ANNUAL REPORT 2007/08

UMALUSI

Council for Quality Assurance in
General and Further Education and Training

Annual Report
2007/2008

Contents

QUALITY

Chairperson's Report

"2007 proved to be both a challenge as well as a period of development and growth for the organisation."

It gives me great pleasure to once again affirm the high standard of the deliverables produced by the Council in carrying out its mandate during 2007. This included the annual quality assurance of assessment and certification; accreditation of providers and assessment bodies; and monitoring of the suitability and appropriateness of qualifications and standards in general and further education.

During 2007, the Council celebrated a number of substantive achievements, not least of which was the purchase of Umalusi House, officially opened by the Minister of Education, Mrs Naledi Pandor, MP, on Friday, 31 August 2007. Umalusi House represents the solid foundation and tradition of educational quality which Umalusi has pursued since its inception in 2002, and confirms Umalusi's standing in the education system as the guardian of educational standards.

Notably, the 2007 matriculation examination was problem free, indicating that both public and private assessment agencies assessing the various qualifications that Umalusi certifies, have the sustained capacity to administer credible examinations. The accreditation of independent schools, private Further Education and Training (FET) colleges and adult learning centres continued in greater numbers, and approaches were developed towards the quality assurance of qualifications and curricula in anticipation of the changes proposed by the resolution of the National Qualifications Framework (NQF) review.

This work helped to inform Umalusi positions regarding the proposed changes to the NQF architecture, and created an opportunity for Umalusi to review and consolidate its positions and approaches, and to redefine its roles and responsibilities as a future Quality Council.

As part of its process of consultation, 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.

The Chief Executive Officer, Dr Peliwe Lolwana, undertook a six-month sabbatical in the United States in the second part of 2007. This proved to be both a challenge as well as a period of development and growth for the organisation. The senior management team had the opportunity to demonstrate their ability to manage and run Umalusi and did so professionally and enthusiastically.

Prof Linda Chisholm resigned from the Council in November 2007 after serving almost two terms. Her significant contribution as a Council member is greatly appreciated and will be missed. She has however, agreed to continue serving on the Research Forum.

In conclusion, I would like to thank the CEO, senior management team and the staff of Umalusi for their enduring commitment to quality. In particular, I would like to thank Mr Jeremy Thomas who stood in for Dr Lolwana as CEO during her sabbatical. It is a great tribute to him and the entire Umalusi staff, that the organisation ends 2007 in a healthy and strong position.

JOHN VOLMINK
Chairperson

COMMITMENT

Report of the Chief Executive Officer

"One cannot claim to be going anywhere if there is no sense of where one has come from."

Is Umalusi ready to be a Quality Council?

It is said that one cannot know where one is going unless one knows where one has come from. This is true: with no sense of origin, there is no way of knowing where others came from, how much distance they have covered, and where they are in relation to their destination; without this knowledge, the journey is tedious and directionless. Simply put, one cannot claim to be going anywhere if there is no sense of where one has come from – It would just be a meaningless walk and not a journey. It is for this reason, therefore, that as we ponder the readiness of Umalusi to be a Quality Council with all the expanded responsibilities, we must start by looking back and tracing the milestones of achievement. In Xhosa, we would say 'yehlisa i-emele kulondawo ukuyo' – literally translated – 'Put down the bucket of water where you are; figuratively meaning: take stock.

The question about readiness rides on the back of a bigger question about the value and indispensability of Umalusi in education. There is almost a generation of learners who may not know that Umalusi did not always exist in the South African education system. It is important to remind ourselves why we are here and how we came to be here.

Right from the outset, the new government had to grapple with inequalities in all spheres of society and government, including the education system. In education, this inequality was characterised by unequal resourcing and standards in the various departments of education. The move from a myriad of education departments did not automatically produce a single department of education. In 1996, the nine provincial examining bodies administered the Senior Certificate examination and new norms for the standardisation of this examination were established and applied for the first time. This was a major contribution to equity in education and Umalusi's predecessor, the South African Certification Council (SAFCERT) was there throughout this time.

The new democratic government, being acutely aware of the inequalities and divisions in the education system, prioritised its effort to equalise inputs in the system, remove racial divisions, and be inclusive in all decision-making structures, including the standard setting and evaluation processes of the Senior Certificate examination. During the period 1996-1999, the newly formed examination bodies battled with integrity in the administration of this examination. As the practices of the ex-departments were brought together, irregularities loomed large and tainted the perceptions about this examination. This occurred at a time when the number of candidates writing the Senior Certificate examination had increased almost one and a half times. For example, the numbers between 1990 and 1999 increased from 360 452 to 511 474, rising to 858 754 in 2007. Positive results were not immediate and it was only in 2000 that the pendulum began to swing the other way and results improved. However, the question of quality and standards continued to plague this examination.

It is in this context that Umalusi began to chart its path and establish its role in standard setting and maintenance. Over the years, we have learnt a

"The shift was from implicitness associated with trust to explicitness associated with criteria, procedures and evidence."

great deal about the richness and complexity of standard setting using a high stakes examination as a starting point. This interrogation humbled us when we looked back and reflected on the practices of the Joint Matriculation Board and SAFCERT. The wisdom and insights we found in the practices of what we now consider our ancestral bodies was sobering. The more our chosen approaches were affirmed, the more we found reasons to return to our roots and proven ways of doing things.

Umalusi was created essentially because of two needs in the education system, namely the need to establish and maintain standards in the education assessment systems, and to be the quality assuror for the general and further education and training bands of the NQF. Before 1994, maintaining public confidence in the quality of education was taken for granted and relied on institutions being selective and restricting entry. A wide range of forces associated with democratisation and global economic change led to the expansion of upper secondary education which, in turn called into question traditional modes of assuring quality which were largely self-governing and sometimes self-serving systems. In many ways these implicit approaches to quality mirrored 'normative' models of assessment which decided in advance the ratio of students that would be awarded certificates, largely, although not entirely, independently of the actual performance of candidates. It was difficult for such systems to continue as the basis for ensuring quality. A period of substantial expansion led to the creation of new institutions and national policies

committed to promoting greater equality and access. The new education and training system (unlike the old in which quality was implicit) explicitly endorsed the need for a system of quality assurance. Unlike the old system that relied on trust, the new system at least claimed to depend on performance. In other words, the meaning of quality was no longer taken for granted; institutions were expected to provide evidence of both the quality of their outcomes, and their procedures for ensuring quality. Previous systems that were 'invisible' to the wider public were increasingly replaced by 'visible' or transparent systems that involved published criteria that were, in principle, challengeable. The shift was from implicitness associated with trust to explicitness associated with criteria, procedures and evidence.

Umalusi came into being in the midst of such contestations in South Africa and it is therefore not surprising that the organisation found itself central to these debates. The public school sector and those who view education as limited to schools, argue vehemently that Umalusi's role is that of overseeing the standards of assessment, and anything else is decadent and outside its competencies. In fact, the proponents of this argument are of the opinion that, in taking on the various functions in quality assurance – like accreditation of providers, qualifications and curriculum evaluation, inspection, research, etc – Umalusi is weakening 'the core' of its mandate, namely, overseeing the standards of examinations. On the other hand, those who view examinations as traditional, non-transparent, blunt instruments which are useful mainly for gate keeping purposes, are strongly of the opinion that we should liberalise standards from the stronghold of examinations. They argue that the strength of this new approach is that it can be used as a basis for assessing quality in an expanding system, in which access is being increased;

"Yes, Umalusi is ready to be a Quality Council".

by making quality criteria explicit Umalusi can claim to be universally fairer in assessment and selection, and therefore more congruent with democratic values; by not being limited to specific contexts such as schools and not relying to the same degree on institutions, standards can be applied to workplaces and other sites; and the critics can be dismissed as conservative and elitist, only interested in protecting special interests and privileges.

Umalusi has over the years often found itself caught between the two sides of this debate. This has not been an easy or comfortable position, but it is exactly what has made the organisation uniquely qualified to be a Quality Council. Umalusi understands the traditional modes as well as the new modes of quality assurance in setting and maintaining standards. Umalusi brings to the table seven years of understanding of the contexts of its provider sectors – namely schools, further education and training colleges and adult education and training centres both in the public and private domain. Umalusi understands assessment and assessment bodies.

Umalusi understands standards in qualifications and curriculum. Umalusi understands the inspection and accreditation of educational institutions.

It is not for Umalusi to answer the question about its value to the system because it, like all statutory bodies, was created through a political process. However, it is difficult to imagine a South African education system without its 'Shepherd'.

Yes, Umalusi is ready to be a Quality Council.

DR PELIWE LOLWANA
Chief Executive Officer

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.
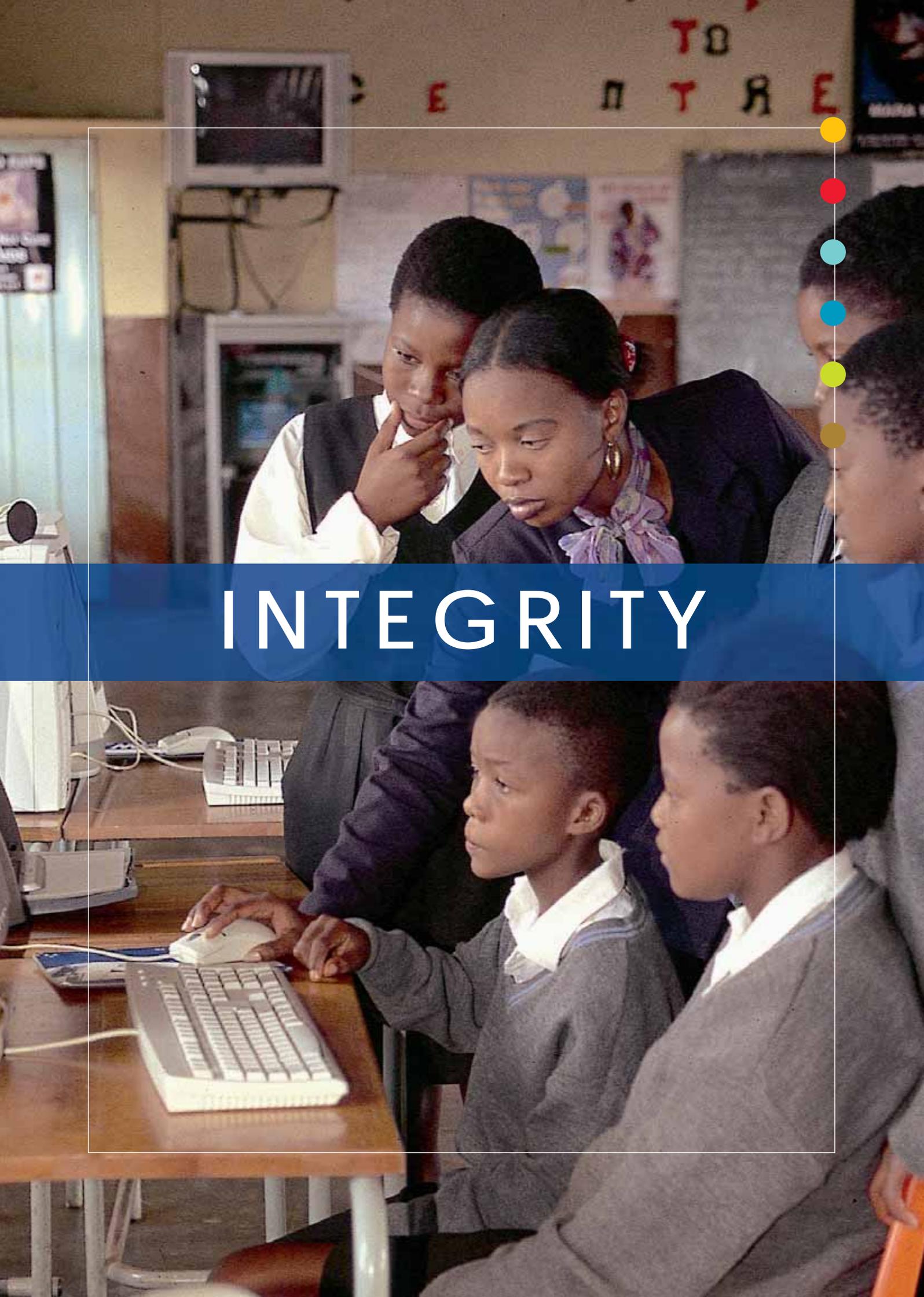
INTEGRITY

Corporate Governance Report

"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."

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

The Council operates within the terms of the Public Finance Management Act (PFMA) 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; who also appoints the Chairperson. The Council is responsible for policy and

Council members and their meeting attendance				TABLE 1
Name	**Date appointed**	**Meetings attended**	**Gender**	**Race**
Professor JD Volmink (Chairperson)	09-06-2006	4 / 4	Male	Coloured
Mr J Pampallis (Deputy Chairperson)	09-06-2006	4 / 4	Male	White
Mr GR Agocs	09-06-2006	3 / 4	Male	White
Professor L Chisholm	09-06-2006	1 / 2 (*)	Female	White
Dr PP Lolwana	09-06-2006	3 / 4 (**)	Female	Black
Professor SG Mabizela	09-06-2006	4 / 4	Male	Black
Dr MA Makhafola	09-06-2006	4 / 4	Male	Black
Ms J Naidoo	09-06-2006	1 / 4	Female	Indian
Mr L Nengovhela	09-06-2006	1 / 4	Male	Black
Dr RA Patel	09-06-2006	2 / 4	Male	Coloured
Mr MS Rakometsi	09-06-2006	4 / 4	Male	Black
Dr PJN Steyn	09-06-2006	4 / 4	Male	White
Dr IL Rensburg	09-06-2006	0 / 4	Male	Coloured
Dr ZC Sosibo	09-06-2006	4 / 4	Female	Black
Ms PT Tyobeka	November 2006	1 / 4	Female	Black
Professor M Fourie	09-06-2006	2 / 4	Female	White
Professor DS Zinn	14-03-2008	0 / 0 (***)	Female	Coloured

(*) Resigned on 16 November 2007   (**) Mr JR Thomas attended one council meeting in the capacity as Acting Chief Executive Officer in the official absence of Dr PP Lolwana   (***) Appointed on 14 March 2008

Corporate Governance Report (continued)

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

The EXCO is also responsible for any other functions delegated to it by the Council. The EXCO met on five occasions during the period under review. Table 2 shows the composition of the EXCO 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 for 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 EXCO for consideration and remedial action.

Audit Committee
The Council has an Audit Committee which meets at least twice a year in terms of the PFMA. The Audit Committee met three times during the period under review. This committee has an advisory function and meets to scrutinise the performance of internal and external auditors and their appointment or retention.

overall governance, with the day-to-day management delegated to the CEO.

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

Table 1 contains information on the current Council members and their attendance at meetings for the year under review.

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

TABLE 2	Executive Committee members and their meeting attendance			
Name	Date appointed	Meetings attended	Gender	Race
Professor JD Volmink (Chairperson)	09-06-2006	5 / 5	Male	Coloured
Mr J Pampallis (Deputy Chairperson)	09-06-2006	5 / 5	Male	White
Dr RA Patel	09-06-2006	2 / 5	Male	Coloured
Dr PJN Steyn	09-06-2006	4 / 5	Male	White
Dr PP Lolwana	09-06-2006	2 / 5 (*)	Female	Black

(*) Mr JR Thomas attended three Executive Committee meetings in the capacity as Acting Chief Executive Officer in the official absence of Dr PP Lolwana

They Audit Committee is, amongst other things, responsible for the following:

- the review and scope of audits;
- the review of the effectiveness of internal controls;
- monitoring of the remedial action put in place to address shortcomings;
- ensuring that audits address critical risk areas;
- ensuring that adequate measures are in place to prevent fraud;
- the review of the adequacy of financial policies; and
- the review and finalisation of financial statements before submission.

Table 3 shows the composition of the Audit Committee as well as their attendance at meetings for the period under review.

Risk Management
A risk management policy and procedure 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 EXCO 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 principles provide clear guidelines regarding expected behaviour of all employees.

Materiality and Significance Framework
As required by the Treasury Regulations, the Council has developed and agreed 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. As the Accounting Authority, the Council members comply with their fiduciary duties as set out in the PFMA.

The composition of the Audit Committee and their meeting attendance				TABLE 3
Name	Date appointed	Meetings attended	Gender	Race
Ms T Kentane (Chairperson)	31-08-2006	1 / 3	Female	Black
Mrs N Molalekoa	31-08-2006	2 / 3	Female	Black
Mr CH van der Merwe	31-08-2006	1 / 3	Male	White
Dr PP Lolwana	31-08-2006	1 / 3 (*)	Female	Black
Ms A Albäck	31-08-2006	2 / 3	Female	Black

(*) Mr JR Thomas attended two Audit Committee meetings in the capacity as Acting Chief Executive Officer in the official absence of Dr PP Lolwana

Report on Operations

"Umalusi strives to promote quality not only through its formal quality assurance processes but also by virtue of its stakeholder relationships, through the creation of public debate on important educational and quality issues, and the dissemination of insightful research reports."

This operations report provides information on organisational progress with respect to the plans put in place for the 2007/08 financial year. It refers very specifically to the core work of Umalusi Council described by its mandate as contained in its establishment Act. The design and planning of its quality assurance functions are focused on giving effect to the mandate in the most effective manner within the boundaries of its resources.

During 2007, Umalusi ensured standards through an established but improved quality assurance regime. The regime included moderating and monitoring the assessment products and processes of the qualifications in its care; the evaluation of a select number of curricula; and the monitoring and verification of the capacity of private providers to offer quality tuition. This allowed Umalusi to have confidence in the integrity and credibility of the certificates it issued.

While carrying out its routine quality assurance processes, Umalusi, ever aware of a changing educational environment, continued to prepare and review its suite of quality assurance initiatives for the new National Senior Certificate – to be examined for the first time in 2008, and the National Certificate: Vocational – to be examined in 2009.

In order to continue ensuring the quality of institutional provision, Umalusi extended its site visits, started in 2006, to providers of education and training across three sectors: independent schools; private Further Education and Training (FET) colleges; and private adult learning centres. Assessment Bodies (public and private) examining

the qualifications that Umalusi certifies, were also monitored and reported on.

In anticipation of the resolution of the NQF Review, Umalusi began to develop a draft sub-framework of qualifications for general and further education and training and enhanced its capacity in the area of standard setting and evaluation of qualifications and curricula.

Throughout its work, the staff and Umalusi Council have actively engendered cooperative and supportive relationships with its stakeholders and constituents, as well as other bodies in the wider education and training community.

The staff demonstrated once again their commitment to the continuous enhancement of education quality in the delivery and outcomes of the general and further education and training bands of the national education and training system. More particularly Umalusi commits itself, as an organisation, to:

- underpinning its work by rigour, thoroughness and consistency, and upholding behaviours that are ethical, reliable and honest;

- implementing quality processes that impact directly on learning and learning achievements in all of its quality assurance operations;

- improving its ideas and approaches in all areas of operations through research;

- developing strategic partnerships carefully, and nurturing and managing these partnerships effectively;

- ◉ ongoing staff training and development to ensure that staff are capacitated; and

- ◉ using resources efficiently and ensuring that its work is characterised by service excellence to both the internal and external public.

As Umalusi continues to administer its established quality assurance processes and maintain its high standards, impending changes in the NQF architecture will require a new look at its roles and responsibilities during 2008. This will not slow its progress towards fulfilling its current mandate, but will certainly enhance and broaden Umalusi's influence as a quality assuror of general and further education and training.

Quality Promotion

While staff continued to embrace a set of key quality principles and practices developed in 2006, the organisation moved a step forward towards greater efficiency by providing a seamless experience for external users of Umalusi's quality assurance processes. This took the form of project integration across units;

workflow mapping captured in the organisational management information system, the introduction of a uniform information management system and the formalising of the internal monitoring and evaluation process.

This meant a substantial shift in the way the organisation worked; units that previously worked discretely moved towards a model of horizontal cooperation in which boundaries were viewed as transition points rather than blockages.

Externally, Umalusi has strived to promote quality not only through its formal quality assurance processes but also by virtue of its stakeholder relationships, through the creation of public debate on important educational and quality issues, and the dissemination of insightful research reports.

The reports of 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 2007/08 financial year.

PROGRAMME A:	Quality Assurance of Assessment (QAA)
PROGRAMME B:	Evaluation and Accreditation (E&A)
PROGRAMME C:	Qualifications, Curriculum and Certification (QCC)
PROGRAMME D:	Research and Development (R&D)
PROGRAMME E:	Management Support Structures and Governance (MSS)
PROGRAMME F:	Information Technology Systems (IT)
PROGRAMME G1:	Finance and Administration (F&A)
PROGRAMME G2:	Human Resources Management and Development (HR)

Interesting Facts

To give effect to its quality assurance processes for 2007, Umalusi employed the following quality assurance processes:

Quality Assurance of Assessment (QAA):

- ◉ 152 moderators were employed to moderate 2 104 question papers; and

- ◉ The results of the 11 national subjects, approximately 550 provincially examined subjects (HG and SG), 101 subjects of the independent assessment bodies, 160 NATED instructional offerings, 46 NCV subjects and 23 learning areas were standardised.

Evaluation and Accreditation of Providers and Assessment Bodies:

- ◉ 150 independent schools, 104 private FET learning sites and 50 private AET centres were visited. Three consolidated sector reports emanated from these site visits; and

- ◉ Five provincial assessment bodies and two private assessment bodies were monitored while two new assessment bodies were over seen in a development programme.

Qualifications, Curriculum and Certification (QCC):

- ◉ 750 836 certificates were issued for the Senior Certificate, National Technical Certificate N3, National Senior Certificate (Colleges) and the General Education and Training (GETC) (Adult).

PROGRAMME A:

Quality Assurance of Assessment

The Quality Assurance of Assessment (QAA) Unit is responsible for quality assuring assessments in school, vocational and adult education qualifications. The year 2007 was significant for two reasons: Firstly, it marked the end of an era; the Senior Certificate (SC) which has become a barometer of educational performance in South Africa was examined for the last time as a fully fledged, large-scale, high stakes examination. The SC will be completely phased out in 2011. The National Senior Certificate (NSC) will be administered for the first time at Grade 12 in 2008. Secondly, 2007 heralded the introduction of the National Certificate Vocational (NCV) Level 2 offered at Further Education and Training (FET) Colleges. The NCV qualification replaced the NATED programmes which are currently being phased out.

During 2007, the QAA Unit initiated a process to re-engineer some of its quality assurance processes to promote effectiveness and inter-unit utility. The state of readiness of assessment bodies to conduct assessments was evaluated through a process of self-evaluation by the assessment bodies and verification by Umalusi. Moderation tools and instruments were also reviewed and re-designed to ensure ease of data capture, analyses and reporting.

Much of 2007 was also devoted to developing the quality assurance system for the NSC. The greatest challenge was developing the model which would be used for the standardisation of results. As this is a new qualification with new subjects, there are no

historical averages which could be used. The Unit was pleased that the proposed statistical model was approved by the Council and well received by all the stakeholders (HEDCOM, the DoE, PDEs, private assessment bodies and HESA). The other challenge for 2007 was the quality assurance of the NCV Level 2. This new qualification was standardised using a model which was developed by Umalusi with the expertise of the Statistics Committee of Council. The model will be refined during 2008 and used to standardise the assessment outcomes of the NCV Levels 2 and 3.

The QAA Unit is currently implementing its processes for quality assuring the NSC and NCV. One of the challenges in this regard will be to create awareness and understanding of the interpretation of assessment outcomes within these new qualifications.

Outcome	Key Performance Indicator	Target	Performance Results
Quality assurance of assessment maintained and improved.	Externally moderated question papers for: SC, NCV, GETC and NSC exemplars – multiple examinations across assessment bodies.	All papers moderated and approved within examination cycle timeframes.	Question papers for all examinations externally moderated: Grade 12 SC, ABET Level 4, NCV Level 2 and NATED N1-N3, NSC exemplars.

Report on Operations (continued)

Outcome	Key Performance Indicator	Target	Performance Results
Quality assurance of assessment maintained and improved. (continued)	New external moderators for NSC and NCV appointed and trained.	Suitably qualified and experienced subject experts appointed and trained.	Panels of moderators appointed and trained for NSC. 90% of moderators for NCV Level 3 appointed and trained.
	Improved, expanded and more nuanced question paper moderation system developed.	Ongoing analyses and improvement.	Revised question paper moderation tool implemented.
	Monitor and moderate internal assessment i.r.o: SC, NC (V) 2 and GETC.	Internal assessment systems monitored per examination Internal assessment of sample of subjects across assessment bodies moderated.	Internal assessment for Grade 12 SC, ABET Level 4, NCV Level 2 moderated and reports produced.
	Credible examinations.	The conduct of examinations monitored across assessment bodies annually.	Examinations monitored and reports produced.
	Reliable assessment outcomes.	Marking centers monitored per exam. Representative sample of scripts moderated per exam. Standardisation meetings convened per exam.	Marking moderated and results approved for Grade 12 SC, ABET Level 4, NCV Level 2 and NATED N1-N3.
	Moderate Common Tasks for Assessment (CTA); DoE & IEB.	All CTAs moderated and approved within examination cycle timeframes.	DoE and IEB CTAs moderated and approved.
	Post-examination analysis of question papers.	Detailed analysis of question papers and their performance in the examination.	Analyses of a sample of question papers carried out by independent subject experts and reports produced.
Standards for assessment articulated and maintained.	Policies regulating quality assurance of assessment developed and implemented.	System for quality assuring the NSC developed. Document on the quality assurance of the GEC developed. Criteria for evaluating assessment standards established.	Policy for quality assuring the NSC approved by Council. Document on the quality assurance of the GEC submitted to the DoE. Assessment frameworks developed.
Monitoring, reviewing and reporting on quality of assessment in the GFET Band.	Monitoring and reporting on the quality of exam products and administration of examinations annually.	Monitoring of the annual implementation of assessment practices completed and reported on to stakeholders in the GFET Band.	Separate reports on the SC, VET and AET examinations submitted to the Minister of Education in Dec 2007. Assessment body reports developed and submitted.
Stakeholder relations established and managed.	Collaborative stakeholder relations fostered and maintained through stakeholders' bilateral meetings; consultative workshops; and effective communication.	Regular stakeholders' bilateral meetings conducted and attended; HESA; IPEC; ADCOM etc. Consultative workshops conducted and attended.	Regular communication maintained with stakeholders through letters, circulars, and attendance of relevant meetings and workshops.
Management, support and governance structures maintained and improved.	Council, management and inter unit committees supported and maintained.	Statistics and Assessment Committee meetings maintained per schedule. Management meetings attended per schedule. Inter-unit committee meetings conducted.	All meetings conducted as scheduled.

PROGRAMME B:

Evaluation and Accreditation

The year under review has been a busy one for the Evaluation and Accreditation (E&A) Unit. The Unit is now firmly established and its activities and responsibilities have grown exponentially.

Provisional accreditation was extended in different categories to independent schools, private Further Education and Training (FET) colleges, Adult Education and Training (AET) centres and assessment bodies. Further, monitoring of progress against improvement plans submitted to the Unit in the previous cycle took place across all four sub-sectors.

While independent schools have always had to register with Provincial Departments of Education (PDEs), the registration of private FET colleges with the National Department of Education came into effect for the first time in 2007. To this end, Umalusi, the Department and the South African Qualifications Authority (SAQA) agreed to a process whereby Umalusi would verify the accreditation status of FET institutions and providers accredited by Sector Education and Training Authorities (SETAs). By the end of the 2006/2007 cycle, 161 SETA providers were referred to the Department for registration. Concurrently, Umalusi informed its provisionally accredited FET institutions about the Department's registration requirements at four workshops held in June 2007. All eligible Umalusi institutions were recommended to the Department for registration.

The growth and improvement in quality in the private education sector was evident in the number of site visits undertaken to independent schools, private FET colleges and AET centres. Due to resource constraints, not all eligible institutions could be visited. Nevertheless, 150 independent schools, 104 private FET learning sites and 50 private AET centres were visited. Three consolidated sector reports emanated from the site visits.

In order to better understand its sub-sectors, the Unit undertook the following in-house studies:

- analysis of the NQF registered provider-based qualifications currently offered by private FET colleges;

- schools offering a foreign curriculum with the view of developing a quality assurance approach appropriate for such institutions;

- quality indicators for primary schools; and

- the role of professional bodies in assessment.

The E&A Unit, in conjunction with the Quality Assurance of Assessment (QAA) Unit, visited 14 public FET colleges to assess their state of readiness to assess the newly introduced National Certificate: Vocational (NCV).

In order to support its schools, colleges and adult centres, the E&A Unit conducted 10 workshops across the country to inform institutions about the 2007/2008 monitoring requirements. In addition, an orientation workshop for prospective private assessment bodies was held in November 2007.

Finally, in support of the organisation's role as quality assuror of the General and Further Education and Training band, the Appeals Committee of the Council was established at the November 2007 Council meeting. Its first meeting took place in December 2007.

The period 2006/2007 was eventful and exciting. The E&A Unit is looking forward to its next steps in building a quality assurance system – full accreditation will be piloted in 2008/2009 with a view to full implementation in 2009/2010.

Outcome	Key performance indicator	Target	Performance results
Accreditation and monitoring systems for providers of education and training maintained and extended.	Extension of provisional accreditation.	Throughout	New applications received for the period under review: – 78 independent schools; – 359 private FET learning sites; and – 76 private AET centres.
	Monitoring against improvement plans, including individual monitoring reports.	May/June 2007	Private providers monitored: – 555 independent schools; – 109 (288 sites) private FET colleges; and – 77 private AET centres.
	Site visits to institutions and reports across three sectors: independent schools, private FET colleges and Adult Learning Centres.	March 2008	Learning sites and reports completed: – 150 independent schools; – 104 private FET learning sites; and – 50 private AET centres.
	Consolidated verification site visit reports per sector.	December 2007 January 2008 February 2008	Independent schools; Private FET colleges; and Private AET centres.
	Articulation with registration process of National Department and Provincial Departments of Education (PDEs).	March 2008	Reporting process established between Umalusi and provincial departments of education (PDEs) in respect of independent schools; – All eligible private FET colleges recommended for registration to National Department; – 161 SETA FET providers referred to National Department.
	Quality assurance intervention at public FET colleges.	September 2007	14 public colleges visited to evaluate their state of readiness to assess the newly introduced National Certificate Vocational (NCV).
Accreditation and monitoring systems for assessment bodies maintained and extended.	Monitoring of existing assessment bodies against improvement plans, including individual monitoring reports.	September 2007	Monitoring of, and site visits to: – Independent Examinations Board; – Onafhanklike Afrikaanse Eksamenraad (OAE). Monitoring of all public assessment bodies, and site visits to: Western Cape; Limpopo; KwaZulu-Natal; Eastern Cape; Mpumalanga.
	Evaluation of assessment system for the newly introduced National Certificate: Vocational (NCV).	September 2007	Quality assurance intervention at 14 public FET colleges. The evaluation to be extended to larger system in 2008.
Unit administration system maintained and extended.	MIS is functional; Improved workflows.	Ongoing	Unit MIS is fully functional and able to produce meaningful status reports; Workflows have been revised and implemented.
	Unit policies formalised.	March 2008	Unit policies have been formalised.
	Internal audit findings addressed.	March 2008	Internal audit findings have been satisfactorily addressed.
Council Committee established and maintained.	Appeals Committee convened.	Meetings as per plan	An Appeals Committee was formally constituted in November 2007. It held its first meeting in December 2007.

Outcome	Key performance indicator	Target	Performance results
Provider and stakeholder relationships extended and maintained.	Consultation with stakeholders annual provider workshops. Best Practice workshops.	Meetings and workshops as per plan.	Consultations with the National Independent Schools Association (NAISA); Information sessions with providers regarding DoE registration requirements (Umalusi and SETA providers); Ten annual provider workshops in preparation of the monitoring cycle for 2007/2008; and Orientation workshop with prospective assessment bodies.
In-house research.	Analyses of provider qualifications. Quality indicators for primary schools. Professional bodies and assessment.	November 2007 December 2007 December 2007	All in-house research concluded.

Round Up: Quality Assurance Reports

The Evaluation and Accreditation Unit (Programme B) produced the following reports of interest:

Umalusi's Site Visits to Independent Schools in 2007

The 2007 site visits were conducted at schools that were considered at a high state of readiness for full accreditation. The report identifies the most prevalent factors that seemed to have a positive bearing on quality education and informs 'good practice' in schooling.

FET Private Providers Site Visit and Verification Report

The Further Education and Training (FET) verification report reflects the extremely diverse and complex nature of private FET provisioning. Even on the basis of a relatively small sample of providers on which this report is based, the site visit verification process has provided rich information, in particular about the systemic issues facing the sector.

Umalusi's Site Visits to Private Adult Education and Training (AET) Providers 2007

The programme of site visits to private AET providers in 2007 has confirmed various perceptions of this sector and provided a number of new insights: in spite of general political recognition of the importance of the AET sector, an array of problems has proved intractable. The findings are useful in informing and steering future quality assurance initiatives.

The Quality Assurance of Assessment Unit (Programme A) produced the following reports to the Minister of Education:

2007 Report on the Quality Assurance of the Senior Certificate Examination

The report covers all the quality assurance processes employed by Umalusi to ensure that the Senior Certificate is of the required standard and makes recommendations for improvement.

2007 Report on the Quality Assurance of Vocational Education and Training Assessment

The purpose of the report is to provide information on the various quality assurance processes employed in quality assuring the assessment of vocational qualifications and to make recommendations for improvement.

2007 Report on the Quality Assurance of the ABET Level 4 Examinations

The report covers all five quality assurance processes employed in quality assuring the GETC: Adults and includes identifying areas of concern that require attention and improvement

PROGRAMME C:

Qualifications, Curriculum and Certification

The Qualifications, Curriculum and Certification (QCC) Unit was established in 2005 to assist Umalusi in its mission to quality assure the standards for qualifications and curricula, a role that has been significantly strengthened by the changes proposed to the legislation governing quality assurance in education. The Unit also encompasses two other functions — that of certification and that of verification, both functions which are well established and which have gone, yet again, from strength to strength. In order to deal with the demands on the verification side, an additional verification post was made permanent in June 2007, and an additional contract worker for verification employed.

The Unit has undertaken its responsibility of issuing certificates with distinction and has spent a good deal of time readying itself, with the generous support of the IT unit, to issue the 2007 NCV Level 2 certificates for the first time, as well as for the first-time issuing of the NSC in 2008. This preparation is underpinned by the quality assurance work being done in the other units, namely the quality assurance of provision and assessment of these new qualifications.

In the first half of 2007, under the guidance of Ms SH Mafanga-Kibi, the first pilot evaluations of two curricula was undertaken for the *Beweging vir Christelik-volkseie Onderwys,* an assessment body, while the second half of the year saw an extremely thorough evaluation of the ABET curricula used for the GETC, under the guidance of Dr Heidi Bolton of the R&D Unit. The newly appointed Assistant Manager: Qualifications &

Curriculum, Ms Helen Matshoba, and the Unit's then-administrative assistant Ms Thabiso Ramaphakela worked with Dr Bolton and were quickly initiated into the complex demands of the research process associated with curriculum evaluation.

Ms Mafanga-Kibi left the Unit to take up a post in the Western Cape Education Department in October 2007, and at much the same time the Certification Officer Ms Annemarie Janse van Rensburg, was offered a post elsewhere. Her post was taken up Ms Antoinette Dliwayo in September 2007. Very recently Ms Elizabeth Burroughs has moved across from R & D Unit to take up the position as a senior manager in the QCC unit.

In short, despite the considerable upheaval in the staffing situation, the unit has continued to function: certificating, verifying, creating new systems and exploring the roles that will become a focus for new work in the year ahead.

Outcome	Key performance indicator	Target	Performance results
Umalusi's approach and policy to establishing and maintaining its qualifications framework is developed.	A framework of qualifications in GFET and a quality assurance policy developed and consulted.	The policy document submitted for consultation with Council by February 2008.	The proposed policy was sent out for comment, and shared with the Council and stakeholders. A first draft of a framework document for QCC's work in the evaluation and approval of qualifications and curriculum was developed during 2007 and piloted.
	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 developed and strengthened during pilot evaluations during 2007.	Criteria and guidelines for evaluating the standards (quality assurance) of curricula were improved using inputs from the June 2007 Cognitive II workshop.

Outcome	Key performance indicator	Target	Performance results
Umalusi's approach and policy to establishing and maintaining its qualifications framework is developed. (continued)			The criteria for the evaluation of curricula were published in a Research & Development report, and are thus commonly available.
			The tools for the curriculum evaluation are being strengthened for the evaluation of practical curricula through a project with Research & Development.
		The guidelines are used to evaluate curricula for assessment bodies.	The criteria and guidelines for the evaluation of qualifications and curricula were mediated to new/emerging assessment bodies in November 2007.
Curricula are evaluated and approved.	Subjects selected from the schooling, college, ABET and SETA qualification sectors identified and evaluation planned.	Two BCVO curricula evaluated and process monitored by August 2007.	Pilot evaluations of two BCVO subjects were undertaken and the process itself monitored and evaluated.
		NSC evaluation conceptualised and commenced by March 2008.	NSC evaluation project conceptualised and materials for evaluation of curricula for the gateway subjects collected and prepared.
		GETC: for adults curriculum evaluated by January 2008.	The evaluation of ABET curriculum for adults, in partnership with R&D, was completed in January 2008.
			The evaluation findings have informed the national ABET review process and provided input into the ministerial green paper on ABET.
Certification of learner achievements is ensured.	Learner certification processes are maintained and improved.	Certificates are issued on request from assessment bodies, in accordance with the data sets submitted.	741 708 certificates were issued during the year beginning 1 April 2007 and ending 31 March 2008.
			The new certification tariffs were successfully implemented from the 1st June 2007.
		Capacity building conducted for assessment bodies.	A workshop on the certification review for the 2006/11 exams and NCV was held on the 25 June 2007.
	A new certification system for the NCV 2 and 3 qualifications is in place, and being tested.	Certificates for NCV issued once the data sets for the November 2007 exams submitted.	Directives and guidelines for the new NCV certificate were council approved by November 2007, printed and distributed to DoE and SITA in February 2008.
		A new IT system for the NCV Level 2 developed and tested – further developments commence in 2008 / 2009.	Phase 1 of IT system developed and tested.
	New certificates for the NCV designed and communicated to SITA (BETA) for programming.	Certificate templates can be used when required.	The Certificate formats were gazetted in September 2007.
	Directives for the certification of the NSC developed and consulted.	Draft directives for NSC completed and consulted by March 2008.	Draft directives completed.

Outcome	Key performance indicator	Target	Performance results
Verification service is provided.	Processing of certificate verifications is maintained at a consistently high standard.	The verification service keeps pace with demand.	The number of verifications processed during the 2007 – 2008 year has been almost 203 000, up by more than 25% on the previous year's total of just under 150 000.
		Existing client contracts renewed and new contracts undertaken.	Two existing clients have renewed their contracts with Umalusi. Three new clients are negotiating verification contracts.
		The verification system is continually monitored and improved.	A new e-verification system developed by the IT unit has improved turnout times. Monitoring and reporting on verification statistics and fraud cases takes place monthly.
Provider and stakeholder relationships extended and maintained.	Existing stakeholder relationships are maintained with assessment bodies, SITA, verification clients and strategic partners and new relationships fostered to deal with changes in the legislative environment.	Through the services i.a. of QCC, Umalusi is pre-eminently placed to play an influential role shaping the national educational context in which it certifies selected GENFETQA qualifications.	QCC (with IT) participates in the DoE IECS user group and committee established to develop policies and systems for the new NSC. QCC has participated in the following external consultative meetings and workshops: CMC, SAQA-GETC, QCTO and GMET.
	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 to improve service delivery.
Management, support structures maintained and improved.	Council, management and inter unit committees supported and maintained.	QCC processes are established so as to support the work required by the remaining Umalusi units.	Internal processes have been developed and mapped for routine work.
		The Internal Certification Advisory Forum (ICAF) meetings maintained bimonthly.	The Internal Certification Advisory Forum (ICAF), established and met as per schedule.

Certificates Printed for the Period 01 April 2007 to 31 March 2008		
1	Endorsement (first issue)	68 337
2	Senior Certificate (first Issue)	224 658
3	N3 (first issue)	4 624
4	Endorsement (combinations)	793
5	Senior Certificate (combinations, reissues, duplicates)	64 442
6	N3 (combinations, reissues, duplicates)	6 008
7	GETC (ABET Level 4)	1 220
8	GETC (ABET Level 4) (combinations, reissues)	1 007
9	Subject certificates: Senior Certificates	302 484
10	Subject certificates: N3 Certificates	44 034
11	Subject certificates: GETC (ABET Level 4)	31 478
12	National Senior Certificates	1 013
13	National Senior Certificates (combinations, re-issues)	738
	TOTAL	750 836

PROGRAMME D:

Research and Development

The Research and Development (R&D) Unit had another eventful and productive year. Two significant research projects were concluded in this year. The first report, *Examining the standard of the compulsory 'fundamental' components of qualifications,* was presented at a well-attended public seminar, and has been widely quoted, debated, and contested. As the first research in this area, it raised important issues for Umalusi and more broadly for policy formulators. The second major research project compared the syllabuses and examinations of South Africa's Senior Certificate with equivalent qualifications in Ghana, Kenya and Zambia. This project produced two reports: one, *Making Educational Judgments,* focusing on tools and approaches for comparing syllabuses and examinations; and the other, *Learning from Africa,* exploring key differences between South Africa and the three African countries, discussing what South Africa has to learn from these countries.

Important research projects were also initiated this year. Probably the most important is research exploring 'Item Response Theory' as a mechanism for maintaining standards in the transition from the old Senior Certificate to the new National Senior Certificate. The project, which also thoroughly investigates a range of other mechanisms for maintaining standards, will produce a report in the next financial year. Umalusi's research reports as well as information on research currently underway can be viewed on Umalusi's website.

The R&D Unit has continued to facilitate Umalusi's engagement with the general public. In March 2008, Umalusi was proud to host the 5th International Conference of the *Association of Commonwealth Examination and Accreditation Bodies.* The conference was held at the Innovation Hub in Pretoria and was organised around the theme '*Improving the quality of public education in the commonwealth: assessment,*

accreditation and evaluation.'

The conference was attended by delegates from accreditation bodies, examinations organisations, and quality assurance authorities from various Commonwealth countries including Australia, Barbados, Botswana, the Cayman Islands, Fiji, Jamaica, Lesotho, Malawi, Malta, Namibia, New Zealand, Nigeria, Pakistan, South Africa, Uganda, the United Kingdom, Zambia, and Zimbabwe. Papers were presented by attending delegates on topics such as *Systemic Development for Efficient and Accountable Systems; Models of Quality Assurance;* and *Improving the Quality of Assessment and Evaluation.*

The R&D Unit together with the Centre for Education Policy Development (CEPD) also launched a worthwhile series of public seminars focussing on improving public education. Five seminars were held in this financial year. Another very successful public seminar was held to discuss research into the National Qualifications Framework. Booklets capturing the presentations are available on Umalusi's website. Further public seminars based on Umalusi research findings are currently being planned for the coming financial year.

Outcome	Key performance indicator	Target	Performance results
Research is planned, implemented, managed, and research findings are shared in the organisation.	Research projects are commissioned or conducted. Research findings and reports are used in appropriate structures of the organisation.	Insight into curriculum, examinations, and evaluation and accreditation improved. Umalusi's systems improved on an ongoing basis.	Report exploring mechanisms for evaluating syllabuses and examinations complete. Report comparing SA matric with the equivalent in other countries complete. 'Fundamentals' research report complete. CASS research interim first stage report complete. Maintaining Standards research initiated. Research into the Adult Basic Education curriculum complete.
Research forum/ committee maintained.	Research forum meetings conducted and minuted as scheduled.	Guidance and advice provided by experts and professionals throughout the year.	Three successful meetings of the Research Forum took place, and one successful work-shop took place in lieu of a meeting.
Stakeholders are en-gaged with through conferences and published documents.	Conference/seminar proceedings and papers. Published reports and documents. Website is up to date and user friendly. Organisational promotional material.	Organisation disseminates professional work through published documents and a professional website. Public conferences and seminars organised. Umalusi's presence in the educational area is maintained and strengthened. Debates are facilitated amongst key Umalusi role players and stakeholders.	A seminar presenting the Fundamentals research was hosted. A seminar on the NQF was hosted. Five seminars exploring how to improve public education were hosted. The ACEAB conference was hosted. Publishing systems were maintained and improved, and reports were published. A peer reviewed journal was produced, based on conference papers of the Southern African conference Umalusi hosted in 2006. The website was maintained. Promotional material was produced.
Resource Centre maintained.	Resource Centre catering for staff needs maintained.	New resources obtained. Organisation of resources improved by 30 March 2008.	The Resource centre was maintained. 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

- *Making Educational Judgments,* a report focusing on tools and approaches for comparing syllabuses and examinations
- *Learning from Africa,* a report describing what South Africa can learn from the Science, Biology, and Mathematics curricula of Ghana, Kenya, and Zambia
- *The 'f' word: the quality of the 'fundamental' component of qualifications in general and further education and training,* report on the fundamental components of qualifications
- *If I were Minister of Education: key priorities to turn public schooling around,* booklet on the Umalusi public seminar If I were Minister of Education
- *Do we need more public exams?* Booklet on the Umalusi public seminar, Do we need more public exams?
- 5th international conference of the *Association of Commonwealth Examination and Accreditation Bodies,* conference book and cd of abstracts

PROGRAMME E:

Management Support Structures and Governance (MSS)

The Management Support Structures (MSS) ensured that a strategic plan 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 up-to-date and was able to do its work. The Unit also ensured that all internal work was coordinated in an efficient and effective manner.

During this financial year the Unit oversaw the implementation of its second customer satisfaction survey: 501 telephone interviews across nine provinces were conducted in February / March 2008 and included providers of education and training, as well as assessment bodies that make up Umalusi's quality assurance constituency; stakeholders such as other quality assurance bodies were also included in the survey. Collectively the results were excellent with 77% agreeing that Umalusi provided good customer service and 80% agreeing that the staff were helpful, knowledgeable, easy to deal with and able to assist when needed. Umalusi again proved that its services and relationships are of the highest quality by improving in every category against the 2006 survey results. Areas that were previously highlighted as concerns

either receded completely or now remain as areas for further improvement.

Three copies of the newsletter *Makoya* were produced during the year. In the latter part of the year the Publication and Events Manager resigned and was replaced with an external service provider, to manage Umalusi's media and Public Relations functions. The external service provider ensured that a number of press releases, radio and television interviews and press conferences occurred and also managed the opening of Umalusi House by the Minister of Education Mrs Naledi Pandor, MP, on 31 August 2007.

Outcome	Key performance indicator	Target	Performance results
Organisational planning and implementation and review of plans.	Strategic and business plans developed and approved.	PFMA and other targets met. Planning conducted June 2007. Plans submitted to Minister for approval by Sept 2007.	Strategic and business planning completed and approved by the Minister of Education.
	New cycle and calendar drawn up, presented and updated.	New cycle and calendar completed by 1 April 2007.	New management planning cycle and calendar implemented.
	Plans coordinated, implementation monitored, reviewed and reported on internally and externally.	Plans coordinated on a monthly basis. Quarterly reports submitted to management. Review meetings conducted thrice annually.	Managerial and organisational plans coordinated, reviewed and reported on per plan.

Outcome	Key performance indicator	Target	Performance results
	Organisational policies developed and implemented after Council approval.	Effective administrative and quality assurance policies developed to guide and support work as required.	Administrative policies developed in accordance with internal audit requirements. Qualifications Framework and Quality Assurance Policy developed. Appeals Policy developed.
	Staff establishments and performance reviewed.	Staff establishment and performance was reviewed in March 2008.	Staff establishment and performance reviewed as per plan.
	Internal quality improvement facilitated.	Umalusi responsive to customer needs. Effective quality assurance procedures implemented.	Client survey completed.
Organisational governance is maintained.	Council and committee meetings supported efficiently and effectively.	Council and committee well supported iro logistics and documentation.	Council and committees supported. Administrative services rendered.
	Council meeting programme adhered to.	Council met four times. Committee meetings conducted as scheduled.	Council and committee programmes adhered to as scheduled.
	Reports and key matters presented to Council and committees and information shared.	Reports to Council submitted iro all Umalusi's plans, committees and governance matters four times annually – May 07, August 07, November 07, February 08.	Reports submitted to Council and committees as per plan.
		Reports and matters discussed with committees for recommendation to Council as per committee schedules.	Recommendations presented to Council per committee schedules.
Stakeholder relations established and managed.	Meetings with: – Political structures; – Educational administration; – Other statutory bodies.	Synchronisation of Umalusi work with political, administrative and other statutory imperatives as well as benchmarking organisational work with others.	Umalusi engaged in discussions with all stakeholders iro quality assurance landscape changes. Benchmarking occurred through the work of the research and development unit – research reports, public seminars, conference reports etc.
Implementing public relations programme.	Enhanced participation in public debate.	Opportunities for public debate established.	A series of six seminars on public education conducted; ACEAB conference hosted.
	Corporate identity strengthened.	The Umalusi 'brand' is recognised.	Client satisfaction survey indicates greater awareness of Umalusi 'brand'. Corporate image redesigned.
	Umalusi media profile improved.	Umalusi well profiled in the media.	Communications strategy developed and implemented in respect of newsletters, media interviews, briefings and conferences, press releases and articles. Media queries responded to promptly Internal media training session conducted for senior staff.
	Good internal communication processes in place.	Weekly internal newsletter published.	Internal newsletter published as planned.

Finance and Administration

The Finance and Administration (F&A) Unit ensures the effective and efficient utilisation of all organisational resources. It offers centralised and coordinated support to the core business of Umalusi through provision of the following:

- **Information Technology Systems (Programme F)**
- **Finance and Administration (Programme G1)**
- **Human Resources Management and Development (Programme G2)**

PROGRAMME F: *Information Technology Systems*

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

Outcome	Key performance indicator	Target	Performance results
IT systems established, maintained and improved.	MIS functions well.	MIS system extended, maintained and improved. Nov 2007.	Workflow for Evaluation and Accreditation has been implemented and maintained in-house. Moderators claim system for the new NSC and NCV have been revised and improved. Development of a change request system has commenced.
	Maintained website according to requests received from users.	Website consistently updated and efficient - ongoing.	The Umalusi website is fully operational.
Certification process effectively supported.	Effective certification process ensured. Maintained certification system according to requests received from the users. Developed and implemented a system to certify NCV Level 2 certificates. Verification processes computerised.	Certification and verification processes effectively, developed, maintained and improved by March 2008.	The certification system for SC and N3 was maintained. A system to certify the NCV Level 2 certificates was developed and final testing before implementation is being done. Investigations into a new system for the certification of the new NSC commenced. Verification process was improved and control measures were implemented.

Outcome	Key performance indicator	Target	Performance results
Adequate computer hardware and software in place to support operations.	Computer equipment procured as required.	Computer hardware and software efficiently procured and supported during 2007.	Equipment was procured, maintained and installed as required. Software licenses were acquired and are up to date. SLAs with designated providers were effectively managed. Network support was adequately provided. Equipment to cater for high availability of servers has been ordered.
	Daily back-up of organisational data.	Ongoing back-up services provided.	Adequate off-site back-ups facilitated.

PROGRAMME G1: *Finance and Administration*

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

Outcome	Key performance indicator	Target	Performance results
Finance and accounting systems maintained and improved.	Accounting system 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.
		Audit requirements met.	Final Audited Financial Statements were timeously submitted to Treasury.
		90% of debt collected.	91.4% of debt was collected.
		Investments wisely managed.	Investments were made at the Corporation for Public Deposits (CPD) at the Reserve Bank in line with prescribed policy.
		Assets carefully managed.	Assets were labelled and accounted for during the year.
Payments made for goods and services.	Financial resources managed well.	Creditors paid on time (monthly).	Creditors were paid within 30 days.
		Organisation adequately resourced.	Goods and services were sourced on time.
Building and security systems maintained and improved.	Property transfer registered.	Transfer registered during 2007.	Transfer was registered during September 2007.
	Alterations effected to accommodate organisational requirements.	Alterations in accordance with action plan.	Plans for modification to building to enhance accommodation have been approved.
	Buildings and security systems managed against the budget and management requirements.	Preventative maintenance program implemented.	Maintenance was done on an 'as required' basis. A preventive maintenance plan will be developed and implemented after completion of the planned building modifications.

PROGRAMME G2: *Human Resources Management and Development*

This function is overseen by the office of the CEO and the EXCO. It is responsible for recruitment, appointments and equity, performance evaluation and staff development.

Outcome	Key performance indicator	Target	Performance results
Human resources (HR) managed and developed.	HR polices in line with labour legislation to ensure good labour practices. Effective human resource practices in place.	HR policies in line with labour legislation to ensure good labour practices implemented and maintained.	HR policies and procedures reviewed and electronically available to all staff. Recruitment practices in line with organisational time frames and policy. Human resource administration completed in accordance with policy and adherence to time frames.
Staff development processes in place.	Staff performance managed.	Staff performance managed twice annually (Sept 07 and March 08).	Staff performances were evaluated and poor performance addressed with recognition awards recommended to deserving staff.
	Staff development strategies in place.	Staff development and support strategies in place and implemented by end July 2007.	Staff development plan developed and implemented. Training was provided internally for administrative cadre bi-weekly and professional staff were trained in both IT skills and monitoring and evaluation. Financial assistance for further studies at tertiary institutions was provided to seven staff members at a cost of R 35 070. The employee assistance program was expanded by giving staff access to a comprehensive online wellness programme (E-Care). This includes a wellness day for all staff members.
Document management system established.	Document management system and central registry established and implemented.	Document management system developed in phases – phase one completed March 2008. Registry established by October 2007.	Phase 1 of document management system completed. Registry established and operational.
General services provided.	Reception and switchboard services maintained and improved.	Efficient reception and switchboard services provided. Telephone records kept and distributed monthly.	Reception and switchboard services monitored and improved through internal training. Telephone records distributed monthly.
	Cleaning services for building maintained.	Reliable and efficient cleaning services provided.	Cleaning services contracted out and managed efficiently.

Report of the Audit Committee
for the year ended 31 March 2008

The Audit Committee consists of the members as listed and meets at least twice a year in terms of the Public Finance Management Act of 1999. During the 2007/2008 financial year under review, three meetings were held.

The first meeting of the financial year under review was on 27 June 2007, followed by meetings on 20 November 2007, and 7 February 2008. 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 internal and external audits;

- the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;

- accounting and auditing concerns identified as a result of internal and external audits;

- Umalusi's compliance with legal and regulatory provisions;

- the quality of Umalusi's monthly and quarterly management reports;

- the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and

- the contents of the annual financial statements.

The Audit Committee reviewed the internal and external audit reports. Based on these, it is clear that the work of evaluating and accrediting providers has placed increased responsibilty and accountability on the organisation structures to ensure effectiveness and efficiency. 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 have been complied with to a satisfactory extent.

I would like to express my appreciation to the members of the Audit Committee who played a valuable role in advising and guiding Umalusi's management.
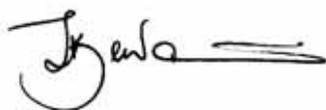
MS T KENTANE
26 June 2008

Annual Financial Statements
for the year ended 31 March 2008

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

Index

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

Report of the Independent Auditors
for the year ended 31 March 2008

To Umalusi Council

We have audited the accompanying annual financial statements of Umalusi, which comprise Council's report, the statement of financial position as at 31 March 2008, the statement of financial performance, the statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 44.

Council's responsibility for the financial statements

The entity's Council is responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP), with 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 (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual 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.

Auditors' responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the entity as at 31 March 2008, and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as described in note 1.1, and in the manner required by the Public Finance Management Act, 1 of 1999 (PFMA).

Emphasis of matter

Without qualifying our opinion above, we draw attention to the disclosures of the PFMA internal control weaknesses in the Report of the Council item 6 overleaf.

Supplementary information

We draw your attention to the fact that the supplementary information set out on pages 45 to 46 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.

GOBODO INCORPORATED
Registered Auditors

Report of the Council
for the year ended 31 March 2008

The Council presents its report for the year ended 31 March 2008. This report forms part of the audited financial statements.

1. Incorporation

Umalusi is listed as a national public entity in terms of schedule 3A of the Public Finance and Management Act, Act 1 of 1999, as amended.

2. Review of activities

Main business and operations

Umalusi, Council for Quality Assurance in General and Further Education and Training, is the quality assurer in 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 and do not, in our opinion, require any further comment.

3. Statement of responsibility

The Council is responsible for the maintenance of adequate accounting records and 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. The financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), supplemented by Generally Accepted Accounting Practice (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 as 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 the 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 financial year end and the date of approval of the financial statements.

5. Non-current assets

During the year, Council acquired certain land and buildings, which it previously occupied as a tenant, for use as office premises. Further details of the property are disclosed in note 2 to the financial statements.

There have been no further changes in the nature or use of non-current assets.

6. Internal control

In accordance with the PFMA, the Council is accountable for internal control. The Council has the responsibility for maintaining a sound system of internal control that supports the 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 efficiently and effectively. The system of internal control is underpinned by compliance with the relevant corporate and governance legislation.

Report of the Council
for the year ended 31 March 2008 (continued)

Whilst the Council is encouraged by the significant improvements undertaken by management in implementing sound financial management practices and good corporate governance, the internal control weaknesses in the following areas came to the Council's attention during the current financial year:

- asset management; and
- revenue management.

As a result of the onerous obligations of the PFMA and the failure to comply with all the statutory prescripts of the PFMA, the Council wishes to highlight the substantial progress that has been made in redefining the foundation for sound internal control within the entity, and is committed to implementing improvements in key areas, including the enhancement of asset and revenue management processes.

7. Council members
The Council members during the year and to the date of this report are 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
Mr MS Rakometsi
Prof IL Rensburg
Dr ZC Sosibo
Dr PJN Steyn
Ms PT Tyobeka
Prof DS Zinn (Appointed on 14 March 2008)
Prof L Chisholm (Resigned on 16 November 2007)

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

Business address: 37 General van Ryneveld Street
Persequor TechnoPark
Pretoria
0121

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

9. Auditors
Gobodo Incorporated were appointed as auditors with effect from 1 April 2005.

10. Approval
The annual financial statements set out on pages 34 to 46, which have been prepared on the going concern basis, were approved by Umalusi Executive Committee of Council on 30 June 2008 and were signed on its behalf by:

PROF JD VOLMINK
Chairperson

DR PP LOLWANA
Chief Executive Officer

Statement of Financial Position
as at 31 March 2008

	Notes	2008 R	2007 R
ASSETS			
Non-current assets			
Property and equipment	2	13 152 227	981 661
Intangible assets	3	3 876	43 116
		13 156 103	**1 024 777**
Current assets			
Trade and other receivables	4	10 036 339	9 365 500
Cash and cash equivalents	5	14 002 487	20 657 687
		24 038 826	**30 023 187**
Total assets		**37 194 929**	**31 047 964**
NET ASSETS AND LIABILITIES			
Net assets			
Accumulated surplus		34 053 015	28 926 806
LIABILITIES			
Current liabilities			
Trade and other payables	6	3 141 914	2 121 158
Total equity and liabilities		**37 194 929**	**31 047 964**

Statement of Financial Performance
for the year ended 31 March 2008

	Notes	2008 R	2007 R
Revenue	7	21 682 498	20 279 187
Other income		12 744 096	10 965 909
Operating expenses		(30 887 357)	(28 024 527)
Operating surplus		**3 539 237**	**3 220 569**
Investment revenue	8	1 586 972	1 727 250
Surplus for the year		**5 126 209**	**4 947 819**

Statement of Changes in Net Assets
for the year ended 31 March 2008

	Accumulated Surplus R
Balance at 01 April 2006	23 978 987
Changes in net assets	
Surplus for the year	4 947 819
Total changes	4 947 819
Balance at 01 April 2007	28 926 806
Changes in net assets	
Surplus for the year	5 126 209
Total changes	5 126 209
Balance at 31 March 2008	34 053 015

Cash Flow Statement
for the year ended 31 March 2008

	Notes	2008 R	2007 R
Cash flows from operating activities			
Cash receipts from customers		33 795 386	29 072 632
Cash paid to suppliers and employees		(29 112 182)	(27 103 122)
Cash generated from operations	10	4 683 204	1 969 510
Interest income		1 586 972	1 727 250
Net cash from operating activities		6 270 176	3 696 760
Cash flows from investing activities			
Purchase of property and equipment	2	(12 930 398)	(555 027)
Sale of property and equipment		5 365	-
Purchase of other intangible assets	3	(343)	-
Net cash from investing activities		(12 925 376)	(555 027)
Total cash movement for the year		(6 655 200)	3 141 733
Cash at the beginning of the year		20 657 687	17 515 954
Total cash at end of the year	5	14 002 487	20 657 687

Accounting Policies

1. **Presentation of Annual Financial Statements**

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

Standards of GRAP	Replaced Statement of GAAP
GRAP 1: Presentation of financial statements	**AC101:** Presentation of financial statements
GRAP 2: Cash flow statements	**AC118:** Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	**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 susbtantially 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:

a) Terminology differences:

Standards of GRAP	Replaced Statement of GAAP
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit	Profit/loss
Accumulated surplus/deficit	Retained earnings/accumlated loss

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

c)   There are no restrictions on cash balances.

Paragraph 11 to 15 of GRAP 1 has not been implemented because the 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.

The financial statements are prepared on the going concern basis and are prepared under the historical cost convention and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous year.

1.1   Property and equipment

The cost of an item of property and equipment is recognised 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 recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

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 fixtures	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 the end of each financial period).

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.

1.2   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.

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

1.3   Financial instruments

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

Trade and other payables

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

Cash and cash equivalents

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

1.4   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.

1.5   Impairment of assets

The Council assesses at each Statement of Financial Position 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.

Accounting Policies (continued)

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.

1.6   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.

1.7   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).

1.8   Revenue

Revenue in respect of certification, accreditation, and verification 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

2. Property and equipment

	2008 R			2007 R		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	3 125 682	-	3 125 682	-	-	-
Buildings	9 277 818	(270 603)	9 007 215	-	-	-
Furniture and fixtures	1 406 637	(968 184)	438 453	1 226 480	(762 500)	463 980
Office equipment	405 583	(236 259)	169 324	330 981	(190 178)	140 803
Computer equipment	1 859 143	(1 467 416)	391 727	1 603 781	(1 254 813)	348 968
Communication equipment	157 375	(137 549)	19 826	157 375	(129 465)	27 910
Total	**16 232 238**	**(3 080 011)**	**13 152 227**	**3 318 617**	**(2 336 956)**	**981 661**

Reconciliation of property and equipment - 2008

	Opening Balance	Additions	Depreciation	Total
Land	-	3 125 682	-	3 125 682
Buildings	-	9 277 818	(270 603)	9 007 215
Furniture and fixtures	463 980	180 157	(205 684)	438 453
Office equipment	140 803	74 602	(46 081)	169 324
Computer equipment	348 968	272 139	(229 380)	391 727
Communication equipment	27 910	-	(8 084)	19 826
Total	**981 661**	**12 930 398**	**(759 832)**	**13 152 227**

Details of immovable property

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

3. Intangible assets

	2008 R			2007 R		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	906 043	(902 167)	3 876	905 701	(862 585)	43 116

Reconciliation of intangible assets - 2008

	Opening Balance	Additions	Amortisation	Total
Computer software	43 116	343	(39 583)	3 876

Notes to the Annual Financial Statements (continued)

4. Trade and other receivables

	2008 R	2007 R
Trade receivables	9 670 549	8 872 408
Deposits	149 433	-
Other receivables	216 357	493 092
	10 036 339	**9 365 500**

Trade and other receivables impaired
Trade and other receivables are reflected net of the provision for impairment.

The amount of the provision for impairment of trade receivables was R 97 098 as of 31 March 2008 (2007: R19 278).

Reconciliation of provision for impairment of trade and other receivables

Opening balance	19 278	19 278
Increase in provision for impairment	284 492	-
Balance at year end	**303 770**	**19 278**

5. Cash and cash equivalents
Cash and cash equivalents consist of:

Bank balances	1 460 436	299 580
Short-term deposits	12 542 051	20 358 107
	14 002 487	**20 657 687**

6. Trade and other payables

Trade payables	928 775	1 045 504
Other payables	6 249	-
Accrued leave pay	571 818	347 807
Accrued bonus	223 787	557 153
Other accrued expenses	1 114 049	170 694
Unallocated receipts	297 236	-
	3 141 914	**2 121 158**

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

Notes to the Annual Financial Statements (continued)

	2008 R	2007 R
7. Revenue		
Certification, verification & accreditation fees	21 682 498	20 279 187
8. Investment revenue		
Interest revenue		
Bank	1 586 972	1 727 250
9. Auditors' remuneration		
Internal audit fee	199 500	125 400
External audit fee	102 600	84 360
	302 100	**209 760**
10. Cash generated from operations		
Surplus for the year	5 126 209	4 947 819
Adjustments for:		
Depreciation and amortisation	799 415	492 454
Profit on sale of assets	(5 365)	-
Interest received	(1 586 972)	(1 727 250)
Changes in working capital:		
Trade and other receivables	(670 839)	(2 173 168)
Trade and other payables	1 020 756	429 655
	4 683 204	**1 969 510**

11. Commitments
Authorised capital expenditure

Already contracted for :		
Property, and equipment	297 824	12 712 140
Not yet contracted for, but approved as per the budget	2 962 723	-

This committed expenditure relates to the acquisition of an electric generator for which a deposit of R148 912 has already been paid as at year end, and the delivery will occur in the month of June 2008. All the commitments are funded from the available cash resources.

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	53 788	397 800
- in second to fifth year inclusive	161 363	169 200
	215 151	**567 000**

Operating lease payments represent rentals payable by the Council for certain of its office equipment. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

Notes to the Annual Financial Statements (continued)

	2008 R	2007 R

12. Related parties

Relationships	Entity / Name
Significant grantor	Department of Education
Members of key management	All Council members
	Chief Executive Officer
	Chief Financial Officer
	Chief Operating Officer
	All Senior Managers

Related party transactions

See note 13 for details of compensation paid to key management.

Grants received

	2008 R	2007 R
Department of Education	12 652 000	10 286 000

13. Compensation to key management

2008	Salary	Pension contributions	Bonus and performance payments	Total
Dr PP Lolwana	658 023	51 927	73 860	783 810
Mr MQ Potterton	61 437	3 549	17 745	82 731
Mrs E Rabe	555 694	42 633	15 534	613 861
Mr JR Thomas	515 665	34 942	46 911	597 518
Dr SJ Allais	513 439	-	52 643	566 082
Mr VD Naidoo	451 762	36 649	36 813	525 224
Dr JP Blom	377 642	30 616	20 266	428 524
Ms EM Burroughs	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

2007	Salary	Pension contributions	Bonus and performance payments	Total
Dr PP Lolwana	613 981	49 709	68 090	731 780
Mr MQ Potterton	530 622	40 596	-	571 218
Mrs E Rabe	452 453	35 303	4 740	492 496
Mr JR Thomas	440 715	35 425	34 038	510 178
Mr VD Naidoo	114 130	8 877	-	123 007
Mr SJ Ndaba	340 136	25 894	27 521	393 551
Ms SH Mafanga-Kibi	345 770	-	-	345 770
Dr SJ Allais	463 071	-	39 147	502 218
	3 300 878	195 804	173 536	3 670 218

2008	Fees paid	Total
Prof JD Volmink	54 543	54 543
Ms J Naidoo	6 545	6 545
Prof SG Mabizela	4 449	4 449
Dr ZC Sosibo	1 282	1 282
Dr MA Makhafolo	1 132	1 132
	67 951	67 951

2007	Fees paid	Total
Prof JD Volmink	47 483	47 483
Ms J Naidoo	2 628	2 628
	50 111	50 111

14. Change in accounting estimate

Property and equipment

The Council had effected lease improvements whose useful life was to end in August 2008 when the lease term of the property expires. However, due to the acquisition of the leased property in July 2007, the leasehold improvements' useful life has been revised, resulting in the remaining carrying amount written off on the cancellation of the lease agreement. The effect of this revision has increased the depreciation charges for the current year by R 46 835. The cost of the lease improvements and the related depreciation charge are included in furniture and fittings.

15. Risk management

Liquidity risk

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

Interest rate risk

The Council adopts a policy of ensuring that its exposure to changes in interest rates is of a floating nature.

Credit risk

The Council maintains cash, cash equivalents and short-term investments with various financial institutions. The Council's policy is designed to limit exposure with any one financial institution and a high credit standing is necessary for the financial institutions with which transactions are executed. The entity has no significant concentration of credit risk.

16. Taxation

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

17. Comparative figures

Where considered necessary, comparative figures have been restated to correspond with current year reclassification of certain items.

Short term employee benefits had previously been incorrectly classified as provision. The amounts have now been correctly classified as accrued expenses.

Detailed Statement of Financial Performance

	Notes	2008 R	2007 R
Revenue			
Certification, verification & accreditation fees		21 682 498	20 279 187
Other income			
Grant: Department of Education		12 652 000	10 286 000
Sundry revenue		86 731	679 909
Interest received	8	1 586 972	1 727 250
Gains on disposal of assets		5 365	-
		14 331 068	12 693 159
Operating expenses (Refer to page 46)		(30 887 357)	(28 024 527)
Surplus for the year		**5 126 209**	**4 947 819**

Detailed Statement of Financial Performance (continued)

	Notes	2008 R	2007 R
Operating expenses			
Advertising		(189 552)	(215 445)
Audit committee expenses		(5 357)	(13 563)
Auditors remuneration	9	(302 100)	(209 760)
Bank charges		(34 525)	(28 402)
Certification expense		(1 651 516)	(2 810 504)
Cleaning		(121 628)	(101 902)
Computer expenses		(847 169)	(638 289)
Conference and workshops		(449 018)	(387 380)
Consulting fees		(1 147 037)	(685 970)
Council members remuneration		(149 952)	(155 706)
Depreciation and amortisation		(799 415)	(492 454)
Impairment for trade and other receivables		(284 492)	-
Electricity		(118,569)	(133 137)
Employee costs		(14 473 009)	(12 072 472)
General expense		(27 700)	(26 358)
Gifts		-	(1 285)
Insurance		(61 006)	(14 835)
Lease rentals on operating lease		(284 968)	(1 406 523)
Legal expenses		(44 640)	(120 469)
Levies		(58 544)	(8 205)
Meeting expenses		(275 321)	(163 327)
Membership fees		(12 557)	(9 316)
Moderator and verifier costs		(4 303 909)	(3 885 783)
Postage and courier		(189 474)	(142 145)
Printing and stationery		(637 158)	(530 902)
Promotions		(339 526)	(138 814)
Repairs and maintenance		(134 692)	(109 874)
Research and development costs		(52 622)	(49 470)
Security		(5 263)	(13 109)
Staff welfare and refreshments		(80 574)	(62 394)
Standardisation		(8 062)	(65 882)
Telephone and fax		(243 406)	(299 618)
Training		(239 040)	(269 933)
Travel and accommodation - local		(3 205 478)	(2 706 761)
Travel and accommodation - overseas		(110 078)	(54 540)
		(30 887 357)	**(28 024 527)**

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 as prescribed by the Minister of Public Services and Administration.

Information on key human resource 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,

- 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 per programme (Table 1.1) and in salary bands (Table 1.2). 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 who were appointed as moderators and monitors are reflected as consultants, who were remunerated on a claim-per-task basis.

Personnel cost by programme 2007/08					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)
Management Support Structures	2 571	1 832	7	71%	305
Evaluation and Accreditation	5 251	3 297	25	63%	275
Qualifications Curriculum & Certification	1 338	1 131	13	85%	162
Quality Assurance of Assessment	9 703	3 198	23	33%	246
Research and Development	2 684	1 442	2	54%	361
Finance and Administration	9 340	3 573	124	38%	298
Total	**30 887**	**14 473**	**194**	**47%**	**268**

Personnel cost by salary bands 2007/08			TABLE 1.2
Salary bands	Personnel expenditure (R'000)	% of total personnel cost (R'000)	Average personnel cost per employee (R'000)
Lower skilled (Levels 1 - 2)	68	1%	68
Skilled (Levels 3 - 5)	2 610	18%	154
High skilled production (Levels 6 - 8)	214	1%	36
High skilled supervision (Levels 9 -12)	8 149	56%	354
Senior management (Levels 13 -16)	3 432	24%	490
Total	**14 473**	**100%**	**268**

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

TABLE 1.3	Salaries, pension fund, home owners allowance, medical aid assistance by programme 2007/08							
Programme	Salaries		Employers 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
Management Support Structures	2 235	15%	171	1%	17	0,12%	24	0,17%
Evaluation and Accreditation	2 932	20%	245	2%	27	0,19%	83	0,57%
Qualifications Curriculum and Certification	1 086	8%	54	0,37%	-	-	6	0,04%
Quality Assurance of Assessment	2 950	20%	233	2%	35	0,24%	55	0,38%
Research and Development	1 318	9%	75	0,52%	-	-	10	0,07%
Finance and Administration	2 751	19%	136	0,94%	1	0,01%	29	0,20%
Total	**13 272**	**92%**	**914**	**6%**	**80**	**0,55%**	**207**	**1%**

TABLE 1.4	Salaries, pension fund, home owners allowance, medical aid assistance by salary bands 2007/08							
Programme	Salaries		Employers contribution to Pension Fund		Home-owner's Allowance		Medical Aid Assistance	
Salary band	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)	88	1%	11	0,08%	-	-	2	0,01%
Skilled (Levels 3 - 5)	1 622	11%	105	0,73%	8	0,06%	36	0,25%
High skilled production (Levels 6 - 8)	1 629	11%	104	0,72%	21	0,15%	26	0,18%
High skilled supervision (Levels 9 -12)	6 375	44%	475	3%	34	0.23%	94	0,65%
Senior management (Levels13 -16)	3 558	25%	219	2%	17	0,12%	49	0,34%
Total	**13 272**	**92%**	**914**	**6%**	**80**	**0,55%**	**207**	**1%**

2. Employment and vacancies

The following tables show the number of posts on 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 2008				TABLE 2.1
Programme	**Number of posts**	**Number of posts filled**	**Vacancy rate %**	**Number of posts filled additional to the establishment**
Management Support Structures	7	6	14%	-
Evaluation and Accreditation	19	12	37%	2
Qualifications Curriculum and Certification	7	7	-	2
Quality Assurance of Assessment	18	13	28%	-
Research and Development	4	4	-	-
Finance and Administration	22	12	45%	-
Total	**77**	**54**	**30%**	**4**

Employment and vacancies by salary bands 31 March 2008				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	-	-
Skilled (Levels 3 - 5)	22	17	23%	3
High skilled production (Levels 6 - 8)	13	6	54%	-
High skilled supervision (Levels 9 -12)	34	23	32%	1
Senior management (Levels 13 -16)	7	7	-	-
Total	**77**	**54**	**30%**	**4**

Employment and vacancies by critical occupation 31 March 2008				TABLE 2.3
Critical occupations	**Number of posts**	**Number of posts filled**	**Vacancy rate %**	**Number of posts filled additional to the establishment**
Administrative related	20	14	15%	3
Cleaners	1	1	-	-
Communication related	2	-	100%	-
Financial related	5	3	40%	-
Human resource related	6	4	33%	-
Secretarial related	2	2	-	-
Information technology related	5	2	60%	-
Assessment	11	9	18%	-
Accreditation	12	7	42%	1
Research	3	3	-	-
Qualifications	3	2	33%	-
Senior management	7	7	-	-
Total	**77**	**54**	**30%**	**4**

3. Job evaluation

No job evaluations were conducted during the 2007/08 financial year.

4. Employment changes

This section provides information on changes in employment over the financial year. The turnover rates provide an indication of trends in the employment profile of Umalusi. The following tables provide a summary of turnover rates by salary band (Table 4.1) and by critical occupations (Table 4.2), identifies the major reason for staff leaving Umalusi's employment (Table 4.3), indicates promotions by critical occupation (Table 4.4), and promotions by salary band (Table 4.5).

TABLE 4.1	Annual turnover by salary band			
Salary band	**Number of employees per band as on 1 April 2007**	**Appointments**	**Terminations**	**Turnover rate**
Lower skilled (Levels 1 - 2)	1	1	-	-
Skilled (Levels 3 - 5)	17	11	6	35%
High skilled production (Levels 6 - 8)	6	4	1	17%
High skilled supervision (Levels 9 -12)	23	5	6	26%
Senior management service band A	5	1	1	20%
Senior management service band B	1	1	1	100%
Senior management service band C	1	-	-	-
Total	**54**	**23**	**15**	**28%**

TABLE 4.2	Annual turnover by critical occupation 2007/08			
Occupations	**Number of employees per occupation as on 1 April 2007**	**Appointments**	**Terminations**	**Turnover rate**
Administrative related	14	3	3	21%
Cleaners	1	1	-	-
Communication related	-	-	-	-
Human resource related	3	3	1	33%
Financial related	4	2	1	25%
Secretarial related	2	-	-	-
Information technology related	2	2	-	-
Assessment	8	2	3	38%
Accreditation	5	4	2	40%
Research	3	2	2	67%
Qualifications	5	3	2	40%
Senior management	7	1	1	14%
Total	**54**	**23**	**15**	**28%**

Human Resources Management and Development (continued)

The major reason why staff have left Umalusi		TABLE 4.3
Termination type	**Number**	**% of total employment**
Resignation	15	28%
Total	**15**	**28%**
Total number of employees who left as a % of the total employment	28%	

Promotions by critical occupation					TABLE 4.4
Critical occupations	**Number of employees per Occupation as On 1 April 2007**	**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	14	-	-	10	71%
Cleaners	1	-	-	1	100%
Communication related	-	-	-	-	-
Human resource related	3	-	-	2	67%
Financial related	4	-	-	2	50%
Secretarial related	2	-	-	1	50%
Information technology	2	-	-	2	100%
Assessment	8	-	-	2	25%
Accreditation	5	2	40%	2	40%
Research	3	-	-	1	33%
Qualifications	5	-	-	2	40%
Senior management	7	-	-	4	57%
Total	**54**	**2**	**40%**	**29**	**54%**

TABLE 4.5	Promotions by salary band				
Salary bands	Number of employees 1 April 2007	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	-	-	1	100%
Skilled (Levels 3 - 5)	17	-	-	10	59%
High skilled production (Levels 6 -8)	6	-	-	3	50%
High skilled supervision (Levels 9 -12)	23	2	9%	11	48%
Senior management (Levels 13-16)	7	-	-	4	57%
Total	54	2	9%	29	54%

5. Employment equity

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

TABLE 5.1	Total number of employees (including employees with disabilities) in each of the occupational categories as on 31 March 2008.							
Occupational categories	Male	Male	Male	Male	Female	Female	Female	Female	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	2	1	3	3	-	1	5	18
Professionals									
Technicians and associate professionals	6	-	-	1	5	-	2	5	19
Clerks	5	-	1	-	14	-	1	1	22
Elementary occupations	1	-		-	1	-	-	-	2
Total permanent	15	2	2	4	23	-	4	11	61
Non-permanent	-	-	-	-	-	-	-	-	-
Total	15	2	2	4	23	-	4	11	61
Employees with disabilities	-	-	-	-	-	-	-	-	-

Total number of employees (including employees with disabilities) in each of the occupational bands as on 31 March 2008								TABLE 5.2
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	-	-	-	-	4	6
Professionally qualified and experienced specialists and mid-management	3	1	-	3	2	-	1	1	11
Skilled technical and academically qualified workers, junior management	6	-	1	1	5	-	2	5	20
Semi-skilled and discretionary decision making	5	-	-	-	14	-	1	1	21
Unskilled and defined decision making	1	-	-	-	1	-	-	-	2
Total permanent	15	2	2	4	23	-	4	11	61
Non-permanent	-	-	-	-	-	-	-	-	-
Total	**15**	**2**	**2**	**4**	**23**	**-**	**4**	**11**	**61**

Recruitment 2007/08								TABLE 5.3
Occupational bands	Male	Male	Male	Male	Female	Female	Female	Female	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	-	-	-
Senior management	-	-	-	-	-	-	-	3	3
Professionally qualified and experienced specialists and mid-management	2	-	-	1	2	-	-	3	8
Skilled technical junior management, supervisors	1	-	-	-	8	-	1	1	11
Unskilled and defined decision making	1	-	-	-	-	-	-	-	1
Total permanent	4	-	-	1	10	-	1	7	23
Non-permanent	-	-	-	-	-	-	-	-	-
Total	**4**	**-**	**-**	**1**	**10**	**-**	**1**	**7**	**23**

TABLE 5.4	Terminations 2007/08								
Occupational bands	Male	Male	Male	Male	Female	Female	Female	Female	Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management	-	-	-	1	1	-	-	-	**2**
Professionally qualified and experienced specialists and mid-management	-	-	-	-	1	-	-	2	**3**
Skilled technical junior management, supervisors	4	-	-	-	4	1	-	1	**10**
Total permanent	4	-	-	1	6	1	-	3	**15**
Non-permanent	-	-	-	-	-	-	-	-	**-**
Total	**4**	**-**	**-**	**1**	**6**	**1**	**-**	**3**	**15**

6. Performance rewards

To encourage good performance, Umalusi granted the following performance rewards during 2007/08. The information is presented in terms of race, gender and disability (Table 6.1) salary bands (Table 6.2) and critical occupations (Table 6.3).

TABLE 6.1	Performance rewards by race, gender and disability				
Occupational categories	Number of beneficiaries	Number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	5	12	42%	29	6
Female	12	21	57%	92	8
Asian					
Male	1	2	50%	12	12
Female	-	3	-	-	-
Coloured					
Male	1	2	50%	21	21
Female	-	1	-	-	-
White					
Male	2	4	50%	26	13
Female	5	9	56%	59	12
Employees with a disability	-	-	-	-	-
Total	**26**	**54**	**48%**	**239**	**9**

Performance rewards by salary bands for personnel below senior management services 2007/08					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%	2	2
Skilled (Levels 3-5)	7	17	41%	22	3
Highly skilled production (Levels 6-8)	1	6	16%	4	4
Highly skilled supervision (Levels 9-12)	10	23	43%	95	10
Total	19	47	40%	123	6

Performance related rewards (cash bonus) by salary band for senior management services 2007/08					TABLE 6.3
	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
Band A	5	5	100%	78	16
Band B	1	1	100%	-	-
Band C	1	1	100%	37	37
Band D	-	-	-	-	-
Total	7	7	100%	115	16

7. Leave utilisation for the period 1 January 2007 to 31 December 2007
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.

Sick leave 1 January 2007 – 31 December 2007				TABLE 7.1
Salary band	Total days	% days with medical certificates	Number of employees using sick leave	Average days per employee
Lower skilled (Levels 1-2)	1	-	1	1
Skilled (Levels 3-5)	86	75%	22	4
Highly skilled production (Levels 6-8)	31	80%	8	4
Highly skilled supervision (Levels 9-12)	92	80%	25	4
Senior management (Band A-C)	11	60%	7	2
Total	221	74%	63	4

Table 7.2 summarises the utilisation of annual leave. Management prevents high levels of annual leave accruel that has to be paid out to staff on termination of service by encouraging the optimum use of leave.

TABLE 7.2	Annual leave 1 January 2007 – 31 December 2007	
Salary band	**Total days taken**	**Average per employee**
Lower skilled (Levels 1-2)	27	27
Skilled (Levels 3-5)	301	18
Highly skilled production (Levels 6-8)	144	24
Highly skilled supervision (Levels 9-12)	531	23
Senior management (Band A -C)	176	25
Total	**1 179**	**22**

The table below (Table 7.3) summarises payments made to employees as a result of leave that was not taken and paid out.

TABLE 7.3	Leave payouts		
Salary band	**Total amount (R'000)**	**Number of employees**	**Average payment per employee (R'000)**
Current leave payout on termination of service for 2007/08	99	15	7
Total	**99**	**15**	**7**

8. HIV/AIDS and health promotion programmes

TABLE 8.1	Steps taken to reduce the risk of occupational exposure	
Units /categories of employees identified as being at risk of contracting HIV and related diseases (if any)	**Key steps taken to reduce the risks**	
None	HIV/AIDS organisational policy implemented	

Details of health promotion and HIV/AIDS programmes			TABLE 8.2
Questions	**Yes**	**No**	**Details if yes**
1. 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?		•	
2. Does the organisation have a dedicated unit or has it designated specific staff members to promote the health and well being of the employees?	•		Human Resources sub-unit
3. Has the organisation introduced an employee assistance or health promotion programme for the employees?	•		EAP implemented through ICAS
4. Has the organisation established (a) committee(s) as contemplated in Part VI E.5(e) of Chapter 1 of the Public Service Regulations, 2001?		•	
5. 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?	•		HIV/AIDS Policy
6. Has the organisation introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination?	•		HIV/AIDS Policy
7. Does the organisation encourage its employees to undergo voluntary counseling and testing?	•		Through the Employee Assistance Programme
8. Has the organisation developed measures /indicators to monitor and evaluate the impact of its health promotion programme?	•		EAP implemented June 2006 through ICAS with monthly reporting

9. Labour relations

Grievances lodged 2007/08	TABLE 9.1
No grievances lodged during 2007/08.	

Disputes lodged with Labour Relations Councils 2007/08		TABLE 9.2
	Number	**% of total**
Number of disputes lodged	1	100%

10. Skills development

TABLE 10.1	Training needs identified and training provided 2007/08			
Occupational categories	Gender	Number of employees as at 1 April 2007	Skills Programmes and other short courses identified	Skills Programmes and other short courses provided
Legislators, senior officials and managers	Male	9	6	7
	Female	10	6	7
Technicians and associate professionals	Male	5	4	4
	Female	6	4	4
Clerks	Male	7	4	13
	Female	16	4	13
Elementary occupations	Male	-	-	-
	Female	1	-	-
Subtotal	Male	21	14	24
	Female	33	14	24
Total		54	28	48

11. Utilisation of consultants

Umalusi makes use of part-time evaluators, moderators and monitors on a periodic basis in its quality assurance process. The organisation finds this to be an effective means of fulfilling its mandate.

TABLE 11.1	Reports on consultant appointments using appropriated funds	
Project title	Total number of consultants	Value in Rand (R'000)
Moderators	334	4 304
Consultants (other)	46	1 147
Total	380	5 451

Acronyms

ABET	Adult Basic Education and Training		**HEDCOM**	Heads of Education Departments Committee
ACEAB	Association of Commonwealth Examination and Accreditation Bodies		**HESA**	Higher Education South Africa
ADCOM	Advisory Committee for FET College Examinations		**HG**	Higher Grade
AET	Adult Education and Training		**ICAS**	Independent Counseling and Advisory Services
APPETD	Association of Private Providers of Education, Training and Development		**IEB**	Independent Examinations Board
ASECA	Alternative Secondary Education Certificate for Adults		**IECS**	Integrated Examinations Computer System
BCVO	Beweging vir Christelik-volkseie Onderwys		**IPEC**	Inter-Provincial Examinations Committee
CASS	Continuous Assessment		**MIS**	Management Information System
CEO	Chief Executive Officer		**MP**	Member of Parliament
CEPD	Centre for Education Policy Development		**MSS**	Management Support Structures Unit
CMC	Curriculum Management Committee		**NAISA**	National Association of Independent Schools
CTA	Common Task for Assessment		**NATED**	National Technical Education (policy)
CHE	Council on Higher Education		**NCV**	National Certificate Vocational
CPD	Corporation for Public Deposits		**NLRD**	National Learner Record Database
DoE	Department of Education		**NQF**	National Qualifications Framework
E&A	Evaluation and Accreditation Unit		**NSC**	National Senior Certificate
EAP	Employee Assistance Programme		**OAE**	Onafhanklike Afrikaanse Eksamenraad
EE	Employment Equity		**PALC**	Public Adult Learning Centre
ETQA	Education and Training Quality Assuror		**PAYE**	Pay As You Earn
F&A	Finance and Administration Unit		**PDE**	Provincial Department of Education
FET	Further Education and Training		**PFMA**	Public Finance Management Act
GAAP	Generally Acceptable Accounting Practice		**QAA**	Quality Assurance of Assessment Unit
GET	General Education and Training		**QC**	Quality Council
GEC	General Education Certificate		**QCC**	Qualifications, Curriculum and Certification Unit
GETC	General Education and Training Certificate		**QCTO**	Quality Council for Trades and Occupations
GFET	General and Further Education and Training		**R&D**	Research and Development Unit
GMET	Generic and Mechanical Engineering Trades		**SAFCERT**	South African Certification Council
GRAP	Generally Recognised Accounting Practice		**SAQA**	South African Qualifications Authority
			SC	Senior Certificate
			SETA	Sector Education and Training Authority
			SG	Standard Grade
			SITA	State Information Technology Agency
			SLA	Service Level Agreement

Staff 2007 / 2008 (on 31 March 2008)

Management Support Structures and Governance
Eugene du Plooy
Peliwe Lolwana
Philistas Masinga
Eugenie Rabe
Jeremy Thomas

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Confidence Dikgole
Marisa du Toit
Martha Malapane
Frans Mashilo
Virginia Mashishi
Nthabiseng Matsobane
Vijayen Naidoo
Siphamandla Nxumalo
Emmanuel Sibanda
Andy Thulo
Eardley Twigg

Qualifications, Curriculum and Certification
Liz Burroughs
Antoinette Dliwayo
Zolile Hlabeni
Helen Matshoba
Mpho Mavhunga
Lerato Molai
Mbuleleni Myataza

Evaluation and Accreditation
Ronel Blom

Veenay Bennideen
Vani Chatty
Frank Chinyamakobvu
Heather Erasmus
Zitha Khumalo
Mary-Louis Madalane
Chaile Makaleng
Estella Michael
Tlhuphi Moroke
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Kholofelo Rabotho

Research and Development
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Heidi Bolton
Ramadimetja Phaladi

Finance and Administration, Information Technology and Human Resources
Ulrike Badenhorst
Gerhard Booyse
Marie Botha
Johanna Choba
Gerrit Jansen van Vuuren
Miriam Mathews
Olga Matlala
Makoena Mokgadi
Irene Thobejane
Letseba Tosa
Carien van der Walt
Thinus Wessels