectively or makes a retrospective restatement. There would be changes to the presentation of financial statements for the entity when this standard becomes effective.

- **GRAP 4 The effect of changes in exchange rates**

This standard is in line with the current equivalent standard of GAAP and is not expected to have an impact as the entity does not have any foreign currency denominated transactions.

- **GRAP 5 Borrowing costs (effective 1 January 2009)**

This standard now requires an entity to capitalise borrowing costs attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use) as part of the cost of that asset. The option for immediately expensing those borrowing costs has been removed. This is not expected to have any impact as the entity does not have qualifying assets in its operations.

- **GRAP 6 Consolidated and separate financial statements**

This standard is in line with the equivalent standard of GAAP and is not expected to have an impact on the entity as it does not have subsidiaries. In accordance with GRAP 6, acquisition of a non-controlling interest in subsidiaries has to be accounted for as equity transactions. Disposal of equity interest whilst retaining control is also accounted for as equity transactions. When control of an investee is lost, the resulting gain or loss resulting from the transaction will be recognised in profit or loss.

- **GRAP 7 Investment in associates (effective 1 April 2009)**

This standard is in line with the current equivalent standard of GAAP and is not expected to have an impact on the entity as it does not have associates.

- **GRAP 8 Investment in joint ventures (effective 1 April 2009)**

This standard is in line with the current equivalent standard of GAAP and is not expected to have an impact on the entity as it does not have joint venture arrangements.

- **GRAP 9 Revenue from exchange transactions (effective 1 April 2009)**

This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements.

- **GRAP 10 Financial reporting in hyperinflationary economies (effective 1 April 2009)**

This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements as the entity does not operate in the hyperinflationary environment.

- **GRAP 11 Construction contracts (effective 1 April 2009)**

This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements as the entity does not enter into construction contracts.

- **GRAP 12 Inventories**

This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements.

- **GRAP 13 Leases**

This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements.

## Notes to the Annual Financial Statements (continued)

### For the year ended 31 March 2009

- **GRAP 14 Events after reporting date (effective 1 April 2009)**  
This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements.
- **GRAP 16 Investment property (effective 1 April 2009)**  
This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements as it does not have any investment properties.
- **GRAP 17 Property plant and equipment (effective 1 April 2009)**  
This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements.
- **GRAP 19 Provisions contingent liabilities and contingent assets (effective 1 April 2009)**  
This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements.
- **GRAP 100 Non-current assets held for sale and discontinued operations (effective 1 April 2009)**  
This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements.
- **GRAP 101 Agriculture (effective 1 April 2009)**  
This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements as the entity does not conduct any agricultural activities.
- **GRAP 102 Intangible assets (effective 1 April 2009)**  
This standard is in line with the current equivalent standard of GAAP and therefore will have no impact on the financial statements.
- **IFRS 2 (amendment) Share based payment (effective 1 July 2009)**  
The amendments apply to equity-settled share based payment transactions and clarify what are vesting and no-vesting conditions.  
  
Vesting conditions are now limited to service conditions (as defined in the current IFRS 2) and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share based payment. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no true-up for differences between expected and actual outcomes. This amendment will not impact on the entity as it does not share based payment arrangements.
- **IFRS 3 (revised) Business combinations (effective 1 July 2009)**  
IFRS 3 applies to all new business combinations that occur after 1 April 2010. The statement requires that all transaction costs be expensed and the contingent purchase consideration be recognised at fair value on acquisition date. For successive share purchases, any gain or loss for the difference between fair value and the carrying amount of the previously held equity interest in the acquiree will have to be recognised in profit and loss. The amendments are not expected to have any impact on the entity.
- **IFRS 8 Operating segments (effective 1 January 2009)**  
IFRS 8 specifies how an entity should report information about its operating segments in the annual financial statements. It also sets out requirements for related disclosures about products and services, geographical areas and major customers. This will not have any impact on the entity as it does not have different segments of operations.
- **IFRIC 12 Service concession agreements (effective 1 January 2008)**  
IFRIC 12 gives guidance on the accounting by operators of public-to-private concession arrangements. This interpretation does not impact the operations of the entity and will therefore have no effect.
- **IFRIC 13 Customer loyalty programmes**  
IFRIC 13 will be adopted for the first time for the financial year ending 28 February 2010. This interpretation applies to entities that offer their customers rewards for loyalty. This is not applicable to the entity.
- **IFRIC 14 and IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction (effective 1 January 2008)**  
This interpretation is not applicable to the entity as it does not offer retirement benefits to employees.

## Notes to the Annual Financial Statements (continued)

### For the year ended 31 March 2009

#### 1.4 Critical judgements and estimates made in applying the accounting policies

The preparation of financial statements in conformity with GAAP and GRAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors, including making assumptions concerning future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are accounted for prospectively.

In the process of applying the Council's accounting policies as set out below, management has made the following judgements that have a significant risk of causing material adjustments to the amounts recognised in the financial statements:

##### a) Useful lives of plant and equipment and intangible assets

The useful lives of plant and equipment and intangible assets are reviewed at each balance sheet date. The useful lives are estimated by management based on historic analysis and other available information.

#### 1.5 Property and equipment

The cost of an item of property and equipment is recognized as an asset when:

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

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

Land is not depreciated. Other property and equipment is carried at cost less accumulated depreciation and any impairment losses. Estimated useful lives of the main categories of property and equipment are as follows:

Item description	Average useful life
Buildings	20 years
Furniture and fittings	4 to 6 years
Office equipment	5 years
Computer equipment	3 years
Communication equipment	5 years

The residual value and the useful life of each asset is reviewed at each financial period-end.

Each part of an item of property 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 the statement of financial performance unless it is included in the carrying amount of another asset.

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

#### 1.6 Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the Council; and
- The cost of the asset can be measured reliably.

## Notes to the Annual Financial Statements (continued) For the year ended 31 March 2009

Intangible assets are initially recognised at cost.

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

All intangible assets are amortised on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a definite 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.

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

### 1.7 Financial instruments

#### a) Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of financial performance 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 60 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 loss is recognised in the income statement 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 the statement of financial performance.

Trade and other receivables are classified as loans and receivables.

#### (b) Trade and other payables

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

#### (c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposit 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 change in value. These are initially and subsequently recorded at fair value.

### 1.8 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.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

## Notes to the Annual Financial Statements (continued)

### For the year ended 31 March 2009

#### 1.9 Impairment of assets

The Council assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Council estimates the recoverable amount of the asset.

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the statement of financial performance. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the statement of financial performance. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

#### 1.10 Employee benefits

##### Short-term employee benefits

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

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

#### 1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Council will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to income are presented as a credit in the statement of financial performance (separately).

#### 1.12 Revenue

Revenue in respect of certification, accreditation, verification and moderation is recognised upon completion of the activity or replacement of certificates.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business. Interest is recognised, in the statement of financial performance, using the effective interest rate method.

Notes to the Annual Financial Statements (continued)  
For the year ended 31 March 2009

## 2. Property, plant and equipment

	2009 R			2008 R		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Land	3,125,682	-	3,125,682	3,125,682	-	3,125,682
Buildings	10,317,368	(750,079)	9,567,289	9,277,818	(270,603)	9,007,215
Furniture and fittings	1,407,803	(1,099,472)	308,331	1,406,637	(968,184)	438,453
Office equipment	755,971	(326,891)	429,080	405,583	(236,259)	169,324
Computer equipment	2,586,247	(1,818,111)	768,136	1,859,143	(1,467,416)	391,727
Communication equipment	241,270	(149,130)	92,140	157,375	(137,549)	19,826
<b>Total</b>	<b>18,434,341</b>	<b>(4,143,683)</b>	<b>14,290,658</b>	<b>16,232,238</b>	<b>(3,080,011)</b>	<b>13,152,227</b>
<b>Reconciliation</b>						
		<b>Opening</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Total</b>
Land		3,125,682	-	-	-	3,125,682
Buildings		9,007,215	1,039,551	-	(479,476)	9,567,290
Furniture and fittings		438,453	1,158	-	(131,288)	308,323
Office equipment		169,324	350,388	-	(90,632)	429,080
Computer equipment		391,727	736,381	(5,280)	(354,685)	768,143
Communication equipment		19,826	83,895	-	(11,581)	92,140
<b>Total</b>		<b>13,152,227</b>	<b>2,211,373</b>	<b>(5,280)</b>	<b>(1,067,662)</b>	<b>14,290,658</b>

### Details of immovable property

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

## 3. Intangible assets

	2009 R			2008 R		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1,228,059	(1,064,927)	163,132	906,043	(902,167)	3,876
<b>Reconciliation of intangible assets -2009</b>						
			<b>Opening balance</b>	<b>Additions</b>	<b>Amortisation</b>	<b>Carrying value</b>
Computer software			3,876	322,016	(162,761)	163,131

Notes to the Annual Financial Statements (continued)  
For the year ended 31 March 2009

#### 4. Trade and other receivables

	2009 R	2008 R
Trade receivables	5,104,692	9,767,646
Deposits	520	149,433
Other receivables	39,331	216,357
Impairment	(97,097)	(97,097)
	5,047,446	10,036,339

#### 5. Cash and cash equivalents

	2009 R	2008 R
Bank balances	1,091,577	1,460,436
Short-term deposits	24,031,223	12,542,051
	25,122,800	14,002,487

#### 6. Trade and other payables

	2009 R	2008 R
Trade payables	289,363	928,775
Other payables	1,359,957	6,249
Accrued leave pay	760,928	571,818
Accrued bonus	370,186	223,787
Other accrued expenses	1,032,625	1,114,049
Payments received in advance	1,350,000	-
Unallocated receipts	351,972	297,236
	5,515,031	3,141,914

Unallocated receipts represent direct deposits into the Umalusi bank account with no traceable reference. These amounts will be credited to revenue or accounts receivable once deposits are traced.

#### 7. Revenue

	2009 R	2008 R
Certification fees	22,945,515	16,390,172
Verification fees	1,126,359	3,440,224
Accreditation fees	2,948,040	1,852,102
	27,019,914	21,682,498

#### 8. Other operating income

	2009 R	2008 R
Government grant – Department of Education	16,044,000	12,652,000
Sundry income	558,570	92,096
	16,602,570	12,744,096

Notes to the Annual Financial Statements (continued)  
For the year ended 31 March 2009

### 9. Staff costs

	2009 R	2008 R
Administrative staff	13,899,568	10,551,328
Key management	5,382,082	3,921,681
	19,281,620	14,473,009

### 10. Other operating expenses

	2009 R	2008 R
Other operating expenses include		
Auditors remuneration	322,111	302,100
Statutory audit	204,775	214,388
Internal audit services	117,336	87,712
Certification expense	3,073,709	1,651,516
Council members remuneration	222,549	149,952
Consulting fees	856,299	1,147,037
Gain on disposal of property, plant and equipment	-	5,365
Impairment of trade and other receivables	-	284,492
Moderator and verifier costs	5,111,316	4,309,909
Operating lease payments	62,610	284,968
Travel and accommodation – local	4,548,589	3,205,478

### 11. Investment revenue

	2009 R	2008 R
Interest income - Bank deposit	2,811,885	1,586,972

### 12. Cash generated from operations

	2009 R	2008 R
Surplus for the year	5,055,989	5,126,209
Adjustment for:		
Depreciation and amortisation	1,230,423	799,415
Gain on disposal of property, plant and equipment	-	(5,365)
Investment revenue	(2,811,885)	(1,586,972)
<b>Cash generated from operations before working capital changes</b>	<b>3,474,527</b>	<b>4,333,287</b>
Decrease / (increase) in trade and other receivables	4,988,893	(670,839)
Increase in trade and other payables	2,373,117	1,020,756
Cash generated from operations	10,836,537	4,683,204

**Notes to the Annual Financial Statements (continued)**  
For the year ended 31 March 2009

### 13. Commitments

	2009 R	2008 R
<i>Authorised capital expenditure</i>		
Already contracted for:		
Property, plant and equipment	-	297,824
Not yet contracted for, but approved	1,334,952	2,962,723
	1,334,952	3,260,547

The committed expenditure in 2008 related to an electric generator which was acquired during the year for the cost as per the commitment.

	2009 R	2008 R
<i>Operating leases</i>		
Minimum lease payments due – office equipment		
Within one year	62,610	53,798
In second to fifth year inclusive	98,753	161,363
	161,363	215,151

### 14. Related parties

In accordance with circular 04/02 issued by the South African Institute of Chartered Accountants, Umalusi is a related party to all national government departments, public entities listed in the Public Finance Management Act and their subsidiaries.

The entity also has related party relationships with its key management, Associated Institutions Pension Fund and Council members.

The parties as detailed below had the following transactions / balances with the entity:

	Nature of relationship	Transactions R	Balance receivable (payable) at year-end R	Terms
<b>2009</b>				
SITA	Affiliated Companies by Government	1,979,992.61	-	-
Telkom	Affiliated Companies by Government	297,014.29	-	-
<b>2009</b>				
Department of Education	Responsible Ministry	16,044,000	-	-
Council members	Key management	97,722	-	-
Senior management	Key management	5,363,199	-	-
Associated Institutions Pension Fund	Associated Institution	1,074,920	-	-

**Notes to the Annual Financial Statements (continued)**  
For the year ended 31 March 2009

**14. Related parties (continued)**

	Nature of relationship	Transactions R	Balance receivable (payable) at year-end R	Terms
2008				
SITA	Affiliated Companies by Government	579,125.08	-	-
Telkom	Affiliated Companies by Government	161,499.16	-	-
Department of Education	Responsible ministry	12,652,000	-	-
Council members	Key management	149,952	-	-
Senior management	Key management	3,921,681	-	-
Associated Institutions Pension Fund	Associated institution	815,160		

**15. Retirement benefits**

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

**16. Financial instruments**

**Credit risk**

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

The company 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 company does not expect any treasury counter-parties to fail to meet their obligations, given their high credit rating.

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

	2009 R	2008 R
The maximum exposure to credit risk of trade receivables by type of customer is:		
Government – provincial departments	2,338,177	7,625,141
Further Education and Training Colleges	2,238,368	1,387,375
Other	528,147	755,130
	<b>5,104,692</b>	<b>9,767,646</b>

**Notes to the Annual Financial Statements (continued)**  
For the year ended 31 March 2009

**16. Financial instruments (continued)**

The ageing of the entity's receivables is as follows:

	2009 R		2008 R	
	Gross	Impairment	Gross	Impairment
Current	2,581,925	-	6,503,495	-
Past due 31- 60 days	364,021	-	507,670	-
Past due 61-120 days	72,375	-	191,534	-
Past due >121 days	2,086,371	(97,097)	2,564,947	(97,097)
<b>Total</b>	<b>5,104,692</b>	<b>(97,097)</b>	<b>9,767,646</b>	<b>(97,097)</b>

**Liquidity risk**

The company manages liquidity risk through proper management of working capital, capital expenditure and actual versus forecasted cash flows. Adequate reserves and liquid resources are also maintained.

The following are the contractual maturities of financial liabilities for the company, including interest payments:

	Effective interest rate %	Amortised cost R	2009			
			Less than 1 year R	1-2 years R	2-5 years R	More than 5 years R
Trade and other payables	-	3,052,131	3,052,131	-	-	-

	Effective interest rate %	Amortised cost R	2008			
			Less than 1 year R	1-2 years R	2-5 years R	More than 5 years R
Trade and other payables	-	2,272,860	2,272,860	-	-	-

**17. 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.

**18. Subsequent events**

There are no events or transactions that have occurred subsequent to year-end which require disclosure or adjustment to the financial statements.

# Detailed Statement of Financial Performance

For the year ended 31 March 2009

Note	2009 R	2008 R
<b>Revenue</b>	<b>27,019,914</b>	<b>21,682,498</b>
Certification fees	22,945,515	16,390,172
Accreditation fees	1,126,359	1,852,102
Verification fees	2,948,040	3,440,224
<b>Other income</b>	<b>19,414,454</b>	<b>14,331,068</b>
Grant: Department of Education	16,044,000	12,652,000
Sundry revenue	339,573	86,731
Interest received	2,811,885	1,586,972
Gain on disposal of assets	12,325	5,365
Recovery of impairments	206,671	-
<b>Operating expenses</b>	<b>(41,378,379)</b>	<b>(30,887,357)</b>
Advertising	(583,591)	(189,552)
Audit committee expenses	(14,504)	(5,357)
Auditors remuneration	(322,111)	(302,100)
Bank charges	(36,807)	(34,525)
Certification expenses	(3,073,709)	(1,651,516)
Cleaning	(125,382)	(121,628)
Computer expenses	(1,690,415)	(847,169)
Conference and workshop	(213,552)	(449,018)
Consulting fees	(856,299)	(1,147,037)
Council members' remuneration	(222,549)	(149,952)
Depreciation and amortisation	(1,230,423)	(799,415)
Impairment of trade and other receivables	(59,233)	(284,492)
Electricity	(166,144)	(118,569)
Employee costs	(19,281,620)	(14,473,009)
General expense	(135,239)	(27,700)
Insurance	(167,388)	(61,006)
Lease rental on operating lease	(62,610)	(284,968)
Legal expenses	(67,150)	(44,640)
Levies	(121,089)	(58,544)
Meeting expenses	(365,355)	(275,321)
Membership fees	(8,535)	(12,557)
Moderator and verifier costs	(5,111,316)	(4,303,909)
Postage and courier	(51,248)	(189,474)
Printing and stationery	(894,677)	(637,158)
Promotions	(391,352)	(339,526)
Repairs and maintenance	(507,849)	(134,692)
Research and development costs	(155,551)	(52,622)
Security	(51,697)	(5,263)
Staff welfare and refreshments	(133,026)	(80,574)
Standardisation	-	(8,062)
Telephone and fax	(331,666)	(243,406)
Training	(335,914)	(239,040)
Travel and accommodation – local	(4,548,589)	(3,205,478)
Travel and accommodation – overseas	(61,789)	(110,078)
<b>Surplus for the year</b>	<b>5,055,989</b>	<b>5,126,209</b>

# Human Resources Management and Development

## Oversight Report

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

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

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

## 1. Expenditure

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

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

Personnel cost by programme 2008/09				Table 1.1	
Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)
Evaluation and Accreditation	6,179	3,998	39	65%	267
Corporate Services	14,987	5,171	147	35%	272
Management Support Structures	4,008	2,861	10	71%	477
Qualifications, Curriculum and Certification	3,435	1,815	10	53%	202
Quality Assurance of Assessment	11,285	3,348	51	30%	258
Statistical Information and Research	2,430	1,602	4	66%	320
<b>Total</b>	<b>42,324</b>	<b>18,795</b>	<b>261</b>	<b>44%</b>	<b>281</b>

Personnel cost by salary bands 2008/09		Table 1.2	
Salary bands	Personnel expenditure cost (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1 - 2)	206	1%	206
Skilled (Levels 3 - 5)	2,476	13%	118
High skilled production (Levels 6 - 8)	3,159	17%	243
High skilled supervision (Levels 9 - 12)	7,731	41%	309
Senior management (Levels 13 - 16)	5,223	28%	746
<b>Total</b>	<b>18,795</b>	<b>100%</b>	<b>281</b>

## Human Resources Management and Development (continued)

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

Salaries, pension fund, home owner's allowance, medical aid assistance by programme 2008/09						Table 1.3		
Programme	Salaries		Employer's contribution to pension fund		Home-owner's allowance		Medical Aid assistance	
	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost
Evaluation and Accreditation	3,617	19%	233	1%	60	0,32%	88	0,47%
Corporate Services	4,929	26%	195	1%	3	0,02%	44	0,23%
Management Support Structures	2,591	14%	218	1%	24	0,13%	28	0,15%
Qualifications, Curriculum and Certification	1,707	9%	108	1%	-	-	-	-
Quality Assurance of Assessment	3,059	16%	224	1%	29	0,15%	36	0,19%
Statistical Information and Research	1,516	8%	86	0,46%	-	-	-	-
<b>Total</b>	<b>17,419</b>	<b>92%</b>	<b>1,064</b>	<b>6%</b>	<b>116</b>	<b>0,62%</b>	<b>196</b>	<b>1%</b>

Salaries, pension fund, home owner's allowance, medical aid assistance by salary bands 2008/09						Table 1.4		
Programme	Salaries		Employer's contribution to pension fund		Home-owner's allowance		Medical Aid assistance	
	Amount (R'000)	Salary as a % of personnel cost	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost	Amount (R'000)	As a % of personnel cost
Lower skilled (Levels 1 - 2)	190	1%	15	0,08%	-	-	2	0,01%
Skilled (Levels 3 - 5)	2,280	12%	77	0,41%	-	-	22	0,12%
High skilled production (Levels 6 - 8)	3,149	17%	359	2%	6	0,03%	45	0,24%
High skilled supervision (Levels 9 - 12)	6,800	36%	286	2%	95	0,51%	64	0,34%
Senior management (Levels 13 - 16)	5,000	27%	327	2%	16	0,09%	37	0,20%
<b>Total</b>	<b>17,419</b>	<b>92%</b>	<b>1,064</b>	<b>6%</b>	<b>117</b>	<b>0,62%</b>	<b>170</b>	<b>1%</b>

## Human Resources Management and Development (continued)

### 2. Employment and vacancies

The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate, and whether there are any staff additional to the establishment. This information is presented in terms of three key variables: programme (Table 2.1), salary bands (Table 2.2) and critical occupations (Table 2.3). Table 2.3 provides establishment and vacancy information for the key critical occupations in Umalusi. The vacancy rate reflects the percentage of posts that are not filled.

Employment and vacancies by programme 31 March 2009			Table 2.1	
Programme	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Evaluation and Accreditation	17	15	12%	-
Corporate Services	21	19	10%	3
Management Support Structures	7	6	14%	1
Qualifications, Curriculum and Certification	11	9	18%	1
Quality Assurance of Assessment	16	13	19%	-
Statistical Information and Research	5	5	0%	1
<b>Total</b>	<b>77</b>	<b>67</b>	<b>13%</b>	<b>6</b>

Employment and vacancies by salary bands 31 March 2009			Table 2.2	
Programme	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1 - 2)	1	1	-	2
Skilled (Levels 3 - 5)	24	21	13%	2
High skilled production (Levels 6 - 8)	14	13	7%	1
High skilled supervision (Levels 9 -12)	31	25	19%	-
Senior management (Levels 13 - 16)	7	7	-	1
<b>Total</b>	<b>77</b>	<b>67</b>	<b>13%</b>	<b>6</b>

## Human Resources Management and Development (continued)

<b>Employment and vacancies by critical occupation 31 March 2009</b>			<b>Table 2.3</b>	
<b>Critical occupations</b>	<b>Number of posts</b>	<b>Number of posts filled</b>	<b>Vacancy rate %</b>	<b>Number of posts filled additional to the establishment</b>
Administrative related	24	21	13%	2
Cleaners	1	1	-	2
Communication related	2	1	50%	-
Financial related	3	3	-	-
Human Resource related	4	4	-	-
Secretarial related	2	2	-	-
Information Technology related	5	5	-	-
Assessment	10	8	11%	-
Accreditation	7	7	22%	-
Statistics and Research	5	4	20%	1
Qualifications	5	4	33%	-
Senior management	7	7	-	1
<b>Total</b>	<b>77</b>	<b>67</b>	<b>13%</b>	<b>6</b>

### 3. Job evaluation

Job evaluations were conducted during the 2008/09 financial year. Levels 3 to 7 were adjusted accordingly.

### 4. Employment changes

This section provides information on changes in employment over the financial year. The turnover rates provide an indication of trends in the employment profile of Umalusi. The following tables provide a summary of turnover rates by salary band (Table 4.1), promotions by critical occupation (Table 4.3), and promotions by salary band (Table 4.4). Table 4.2 identifies the major reasons for staff leaving Umalusi's employment.

<b>Annual turnover by salary band</b>			<b>Table 4.1</b>	
<b>Salary Band</b>	<b>Number of employees per band as on 1 April 2008</b>	<b>Appointments</b>	<b>Terminations</b>	<b>Turnover rate</b>
Lower skilled (Levels 1 - 2)	1	2	-	-
Skilled (Levels 3 - 5)	21	10	7	33%
High skilled production (Levels 6 - 8)	13	2	-	-
High skilled supervision (Levels 9 - 12)	25	3	-	-
Senior management service band A	4	1	1	25%
Senior management service band B	2	-	-	-
Senior management service band C	1	1	1	100%
<b>Total</b>	<b>67</b>	<b>19</b>	<b>9</b>	<b>13%</b>

## Human Resources Management and Development (continued)

The major reason why staff left Umalusi		Table 4.2	
Termination type	Number	% of total employment	
Resignation	9	13%	
<b>Total</b>	<b>9</b>	<b>13%</b>	
Total number of employees who left as a % of the total employment		13%	

Promotions by critical occupation				Table 4.3	
Critical occupations	Number of employees per occupation as on 1 April 2008	Promotions to another salary level	Salary level promotions as a % of Employees by occupation	Progression to another notch within salary range level	Notch progression as a % of employees by occupation
Administrative related	21	-	-	3	14%
Cleaners	1	-	-	-	-
Communication related	1	-	-	-	-
Human resource related	4	-	-	-	-
Financial related	3	-	-	-	-
Secretarial related	2	-	-	-	-
Information technology related	5	-	-	-	-
Assessment	8	-	-	1	13%
Accreditation	7	-	-	-	-
Statistics and Research	4	-	-	-	-
Qualifications	4	-	-	-	-
Senior management	7	-	-	-	-
<b>Total</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>6%</b>

Promotions by salary band				Table 4.4	
Salary bands	Number of employees 1 April 2008	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within salary range level	Notch progression as a % of employees by occupation
Lower skilled (Levels 1 - 2)	1	-	-	-	-
Skilled (Levels 3 - 5)	21	-	-	3	14%
High skilled production (Levels 6 - 8)	13	-	-	-	-
High skilled supervision (Levels 9 - 12)	25	-	-	1	4%
Senior management (Levels 13 - 16)	7	-	-	-	-
<b>Total</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>6%</b>

## Human Resources Management and Development (continued)

### 5. Employment equity

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

Total number of employees (including employees with disabilities) in each of the occupational categories as on 31 March 2009									Table 5.1		
Occupational categories	Male	Male	Male	Male	Female	Female	Female	Female	Foreign Nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Legislators, senior officials and managers	6	2	1	3	2	-	1	6	-	-	21
Professionals	3	1	1	-	4	-	-	1	1	-	11
Technicians and associate professionals	4	-	-	1	3	-	2	2	1	-	13
Clerks	4	-	-	-	16	-	1	-	-	-	21
Elementary occupations	-	-	-	-	1	-	-	-	-	-	1
<b>Total permanent</b>	<b>17</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>26</b>	<b>-</b>	<b>4</b>	<b>9</b>	<b>2</b>	<b>-</b>	<b>67</b>
Non-permanent	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>26</b>	<b>-</b>	<b>4</b>	<b>9</b>	<b>2</b>	<b>-</b>	<b>67</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-	-	-

Total number of employees (including employees with disabilities) in each of the occupational bands as on 31 March 2009									Table 5.2		
Occupational bands	Male	Male	Male	Male	Female	Female	Female	Female	Foreign Nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	1	1	-	-	-	-	-	1	-	-	3
Senior management	1	-	1	-	-	-	-	2	-	-	4
Professionally qualified and experienced specialists and mid-management	4	1	-	3	2	-	1	3	-	-	14
Skilled technical and academically qualified workers, junior management	7	1	1	1	7	-	2	3	2	-	24
Semi-skilled and discretionary decision making	4	-	-	-	16	-	1	-	-	-	21
Unskilled and defined decision making	-	-	-	-	1	-	-	-	-	-	1
<b>Total permanent</b>	<b>17</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>26</b>	<b>-</b>	<b>4</b>	<b>9</b>	<b>2</b>	<b>-</b>	<b>67</b>
Non-permanent	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>26</b>	<b>-</b>	<b>4</b>	<b>9</b>	<b>2</b>	<b>-</b>	<b>67</b>

## Human Resources Management and Development (continued)

Recruitment 2008/09						Table 5.3			
Occupational Bands	Male	Male	Male	Male	Female	Female	Female	Female	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	-	-	-	-	-	-	-	1
Senior management	-	-	-	-	-	-	-	-	-
Professionally qualified, and experienced specialists and mid-management	2	-	-	-	-	-	-	-	2
Skilled technical junior management, supervisors	2	1	-	-	1	-	-	-	4
Unskilled and defined decision making	2	-	-	-	5	-	-	-	7
<b>Total permanent</b>	<b>7</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>
Non-permanent	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>

Terminations 2008/09						Table 5.4			
Occupational bands	Male	Male	Male	Male	Female	Female	Female	Female	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	1	-	-	-	1
Senior management	-	-	-	-	-	-	-	1	1
Professionally qualified and experienced specialists and mid-management	1	-	-	-	-	-	-	-	1
Skilled technical junior management, supervisors	-	-	-	-	5	-	-	1	6
<b>Total permanent</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>9</b>
Non-permanent	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>9</b>

## Human Resources Management and Development (continued)

### 6. Performance rewards

To encourage good performance, Umalusi granted the following performance rewards during 2008/09. The information is presented in terms of race, gender and disability (Table 6.1), salary bands (Table 6.2) and critical occupations (Table 6.3).

Performance rewards by race, gender and disability				Table 6.1	
	Number of beneficiaries	Number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
<b>African</b>					
Male	8	20	40%	45	6
Female	13	25	52%	64	5
<b>Asian</b>					
Male	2	2	100%	55	28
Female	3	4	75%	23	8
<b>Coloured</b>					
Male	2	3	67%	85	43
Female	-	-	-	-	-
<b>White</b>					
Male	4	4	100%	81	20
Female	8	9	89%	155	19
Employees with a disability	-	-	-	-	-
<b>Total</b>	<b>40</b>	<b>67</b>	<b>60%</b>	<b>508</b>	<b>13</b>

Performance rewards by salary bands for personnel below senior management services 2008/09				Table 6.2	
	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
Lower skilled (Levels 1 - 2)	1	1	100%	1	1
Skilled (Levels 3 - 5)	10	21	48%	41	4
Highly skilled production (Levels 6 - 8)	6	13	46%	44	7
Highly skilled supervision (Levels 9 - 12)	19	25	76%	207	11
<b>Total</b>	<b>36</b>	<b>60</b>	<b>60%</b>	<b>293</b>	<b>8</b>

## Human Resources Management and Development (continued)

<b>Performance related rewards (cash bonus) by salary band for senior management services</b>				<b>Table 6.3</b>	
	<b>Beneficiary profile</b>			<b>Cost</b>	
	<b>Number of beneficiaries</b>	<b>Number of employees in group</b>	<b>% of total within group</b>	<b>Cost (R'000)</b>	<b>Average cost per employee</b>
Band A	2	4	50%	82	41
Band B	2	2	100%	133	67
Band C	-	1	-	-	-
Band D	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>7</b>	<b>57%</b>	<b>215</b>	<b>54</b>

### 7. Leave utilisation for the period 1 January 2008 to 31 December 2008

The need to monitor sick leave within the Public Service was identified by the Public Service Commission. An indication of the use of sick leave (Table 7.1) is provided in the following table.

<b>Sick leave 1 January 2008 – 31 December 2008</b>			<b>Table 7.1</b>	
<b>Salary band</b>	<b>Total days</b>	<b>% days with medical certificates</b>	<b>Number of employees using sick leave</b>	<b>Average days per employee</b>
Lower skilled (Levels 1 - 2)	14	50%	3	5
Skilled (Levels 3 - 5)	73	75%	21	4
Highly skilled production (Levels 6 - 8)	64	80%	13	5
Highly skilled supervision (Levels 9 - 12)	89	80%	23	4
Senior management (Band A - C)	16	60%	7	2
<b>Total</b>	<b>256</b>	<b>69%</b>	<b>67</b>	<b>4</b>

Table 7.2 summarises the utilisation of annual leave. Management prevents high levels of annual leave accrued being paid at the time of termination of service by encouraging the optimum use of leave.

<b>Annual leave 1 January 2008 – 31 December 2008</b>		<b>Table 7.2</b>	
<b>Salary band</b>	<b>Total days taken</b>	<b>Average per employee</b>	
Lower skilled (Levels 1 - 2)	48	48	
Skilled (Levels 3 - 5)	324	15	
Highly skilled production (Levels 6 - 8)	236	18	
Highly skilled supervision (Levels 9 - 12)	537	22	
Senior management (Band A - C)	146	21	
<b>Total</b>	<b>1,291</b>	<b>19</b>	

## Human Resources Management and Development (continued)

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

<b>Leave payouts</b>		<b>Table 7.3</b>	
<b>Salary band</b>	<b>Total amount (R'000)</b>	<b>Number of employees</b>	<b>Average payment per employee (R'000)</b>
Current leave payout on termination of service for 2008/09	88	8	11
<b>Total</b>	<b>88</b>	<b>8</b>	<b>11</b>

### 8. HIV/AIDS and health promotion programmes

<b>Steps taken to reduce the risk of occupational exposure</b>		<b>Table 8.1</b>
<b>Units /categories of employees identified to be at risk of contracting HIV and related diseases (if any)</b>	<b>Key steps taken to reduce the risks</b>	
None	HIV/AIDS organisational policy implemented	

<b>Details of health promotion and HIV/AIDS programmes</b>			<b>Table 8.2</b>
<b>Questions</b>	<b>Yes</b>	<b>No</b>	<b>Details if yes</b>
Has the organisation designated a member of the Senior management services to implement the provisions contained in Part VI.E of Chapter 1 of the Public Service Regulations, 2001?		X	
Does the organisation have a dedicated unit or has it designated specific staff members to promote the health and well being of the employees?	X		Human Resources sub-unit
Has the organisation introduced an employee assistance or health promotion programme for their employees?	X		EAP implemented through ICAS and Umalusi Training division
Has the organisation established (a) committee(s) as contemplated in Part VI E.5(e) of Chapter 1 of the Public Service Regulations, 2001?		X	
Has the organisation reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status?	X		HIV/AIDS Policy
Has the organisation introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination?	X		HIV/AIDS Policy
Does the organisation encourage its employees to undergo voluntary counselling and testing?	X		Through the Employee Assistance Programme
Has the organisation developed measures/indicators to monitor and evaluate the impact of its health promotion programme?	X		EAP implemented June 2006 through ICAS with monthly reporting

## Human Resources Management and Development (continued)

### 9. Labour relations

Grievances lodged 2008/09		Table 9.1
	Number	% of total
Number of grievances lodged	0	0

Disputes lodged with Labour Relations Councils 2008/09		Table 9.2
	Number	% of total
Number of disputes lodged	0	0

### 10. Skills development

Training needs identified and training provided 2008/09			Table 10.1	
Occupational categories	Gender	Number of employees as at 1 April 2008	Skills Programmes and other short courses identified	Skills Programmes and other short courses provided
Legislators, senior officials and managers	Male	10	8	8
	Female	10	8	8
Technicians and associate professionals	Male	5	-	-
	Female	7	1	1
Clerks	Male	8	5	8
	Female	24	17	8
Elementary occupations	Male	1	-	-
	Female	2	-	-
<b>Subtotal</b>	Male	24	13	16
	Female	43	26	17
<b>Total</b>		<b>67</b>	<b>39</b>	<b>33</b>

### 11. Utilisation of consultants

Umalusi makes use of part-time moderators and monitors on a periodic basis in the examination cycle. The organisation finds this to be an effective means of fulfilling its mandate.

Reports on consultant appointments using appropriated funds		Table 11.1
Project title	Total number of consultants	Value in Rand (R'000)
Moderators/monitors	456	5,111
Consultants (other)	136	856
<b>Total</b>	<b>592</b>	<b>5,967</b>

# Staff 2008 to March 2009

Management Support Structures and Governance
<b>Office of the CEO:</b>
Dr Mafu Rakometsi (Chief Executive Officer)
Ms Eugenie Rabe (Chief Operating Officer)
Mr Jeremy Thomas (Chief Financial Officer)
<b>Public Relations and Publications:</b>
Ms Lebogang Molapise
<b>Administration and Council Secretariat:</b>
Mr Eugene du Plooy
Ms Philistas Masinga

Quality Assurance of Assessment
Mr Vijayen Naidoo (Senior Manager)
<b>School sub-unit:</b>
Ms Confidence Dikgole (Manager)
Mr Andy Thulo
Mr Siphamandla Nxumalo
Ms Antoinette Dliwayo
<b>VET and ABET sub-unit:</b>
Ms Marisa du Toit (Manager)
Ms Heather Erasmus
Mr John April
<b>Standardisation sub-unit:</b>
Mr Eardley Twigg (Manager)
<b>Administration:</b>
Ms Nthabiseng Matsobane
Ms Josephine Pitje
Mr Frans Mashilo
Ms Sheila Phora

Qualifications, Curriculum and Certification
Ms Liz Burroughs (Senior Manager)
<b>Qualifications and Curriculum sub-unit:</b>
Ms Helen Matshoba
<b>Certification sub-unit:</b>
Mr Zolile Hlabeni
Mr Mbuleleni Myataza
Mr Mpho Mavhunga
<b>Verification sub-unit:</b>
Mr Tello Motloi
Ms Salphina Magoro
Ms Lerato Molai
<b>Administration:</b>
Ms Lesege Mgidi

Evaluation and Accreditation
Dr Ronel Blom (Senior Manager)
<b>VET sub-unit:</b>
Ms Vani Chatty (Manager)
Ms Tlhuphi Moroke
Mr Zitha Khumalo

<b>Independent school sub-unit:</b>
Mr Chaile Makaleng (Manager)
<b>ABET sub-unit:</b>
Ms Mary-Louis Madalane (Manager)
<b>Assessment bodies sub-unit:</b>
Mr Chris Nyangintsimbi (Manager)
<b>Administration:</b>
Mr Veenay Bennideen
Ms Estella Michael
Ms Charmaine Malepa
Mr Kabelo Lekala
Ms Kholofelo Rabotho
Ms Tsholofelo Mokonoto
Ms Gugu Chili

Statistical Information and Research
Mr Emmanuel Sibanda (Senior Manager)
Dr Heidi Bolton
Mr Biki Lepota
Mr Paul Mokilane
Mr Frank Chinyamakobvu
Ms Pauline Masemola
<b>Administration:</b>
Ms Grace Tsomele

Corporate Services
<b>Finance sub-unit:</b>
Mr Thinus Wessels (Manager)
Mr Innocent Gumbochuma
Ms Carien van der Walt
Ms Sebongile Mkhathshwa
Ms Louisa Nomatye
Ms Kgabo Mmola
Ms Matlhodi Mathebula
Mr Simon Mosaka
<b>Human Resources and Development sub-unit:</b>
Ms Marie Botha (Manager)
Ms Olga Matlala
Ms Shakuntla Khatri
Mr Letseba Tosa
Ms Irene Thobejane
Ms Makoena Mokgadi
Ms Johanna Choba
Ms Pinkie Pule
Mr Sam Gohla
<b>Information Technology sub-unit:</b>
Mr Gerrit Jansen van Vuuren (Manager)
Mr Gerhard Booyse
Ms Ulrike Badenhorst
Ms Miriam Mathews
Mr Archie Ntim



37 General Van Ryneveld Street, Persekor Technopark, Pretoria  
Telephone: +27 12 349 1510 • Fax: +27 12 349 1511  
• E-mail: [info@umalusi.org.za](mailto:info@umalusi.org.za) • Web: [www.umalusi.org.za](http://www.umalusi.org.za)

UMALUSI



Council for Quality Assurance in  
General and Further Education and Training