



ANNUAL REPORT 2023/24

UMALUSI



Council for Quality Assurance in
General and Further Education and Training

The 2023/24 Annual Report of Umalusi is presented to the Minister of Basic Education in accordance with section 55(1) (d) of the Public Finance Management Act (Act No. 1 of 1999) and Chapter 28 of the Treasury Regulations. The report reflects the performance information outputs, the human resources management outputs as well as the financial performance of Umalusi.

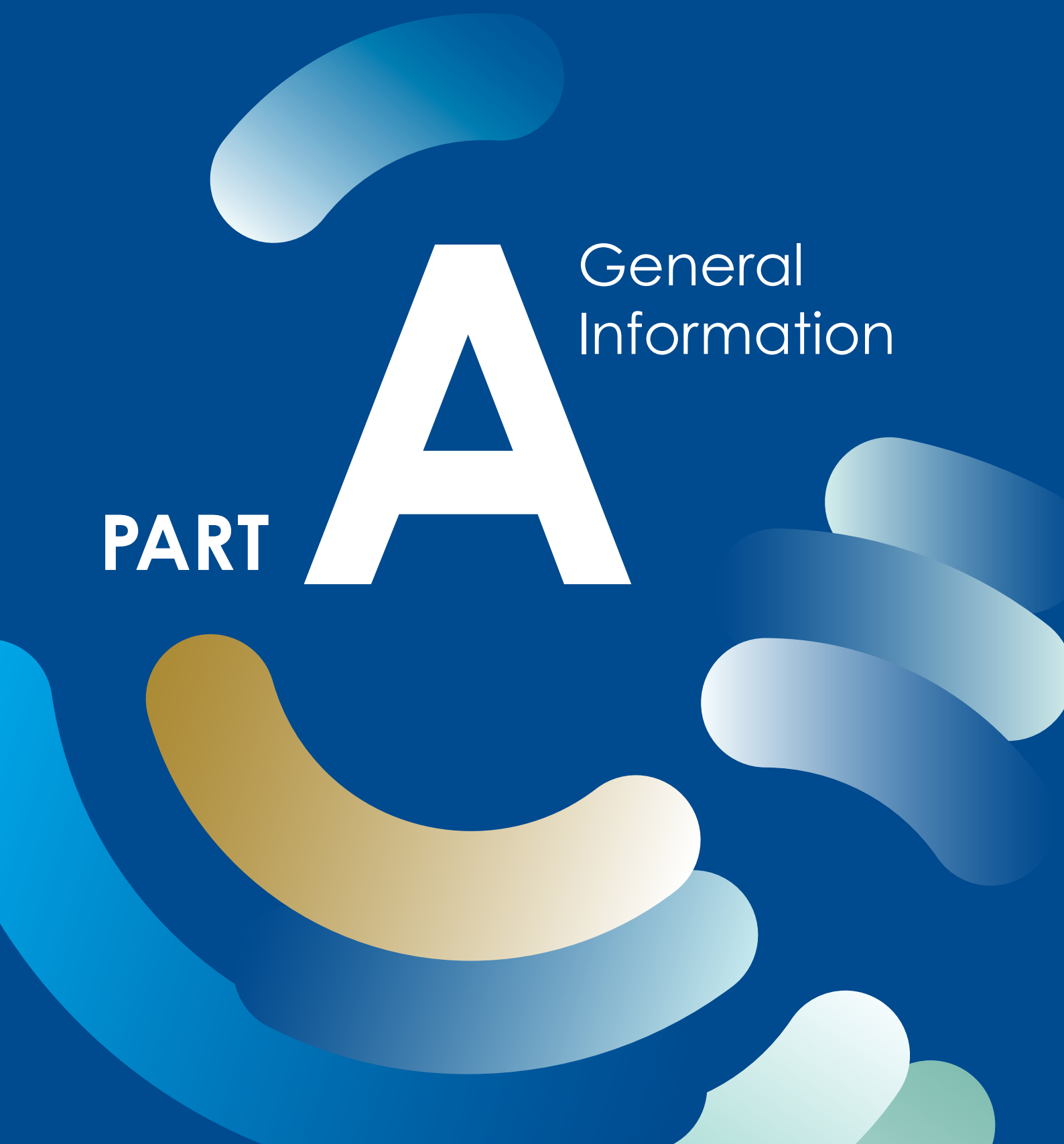
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PART

A

General
Information



1. GENERAL INFORMATION

REGISTERED NAME: Umalusi – Quality Council for General and Further Education and Training

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EXTERNAL AUDITORS: RSM South Africa

BANKERS: Absa Bank Limited

2. LIST OF ABBREVIATIONS & ACRONYMS

AEAA	Association for Educational Assessment in Africa
AET	Adult Education and Training
AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASC	Assessment Standards Committee
CAPS	Curriculum and Assessment Policy Statements
CAT	Credit Accumulation and Transfer
CEO	Chief Executive Officer
CET	Continuing Education and Training
CFO	Chief Financial Officer
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
DOL	Department of Labour
DPME	Department of Planning, Monitoring and Evaluation
E&A	Evaluation and Accreditation
EAP	Employee Assistant Programme
EETC	Employment Equity and Training Committee
EOB	Examinations on Request
EWP	Employee Wellness Programme
EXCO	Executive Committee of Council
FET	Further Education and Training
F&SCM	Finance and Supply Chain Management
GBV	Gender-Based Violence
GBVF	Gender-Based Violence Framework
GEC	General Education Certificate
GEMS	Government Employee Medical Scheme
GENFETQA	General and Further Education and Training Quality Assurance
GETC: ABET	General Education and Training Certificate: Adult Basic Education and Training
GETCA	General Education and Training Certificate for Adults
GFETQSF	General and Further Education and Training Qualifications Sub-framework
HCM	Human Capital Management
HIV	Human Immunodeficiency Virus
IAEA	International Association of Educational Assessment
ICASS	Internal Continuous Assessment
ICT	Information and Communication Technology
ICTOC	Information and Communications Technology Oversight Committee
IEB	Independent Examinations Board
ISAT	Integrated Summative Assessment Task(s)
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and Asexual

MEC	Member of the Executive Council
MTSF	Medium-Term Strategic Framework
NASCA	National Senior Certificate for Adults
NATED	National Education Report 190/191
NC(V)	National Certificate (Vocational)
NCS	National Curriculum Statement
NDP	National Development Plan
NEPA	National Education Policy Act
NSC	National Senior Certificate
NQF	National Qualifications Framework
OHS	Occupational Health and Safety
PAT	Practical Assessment Task
PEA	Post-examination Analysis
PED	Provincial Education Department(s)
PFMA	Public Finance Management Act
PIVC	Performance Information Verification Committee
PMDS	Performance Management and Development System
PR & COMMS	Public Relations and Communications
QAA	Quality Assurance of Assessment
QAA: SQ	Quality Assurance of Assessment: School Qualifications
QAA: PSQ	Quality Assurance of Assessment: Post-School Qualifications
QCC	Qualifications, Curriculum and Certification
RPL	Recognition of Prior Learning
S&G	Strategy and Governance
SACAI	South African Comprehensive Assessment Institute
SAG	Subject Assessment Guideline
SAL	Second Additional Language
SAQA	South African Qualifications Authority
SASA	South African Schools Act
SASL	South African Sign Language
SBA	School-Based Assessment/ Site-Based Assessment
SC(a)	Senior Certificate, as amended
SEIAS	Socio-Economic Impact Assessment System
SETA	Sector Education and Training Authorities
SIR	Statistical Information and Research
SITA	State Information Technology Agency
SOR	State of Readiness
TOR	Terms of Reference
TVET	Technical and Vocational Education and Training

3. FOREWORD BY THE CHAIRPERSON



I am particularly honoured to contribute this foreword to the 2023/24 Annual Report because this financial year under review marks the final year of the 2019-2024 Medium-Term Strategic Framework (MTSF) period. This Annual Report therefore provides the ideal opportunity for the Council to appraise the work of Umalusi over the MTSF period.

The role of Council is to exercise its fiduciary duties and monitor Umalusi's organisational performance, its governance and its financial management processes. Council strengthened its leadership in governance through the appointment of Professor Thabo Msibi as the Deputy Chairperson of the Council. Vacancies that occurred in the period under review were also filled, including the appointment by the Minister of Basic Education, Mrs MA Motshekga, of Ms Thembisa Futshane and Dr Barney Mthembu as the Council members representing the Department of Basic Education as well as the Department of Higher Education and Training (DHET). Though it is outside the current reporting period, Dr R.E Moraka has since been appointed as the replacement for Professor Tinyiko Maluleke who resigned due to the pressures of his position as Vice-Chancellor. Equally important, vacancies that occurred were also filled in committees of Council, including the Umalusi Research Forum (RF) and Assessment Standards Committee (ASC).

In alignment with the provisions of the National Qualifications Framework (NQF) Act and the General and Further Education and Training Quality Assurance Act, 2001 (GENFETQA Act), as amended, and as part of the responsibility of the Umalusi Council to strengthen internal governance systems with the aim of steering the organisation to the achievement of its vision, the Council approved, at its 100th Council meeting in February 2024, several organisational policies were

reviewed by management to strengthen governance administration in the organisation.

The Policy for Credit Accumulation and Transfer (CAT) and the Policy for Recognition of Prior Learning (RPL) were amended to better align them with the South African Qualifications Authority (SAQA) and DHET's national policies to promote portability of credits, articulation and lifelong learning. In addition, the Policy for the Certification of Candidate Records on the GFETQSF was amended, and both policies were approved for implementation. This was in response to SAQAs' approval and registration of the updated National Senior Certificate (NSC) qualification policy. The review and revision of these policies was undertaken to ensure that the policies remain current. As Umalusi Council, we intend to constantly review the organisation's policy framework to strengthen Umalusi' internal governance and quality assurance systems.

Upon the Minister of Higher Education, Science and Innovation approving the phase-out of the remaining NATED N1-N3 programmes in 2021, the programmes officially entered a phase-out period from 1 January 2024. The last date of candidate registrations on the programmes was therefore on 31 December 2023. This means that Umalusi no longer accepts new accreditation applications from private institutions to offer these programmes.

As a public institution, Umalusi has aimed to fulfil its legislative obligation by responding to the relevant national imperatives as encapsulated in the National Development Plan (NDP). While Umalusi is not directly responsible for the achievement of targets set in the NDP, I am delighted to report that Umalusi, as a quality council, played an important role towards the achievement of Priority 3 (Education, Skills and Health) of the MTSF, and specifically, Target 3, which states, "Improved quality of learning outcomes in the intermediate and senior phases, with inequalities reduced by 2024 (youths better prepared for further studies and the world of work beyond Grade 9)" and Target 4, "More learners obtain an NSC with excellent marks in critically important subjects by 2024 (contribute towards a prosperous and equitable South Africa)".

In response to Target 3, Umalusi conducted a literature review study to devise an effective quality assurance model focusing on maintaining educational standards at the Foundation, Intermediate, and Senior Phases exit points. With respect to Target 4, Umalusi compared the quality and standards of the current set of examinations with the previous instances, to improve assessment standards and feedback was provided to the relevant assessment bodies..

Council is satisfied that Umalusi properly conducted quality assurance of all assessment processes throughout the year to ensure that teaching, learning and assessment are done in accordance

with the standards set for each qualification. During the year under review, the Executive Committee of Council (EXCO) approved the release of results for all examinations conducted by public and private assessment bodies and found no systemic irregularities that would have compromised the overall integrity of the examinations.

Concerning international collaboration, Umalusi hosted three delegations on different occasions during study visits to South Africa. These included a delegation from the Cameroon Ministry of Basic Education, a delegation from the United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Lifelong Learning (UIL), and a delegation from the Eswatini Qualifications Authority (EQA). The visits provided the opportunity for both Umalusi and the visiting institutions to benchmark each other's quality assurance processes.

In terms of its own accountability to government, Council appeared on numerous occasions before the Portfolio Committee on Basic Education and the Portfolio Committee on Higher Education, Science and Technology, to report on its work as the accounting authority. Other strategic engagements included meetings with the Directors-General of the Department of Basic Education (DBE) and of the Higher Education and Training (DHET).

Despite the foregoing achievements, there were challenges that faced the organisation. Chief amongst those is the very tight fiscal environment in which the organisation operates, mainly occasioned by the parallel developments of an expanded mandate together with funding budget cuts. This has resulted in Umalusi having to reprioritise its areas of strategic focus. To alleviate workload pressures, the Council approved twelve new positions most of which were filled during the reporting period.

Regarding audit outcomes, Umalusi obtained an unqualified audit report but with some findings during the year under review. The Executive Management of Umalusi, under the leadership of its CEO, Dr Mafu Rakometsi, have given assurance to Council that they will redouble their efforts to attend to the findings and to avoid such findings in future audit outcomes.

Council is delighted that at its media briefing held in March 2024 the Executive Committee of the Association for Educational Assessment in Africa (AEAA) expressed its satisfaction with Umalusi's readiness to host the 40th AEAA Annual Conference from 19-23 August 2024 in Cape Town. The conference will be hosted under the theme "Reimagining educational assessment in the age of multiple dimensions of learning in a global society". The conference will provide an opportunity for participants to discuss and debate creative ways of pursuing quality education for all learners in the general and further education and training system in South Africa and other countries on our continent.

Council keenly looks forward to the thoughts and conclusions that will emerge from the conference.

Undoubtedly, Umalusi fulfilled its mandate within the relevant legal framework. I thank the Executive and Senior Management team of Umalusi under its CEO, Dr Mafu Rakometsi, as well as the staff of Umalusi for the sterling work that they continue to do. Their efforts in giving effect to the strategic direction of the organisation are appreciated. Similarly, the work of this Council was inspired by our collective desire to see Umalusi succeeding in the fulfilment of its vision, which in essence is also the vision of the Council.

Let me conclude by expressing my sincere thanks and appreciation to:

- All members of the Umalusi Council, who have given so freely and so generously of their time, energy and wisdom to ensure that Umalusi remains a trusted authority in fostering high education standards in general and further education and training.
- The former Minister of Basic Education, Mrs Angie Motshekga, the former Minister of Higher Education, Science and Innovation, Dr Blade Nzimande and the Portfolio Committees of Basic Education and of Higher Education, Science and Innovation, for entrusting us with the responsibility to serve the country and for their unwavering support and guidance to the Umalusi Council.
- The Director-General of Basic Education, Mr Mathanzima Mveli, and the Director-General of Higher Education and Training, Dr Nkosinathi Sishi, whose support for the work of Umalusi is a source of inspiration and strength.
- All the members of the various committees of Umalusi Council for their excellent contributions to the work of Umalusi.
- All the staff of Umalusi, under the leadership of the CEO, Dr Mafu S Rakometsi, and his executive management team for their continued dedication, loyalty, professionalism and hard work. Their commitment to service excellence and dedication fills us with pride.

This annual report is produced at the time when the 7th national Administration has just commenced. Umalusi Council would like to particularly welcome the new Minister of Basic Education, Honourable Ms Siviwe Gwarube, and Minister of Higher Education, Honourable Dr Nobuhle N. Nkabane. Council wishes them success and look forward to working closely with them in their new roles.



Professor Yunus Ballim

Umalusi Council Chairperson

Date: 31 July 2024

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



I am pleased to present the 2023/24 Annual Report of Umalusi. The work undertaken during the year was anchored in the 2023/24 Annual Performance Plan. As part of managing its sub-framework of qualifications, Umalusi conducted quality assurance processes in various aspects of its mandate, including qualifications, curriculum, certification, accreditation, assessments, and research.

Qualifications, certification and verification:

The updated National Senior Certificate (NSC) qualification policy was approved and registered by the South African Qualifications Authority (SAQA). Umalusi reviewed the Directives for Quality Assurance of Curricula to strengthen its quality assurance processes. Umalusi significantly increased its certification output to approximately 1 500 000 in 2023/24 from around 790 000 in 2022/23. Similarly, the implementation of the online certification replacement saw a significant increase in the number of certificates issued from around 1 500 in the previous year to over 11 000 certificates at the end of the current financial year. This is mainly due to the advocacy and awareness campaigns that Umalusi conducted around the access to the online certification replacement application service. The upward trend was maintained in verification services where the number of certificates verified increased to nearly 335 400 from just under 300 000 previously.

Evaluation and accreditation:

Evaluation, accreditation and monitoring of independent and private education institutions ensures that institutions that offer Umalusi qualifications have the capacity and systems in place to provide appropriate teaching and learning. During the year under review, 51 private education institutions were

granted accreditation and 46 awarded two-years' provisional accreditation, pending improvements and assurance of some aspects of their work. Significantly, 200 identified private education institutions were monitored after being granted accreditation.

Quality assurance of assessment:

To ensure the credibility of the qualifications, Umalusi subjected the mid-year and end of year national examinations to its legislated quality assurance processes, which include the moderation of question papers, moderation of institution-based assessment tasks, monitoring of the writing of examinations, monitoring of the marking of the examinations, verification of the marking process in sampled subjects, and standardisation of learner results. Umalusi approved the release of candidates' results as a confirmation that the assessment leading to certification was of the required standard across all qualifications for all examinations conducted in this period under review. Based on the outcomes of its quality assurance processes, Umalusi issued directives for improvements to assessment bodies on its diverse quality assurance processes to protect the quality of qualifications in the sub-framework.

Research:

To ensure improvement of the quality and standards of qualifications, curricula and assessment practices, various research studies were conducted and feedback provided to the relevant department and assessment body. Umalusi conducted a study that compared the quality and standards of the current set of examinations with the previous ones to maintain and improve assessment standards across all assessment bodies. Another study conducted explored the possible pass requirements for the National Senior Certificate for Adults (NASCA), General Education and Training Certificate for Adults (GETCA), and General Education Certificate (GEC). Another study was conducted to determine whether the extent of similarity between the curricula of the National Senior Certificate (NSC) and National Certificate (Vocational) (NC(V)) comparable subjects is adequate to allow for credit transfer for subject exemptions and certification purposes.

Stakeholder engagement:

Part of Umalusi's five-year strategic plan was to intensify the advocacy to communicate accurate and relevant messages to all stakeholders on issues relating to qualifications on our sub-framework. Accordingly, close to fifteen advocacy initiatives, including exhibitions and media briefings, were conducted during the year to communicate with different stakeholders about the mandate of Umalusi. The stakeholders included senior university managers, schoolteachers and principals, learners, educationists, education policy makers, teacher unions and the

public in general. The initiatives have contributed much towards deepening the understanding of stakeholders about the mandate of Umalusi.

Umalusi contributed to the Nelson Mandela International Day by spending 67 minutes at four primary schools in four different provinces handing over donated books and talking about the importance of reading. This was to respond to the low literacy levels of primary school learners, as revealed by the 2021 Progress in International Reading Literacy Study results.

Economic viability:

As the Accounting Officer I am fully aware of the responsibility bestowed on me to ensure that public resources are used judiciously to benefit the people of our country. On that score, I owe it to Umalusi Council and the people of South Africa to exercise prudence in managing the resources given to Umalusi to discharge its legislative mandate.

The ability of the entity to continue as a going concern is dependent on a statutory grant allocation from the Department of Basic Education (DBE). During the financial year the organisation received a baseline grant of R162 945 000 from the DBE in comparison with R162 031 000 in 2022/23. The revenue generated from accreditation was R7 236 915, certification generated R7 827 491, and the verification function earned Umalusi R18 448 401. Despite the regulations issued by the National Treasury effective from 15 September 2023, the financial capacity of Umalusi improved from a ratio of 81:19 in the 2022/23 financial year to 79:21 in the 2023/24 financial year (grant vs own revenue). Whereas the organisation experienced increases in own revenue in the current financial year, R42.6 million (2022/23 - R37 million), the internal revenue streams have not grown to a level where Umalusi can stand on its own.

Procurement of goods and services:

Umalusi procures goods and services in a manner that ensures fairness, integrity, cost-effectiveness and efficiency in the delivery of such services. Three internal structures, Bid Specification Committees (BSC), Bid Evaluation Committees (BEC) and the Bid Adjudication Committee (BAC) continued to deal with matters relating to the sourcing of goods and services. The membership of these structures comprises executive managers, senior managers and managers. The advantage of this approach for me as the Accounting Officer is that management remains accountable to the Accounting Authority, Council, in how the organisation dispenses its financial resources. Another safeguard in the organisation's Supply Chain Management (SCM) processes is that the Accounting Officer does not form part of any procurement processes. This is to avoid conflict of interest situations.

Staffing matters:

The 12 newly approved positions, which brought the total staff complement to 151, provided a little bit of breathing space for employees. One of the factors that compounds Umalusi's capacity constraints is its ever-expanding mandate. For example, the planned introduction of new qualifications such as the General Education and Training Certificate for Adults (GETCA) and National Senior Certificate for Adults (NASCA) will add pressure to the already strained financial and human resources of the organisation, thereby requiring additional funding and new employees.

Information Communication Technology (ICT) environment:

The organisation fully migrated to a cloud platform, Microsoft Azure, at the beginning of the financial year. This development means that Umalusi will be able to achieve business continuity in an event of a disaster. The ICT vulnerabilities highlighted by the audit of the ICT systems will receive the attention of management in the next financial year.

Audit report matters:

While Umalusi happened to achieve an improved audit outcome for the 2023/24 financial year, an unqualified audit opinion with findings was obtained. That notwithstanding, Umalusi continues with its determination to manage state resources economically and transparently, in accordance with the provisions of the Public Finance Management Act (PFMA).

Challenges:

Several challenges beset the work of Umalusi, including budgetary constraints, online education, unlawful sale of fraudulent certificates, etc.

Budgetary constraints:

A major challenge has been that the organisation continued to operate in a very tight fiscal environment. The changing education landscape for the organisation means that the scope of Umalusi's work continues to grow as propounded by its founding Act, the General and Further Education and Training Quality Assurance (GENFETQA) Act, which states: "The Council, with the approval of the Minister, may assume its functions progressively, depending on its capacity." Therefore, the growth of the work of the organisation necessitates a review of the funding model to increase sample sizes and to spread some of the workload of employees whose units are directly affected by the expanding mandate.

Online education:

As with global trends, the Covid-19 pandemic saw the South African basic and further education and training

sector experiencing an increase in online education provision. The lack of regulation of online education poses quality assurance issues for curriculum delivery and assessment in such institutions. It is not enough for these online schools to only register for the writing of examinations with a private assessment body. It is also important to be fully aware of how teaching and learning takes place in these online schools. As part of its five-year strategic plan, Umalusi has been providing input to the finalisation of the framework for the regulation of online schools. Until this is finalised, Umalusi is not able to consider accreditation of such institutions.

Unlawful sale of fraudulent certificates:

The unlawful sale by criminals of fraudulent certificates purported to be Umalusi certificates is a challenge that poses a threat to the credibility of qualifications on our sub-framework. Such fraudulent certificates do not have currency because they are not authentic and do not appear on the National Learner Records Database (NLRD) hosted by the South African Qualifications Authority (SAQA). I am happy that management has put in place robust systems to preserve the credibility of the qualifications. Similarly, I am pleased that employers and higher education institutions continue to heed the call by Umalusi to periodically verify the qualifications of their employees and students. As already reported above, Umalusi recorded an increase of over 12% in the number of verifications made during the 2023/24 reporting period.

Notable achievements:

Despite the challenges, Umalusi met all its 15 targets, thereby attaining an achievement rate of 100%. Another notable achievement is the completion of the newly renovated Thuto-Mfundo building and its official opening by the Minister of Basic Education

and the Chairperson of Council on 5 September 2023. The facility has increased the boardroom capacity in the organisation and has alleviated office space challenges, which were heightened during the COVID-19 peak years.

I would like to thank the staff members of Umalusi for their hard work, commitment and dedication. It is my firm belief that that without them, Umalusi could not have been able to successfully deliver on its mandate. I am indebted to their dedication, commitment and loyalty to the organisation. I wish them much continued success in our journey of the next thirty years as we work together to build a stronger South African basic and further education and training system, for everyone.

I am hugely indebted to the former Minister of Basic Education, Mrs Angie Motshekga; the Director-General of the DBE, Mr Mathanzima Mweli; the former Minister of Higher Education, Science and Technology, Dr Blade Nzimande; as well as the Director-General of Department of Higher Education and Training (DHET), Dr Nkosinathi Sishi, for their support.

My heartfelt gratitude goes to the Umalusi Council, under the chairpersonship of Professor Yunus Ballim, and members of the different committees of Council for their continued support of the work of Umalusi.



Dr MS Rakometsi

Umalusi Chief Executive Officer

Date: 31 July 2024

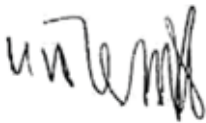
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully



Dr MS Rakometsi
Chief Executive Officer
Date: 31 July 2024



Professor Yunus Ballim
Umalusi Council Chairperson
Date: 31 July 2024

6. STRATEGIC OVERVIEW

6.1. Vision

A trusted authority in fostering high education standards in general and further education and training.

6.2. Mission

We are the quality council that assures education standards in the General and Further Education and Training Qualifications Sub-framework.

6.3. Values

Table 1: Organisational values

Values	Explanation
Transparency	Our processes are available for public scrutiny
Professionalism	Umalusi employees provide services and interact with stakeholders with great rapport
Integrity	Umalusi conducts its operations honestly and ethically
Reliability	Umalusi uses consistent procedures in its quality assurance
Impartiality	We maintain equal treatment of standards for all Stakeholders

7. LEGISLATIVE AND OTHER MANDATES

7.1. Constitutional Mandate

Umalusi is the Quality Council for general and further education and training. It is obliged to embrace the provisions of Chapter 2 of the Constitution of the Republic of South Africa, 1996. In terms of section 29(1), everyone has a right to a basic education, including adult basic and further education and training. In relation to this section, Umalusi is obligated to ensure the quality assurance of the provision of education within the General and Further Education and Training Qualifications Sub-framework (GFETQSF) to citizens. This obligation is fulfilled to ensure the realisation of the requirements stipulated in section 29(3), which promotes the establishment of private education institutions that:

- a) do not discriminate on the basis of race;
- b) are registered with the state; and
- c) maintain standards that are not inferior to standards at comparable public education institutions.

7.2. Legislative Mandate

National Qualifications Framework (NQF) Act (Act No. 67 of 2008)

The NQF Act, 2008 provides for the establishment of Umalusi as a quality council that is responsible for the development and management of a sub-framework of qualifications at levels 1 - 4 of the National Qualifications Framework (NQF) and related quality assurance processes. In terms of paragraph 27 of the NQF Act, Umalusi must do the following in respect of quality assurance:

- a) develop and implement policy for quality assurance;
- b) ensure the integrity and credibility of quality assurance; and

- c) ensure that quality assurance as is necessary for the sub-framework is undertaken.

The General and Further Education and Training Quality Assurance (GENFETQA) Act (Act No. 58 of 2001), as amended in 2008

The GENFETQA Act, as amended, assigns Umalusi responsibility for quality assurance of general and further education and training. Umalusi was established with the purpose of maintaining norms and standards in general and further education and training. Its mandate is confirmed as follows:

- a) developing and maintaining a sub-framework of qualifications for general and further education and training;
- b) quality assurance of all exit-point assessments of such qualifications;
- c) certification of learner achievements;
- d) quality assurance of private education institutions; and
- e) accreditation of private assessment bodies.

With respect to private provision, Umalusi is required to undertake the following accreditation responsibilities:

- a) develop policy, which must be regulated by the Minister, for the accreditation of private assessment bodies other than Departments of Education, and accredit assessment bodies accordingly;
- b) develop policy and criteria for the quality assurance of private education institutions;
- c) affirm, or withdraw, accreditation status of the private education institution concerned.

7.3. Other Legislation

- National Education Policy Act (NEPA) (Act No. 27 of 1996);

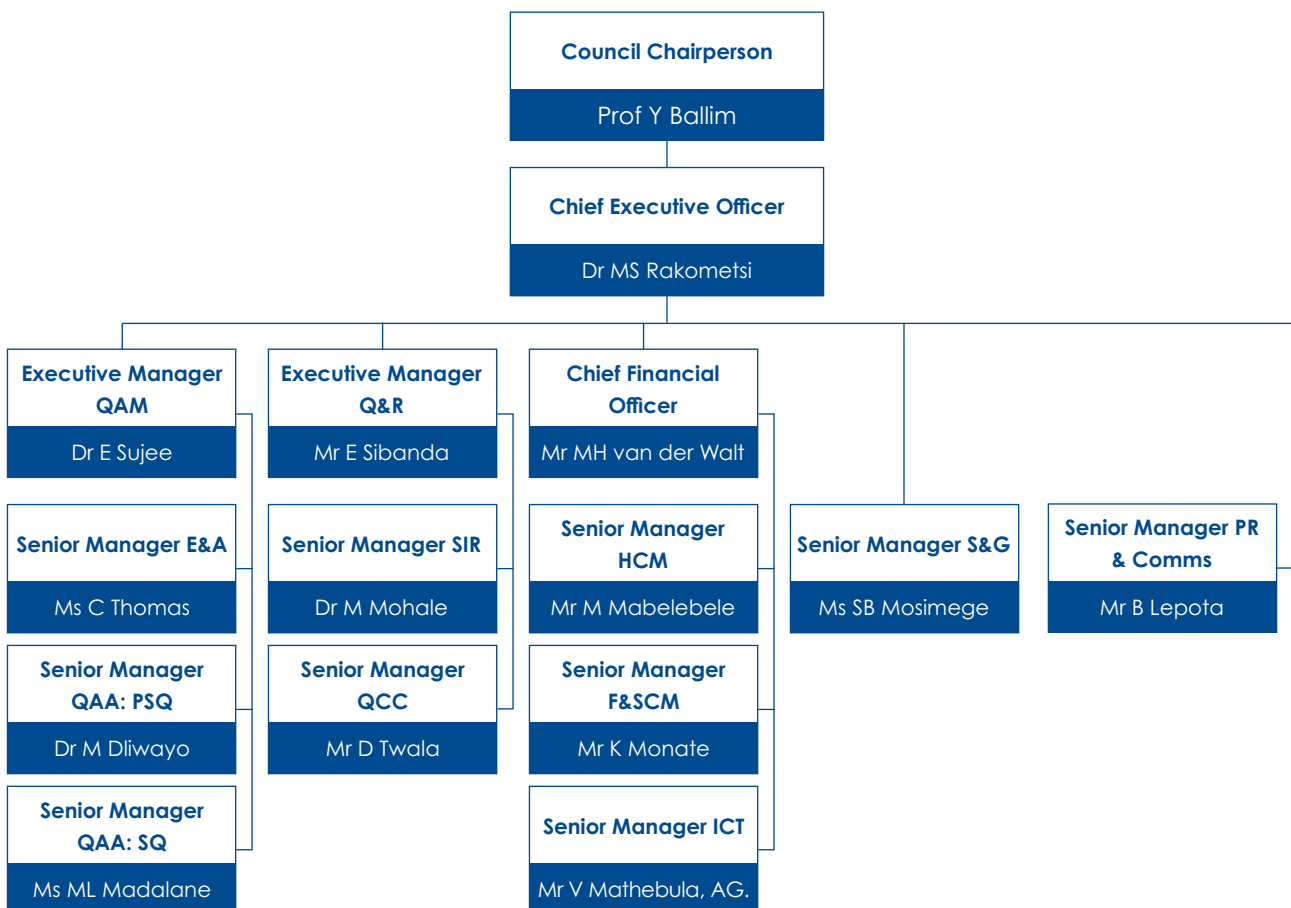
- The South African Schools Act (SASA) (Act No. 84 of 1996), as amended; and
- Continuing Education and Training (CET) Act (Act No. 16 of 2006), as amended.

7.4. Institutional Policies and Strategies

Umalusi's qualifications' sub-framework must be read in conjunction with the following policy documents:

- The Policy for the General and Further Education and Training Qualifications Sub-framework;
- Guidelines on Strategy and Priorities for the NQF 2011/2012: Minister of Higher Education and Training;
- National policies governing existing qualifications (including their assessment) that are currently certified by Umalusi;
- Standards and Quality Assurance of the General and Further Education and Training Qualifications Sub-framework: Umalusi 2014;
- Policy documents and guidelines pertaining to the National Senior Certificate (NSC), Senior Certificate (amended) (SC(a)), General Education and Training Certificate (GETC), National Certificate (Vocational) (NC(V)), National Education Report 190/191 (NATED) (N1-N3) and the National Curriculum Statement (NCS);
- and any other qualifications on the General and Further Education and Training Qualifications Sub-framework (GFETQSF), as applicable;
- Council policies and directives on the conduct, administration and management of the assessments for qualifications on the GFETQSF;
- The regulations pertaining to qualifications on the GFETQSF developed by the Department of Basic Education (DBE) and gazetted by the Minister on assessment and certification, including those promulgated by provincial legislatures and the policy framework that applies to all technical and vocational education and training (TVET) colleges declared or established by the Minister under the Continuing Education and Training Act, Act No. 16 of 2006;
- The Policy and Criteria for the development, registration and publication of qualifications for the GFETQSF;
- The Policy for the re-issue of National Certificates;
- The Recognition of Prior Learning (RPL) Policy;
- National Treasury Regulations; and
- Any other related legislation as appropriate to the various education and training sectors Umalusi is mandated to work with.

8. ORGANISATIONAL STRUCTURE



PART

B

Performance
Information



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The external auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with no material findings

being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 75 of the Auditor's Report, published as Part E: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

a. Umalusi's overall performance

Umalusi continued to implement its five-year Strategic Plan in 2023/24 financial year. During this period, the organisation's strategic focus was on the following:

- reviewing the quality assurance approach;
- reviewing, evaluating and appraising qualifications submitted for registration on the GFETQSF;
- providing input to the legislative framework;
- intensifying research on educational developments linked to the sub-framework to innovate and to advise the relevant ministers of education; and
- intensifying the advocacy to communicate accurate and relevant messages to all stakeholders on issues relating to qualifications on our sub-framework.

As part of managing quality assurance in general and further education and training sector, the following sections illustrate our performance in the past year, and in some cases over the last few years.

i. Qualifications, Certification and Verification Qualifications

At the core of Umalusi's mandate lies the management of qualifications on the GFET sub-framework. This work involves appraisal of new and existing qualifications and providing the necessary advice to the relevant assessment bodies on the existing or new curricula, standards and policy criteria for implementing these qualifications. Of significance was the amendment of the Policy for Credit Accumulation and Transfer (CAT) and the Policy for Recognition of Prior Learning (RPL) to ensure that the policies are aligned with the South African Qualifications Authority (SAQA) and DHET's national policies to promote portability of credits, articulation and lifelong learning. In addition, the Policy for the Certification of Candidate Records on

the GFETQSF was amended and both policies were approved for implementation. SAQA has approved and registered the updated NSC qualification policy.

Umalusi has gone a step further and developed the Articulation policy to provide clear guidelines for the articulation of Umalusi qualifications within the GFETQSF and across the other sub-frameworks. The policy also acts as a reference point for the implementation of the CAT policy and other policies that support the articulation of qualifications.

The appraisal of the examination guidelines identified some shortcomings in the directives in the quality assurance of curricula. To mitigate these shortcomings, the organisation issued a circular (QCC Circular 1 of 2022) to all assessment bodies. Umalusi has furthermore reviewed the Directives for Quality Assurance of Curricula to strengthen its quality assurance processes. The changes in the directives will be communicated to assessment bodies in the next quarter through capacity-building workshops to ensure consistency and uniformity in their application and implementation.

Certification

Certification is the formal recognition of a qualification, or part qualification, awarded to a successful candidate. Umalusi fulfilled its mandate and issued certificates to all candidates who qualified and complied with the requirements for a qualification or who have passed one or more subjects. Umalusi has printed and issued 1 496 504 certificates during the last financial year. The 2022/23 outputs increased significantly from 799 388 to 1 496 504 in 2023/24 because most provinces' certification for the 2022 and 2023 cohort of learners was done in the 2023/24 financial year. This is also reflected in the previous financial years, as shown in Figure 1 on the following page.

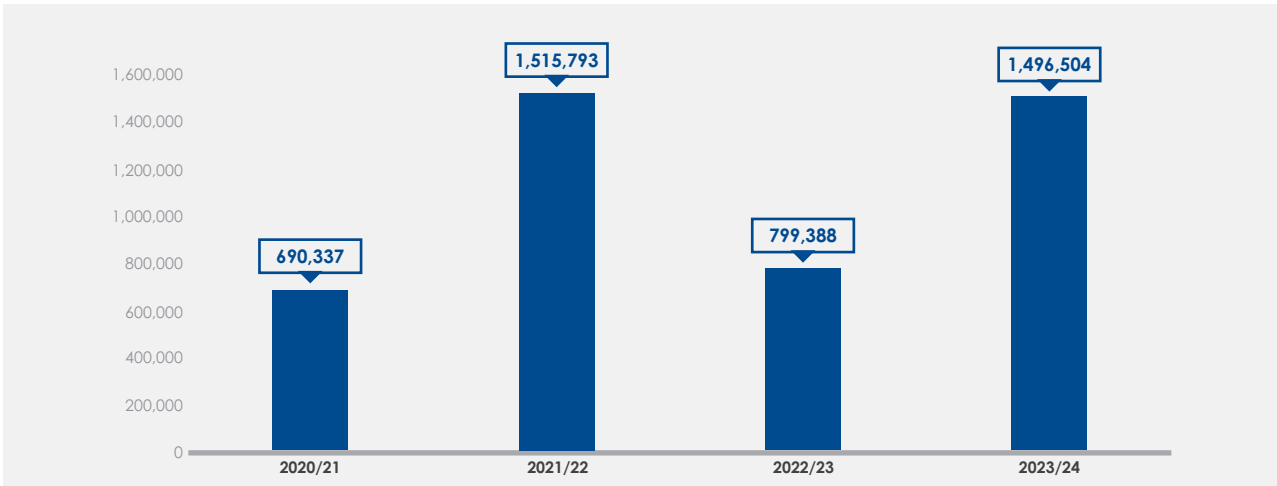


Figure 1: Certification statistics for 2020/21-2023/24

A combined effort by the DBE, DHET, Umalusi, and the State Information Technology Agency (SITA) to issue outstanding certificates continued from the previous year. These were cases where there were differences between the quality assured results released to candidates and their certification data. These differences occurred mainly during the period 2017 to 2021. The project was expanded to resolve all errors that resulted in certificates being outstanding.

documents and verifying that the qualification was awarded to the individual in question; and that the content corresponds with the details on the Umalusi certification database. The number of verifications undertaken in 2023/24 totalled 335 365; this includes 6 595 manual confirmations, 308 295 e-verifications and 20 475 full verifications. Umalusi completed 36 103 more verifications than in 2022/23. Figure 2 shows the trend over the last four years with an increase in verifications every year.

Verification

Verification is the process followed by Umalusi to establish the authenticity of qualifications/ certificates. Verification includes authenticating the qualification

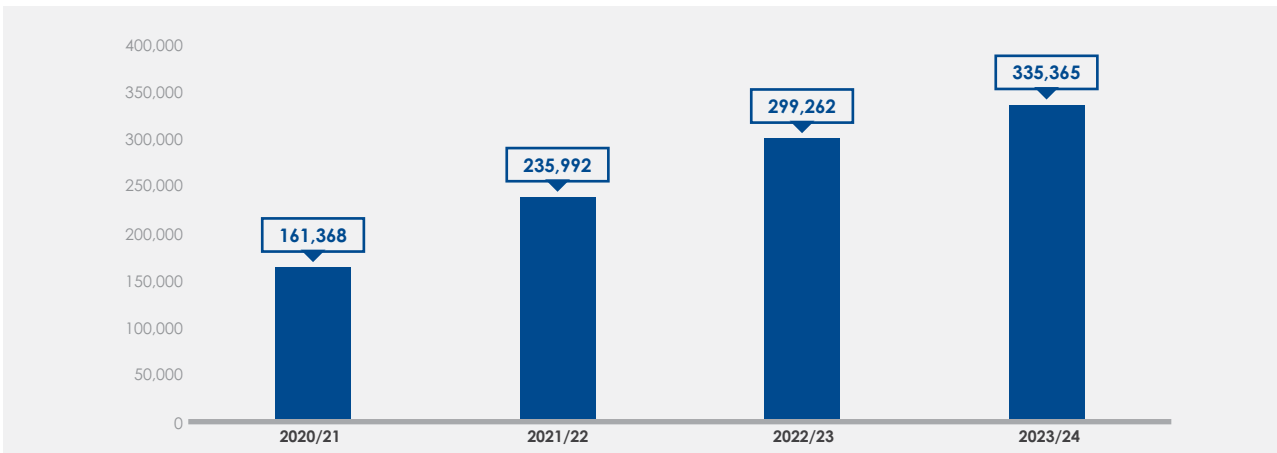


Figure 2: Verification Statistics for 2020/21-2022/23

Quality Assurance of Assessment

Umalusi ensured the credibility of the qualifications that it quality assures through the moderation of question papers, monitoring of institution-based assessment, monitoring of the conduct, administration and management of examinations, audit of assessment bodies' state of readiness to conduct, administer and manage examinations, standardisation of marking guidelines, and monitoring and verification of marking. Umalusi approved the release of candidates' results to confirm that the assessment leading to certification in schools, adult education centres and technical and vocational education and training colleges was of the required standard across all qualifications

for all examinations conducted in this period under review.

Accreditation of private education institutions

As reflected in Figure 3, during the year under review, 51 private education institutions were granted accreditation, 46 were awarded provisional accreditation, and 52 a 'no accreditation' outcome. Sixty-eight (68) did not meet the requirements for accreditation at the first consideration of the evidence verified and were given a window period to improve. In addition, 200 identified private education institutions were monitored after being granted accreditation.

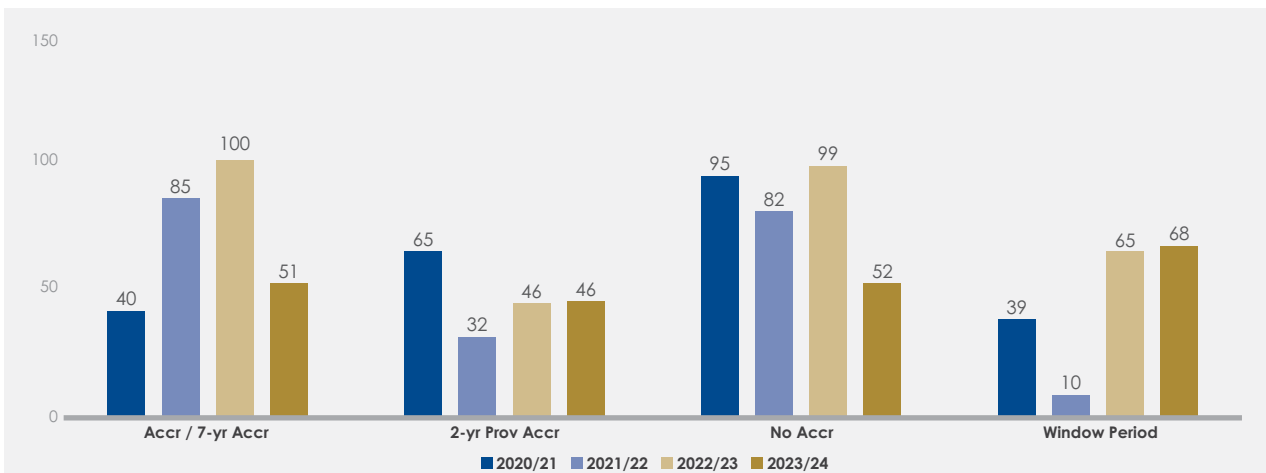


Figure 3: Number of institutions granted a type of accreditation outcome 2019/20-2022/23

In the four years represented in Figure 3, the percentage of institutions not meeting the requirements for accreditation (that is, receiving an outcome of no accreditation or a window period to improve) remains fairly constant at an average of 55%, except for 2021/22. This is a worrying factor because it indicates that most institutions that applied for accreditation were offering the qualification but not implementing the qualification at the required standard. This is also evident in the decline in the percentage of institutions granted accreditation since 2021/22, when 41% of the institutions presented to the Accreditation Committee of Council were granted accreditation or seven years accreditation compared to 24% in 2023/24. Although the institutions attend a Quality Promotion Meeting at the start of the accreditation process where the requirements for accreditation are clearly outlined, it appears that many institutions in recent years have not applied the necessary rigour in ensuring that they are compliant with the requirements for accreditation.

Monitoring the implementation of the Online Certificate replacement

The implementation of the online certification replacement system began in the second quarter of the 2022/23 financial year. The number of certificates issued slowly increased from 1 528 replacement certificates in the last three quarters of 2022/23 financial year to 11 049 certificates at the end of 2023/24 financial year. This is mainly due to the advocacy and awareness campaigns that Umalusi conducted about the access to the online certification replacement application service. While the number of applications for replacement certificates increased in the period under review, the increase has put a strain to the existing capacity constraints to manage and effectively deliver this service to all South Africa needing this service. In addition, high staff turnover among the ICT developers had an impact on the maintenance and enhancements of the online application system for replacement certificates which causes delays in the issuing of the replacement certificates and as a result,

increased the enquiries received from candidates. This requires the organisation to review the human capacity resources in certification to successfully manage this crucial operation.

b. Challenges

High staff turnover of ICT developers and the impact

During the year under review, the organisation incrementally lost its ICT developers. Service delivery was impacted in business units that depend on the use of ICT systems developed specifically for meeting their daily operational needs. In other instances, systems that were still being developed came to a halt because the individual responsible left the organisation before the completion of a project. Management realises the volatility of the ICT market, and that ICT specialists come and go very easily as they seek better opportunities. The organisation is considering the option of striking a balance between recruiting full-time employees and employing contracted service providers to ensure service continuity.

Quality assurance of assessment for Online schools

In the last quarter of the financial year, Umalusi was inundated with complaints and concerns from parents regarding their children's National Senior Certificate (NSC) end-of-year results from an online school. The dissatisfaction emanates from observing a big difference between the learners' school-based assessment marks, which were very high, and final examination marks, which were comparatively lower. The issue for Umalusi as stated in the last two Annual Performance Plans, is the fact that online education is not regulated, which poses quality assurance issues for curriculum delivery and assessment in such institutions. It is not enough for these online schools to register for the writing of examinations with a private assessment body. It is also important to be fully aware of how teaching and learning takes place in these online schools. Currently, Umalusi cannot do much to remedy such situations except if this issue of the proliferation of online schools is legislated urgently.

d. Significant developments during the year

The organisation officially occupied the newly renovated Thuto-Mfundo building in the first quarter of the financial year. The building was officially opened by the Minister of Basic Education and the Chairperson of Council on 5 September 2023. The facility has increased the boardroom capacity in the organisation and has alleviated office space challenges, which were heightened during the COVID-19 peak years.

2.2. Organisational Environment

Umalusi is a Schedule 3A entity with 151 funded positions. The Council approved 12 new positions in the fourth quarter of the 2022/23 financial year for implementation in the 2023/24 financial year. The organisation is organised into three branches reporting to the Chief Executive Officer (CEO), these are:

- The Corporate Services branch, which is responsible for administrative functions and reports to the CFO. The branch oversees the Information and Communication Technology, Finance and Supply Chain management, and the Human Capital management functions.
- Qualifications and Research branch, responsible for qualifications, curriculum, certification and research, and reports to the Executive Manager for Qualifications and Research, and
- Quality Assurance and Monitoring branch responsible for quality assurance of assessment for school and post-school qualifications, and evaluation and accreditation of private education institutions which offer qualifications on the sub-framework, and reports to the Executive Manager for Quality Assurance and Monitoring.
- In addition, two units, Strategy and Governance, and Public Relations and Communications, report directly to the CEO.

Financial Capacity of the organisation

The financial capacity (grant allocation vs own revenue) of Umalusi moved slightly from a ratio of 81:19 in the 2022/23 financial year to 79:21 in the 2023/24 financial year. National Treasury issued a promulgation on cost containment effective from 15 September 2023. The purpose of the cost containment was to encourage public institutions to reduce the pace of expenditure in the remaining period of the financial year focusing on areas such as travel, conferencing, etc. Consequently, the organisation realised a surplus of R0.81 million at the end of the financial year.

Umalusi obtained an unqualified audit outcome for the 2023/24 financial year. While the organisation's hopes were for a clean audit, it is pleasing that the audit report reflects Umalusi's determination to manage state resources economically and transparently.

Staffing matters

The high staff turnover in 2022/23 spilled over to the first quarter of the 2023/24 financial year. With 12 newly approved positions, the organisation started on the back foot in filling vacant positions. The Corporate Service Branch was severely affected by the loss of two senior management staff members in the last quarter of 2022/23 and the first quarter of

2023/24. Filling of the two positions also took longer than expected and the impact on productivity and operations of the two business units was felt. Overall, the organisation recovered from a high vacancy rate and the staff turnover returned back to normal for the better part of the financial year.

Information Communication Technology (ICT) environment

In the first quarter of the financial year, the organisation fully migrated to a cloud platform, Microsoft Azure. Launching of the cloud environment was completed on 1 April 2024. This development has seen the use of virtual servers through which we would be able to achieve business continuity in an event of a disaster. ICT security has been a concern countrywide and Umalusi is no exception in this regard. In the last quarter, an audit performed on our ICT systems highlighted some areas of weakness regarding our infrastructure and network vulnerability. The assessment included evaluating how well the ICT addressed vulnerabilities to maintain security. Overall, the findings highlighted ICT vulnerabilities as a significant risk, therefore, needing major improvements. Management will continue paying attention to this area in 2024/25.

2.3. Key Policy Developments

The following policy developments were achieved during the 2023/24 financial year:

Acts

None of Umalusi's founding Acts was revised or amended.

Policies

The following policy was gazetted:

- Policy and criteria for assessment Credit for Accumulation and Transfer (as amended, 2022)

The following policy was developed:

- Articulation Policy

Guidelines

The following guidelines were reviewed during this financial year:

- Guideline for implementation of the Policy and Criteria for the Quality Assurance, Accreditation and Monitoring of Private Assessment Bodies

Directives

The following directives were developed during this financial year:

- Directives for the development of new curricula for an existing qualification and/or new qualification

2.4. Progress towards Achievement of the NDP and MTSF targets

The National Development Plan (NDP)

Chapter 9 of the National Development Plan requires the entire education sector to achieve certain targets, and Umalusi – as a quality council – has a role to play in supporting the DBE and the DHET by insisting on and driving towards a steady improvement in the quality of education with respect to the following directives:

- A target of 450 000 learners being eligible for a Bachelors' programme with Mathematics and Science; and
- Improving South Africa's position in international education rankings.

Umalusi is not directly responsible for achieving these targets, however, it works collaboratively with the relevant stakeholders to work towards attaining them. For Umalusi, the focus is ensuring that quality is not compromised with respect to qualifications in the General and Further Education and Training Qualifications Sub-framework. In this regard, the organisation has done the following:

- Improved the quality of the NCS through research and feedback to the DBE;
- Evaluated various curricula, e.g. the GEC, and benchmarked them against international curricula, e.g. the NSC;
- Worked with all assessment bodies to enforce, maintain and improve standards, e.g. school-based assessments;
- Compared the quality and standards of the current set of examinations with the previous ones to maintain consistency of standards (standardisation);
- Protected the quality of qualifications in the sub-framework by developing policies, guidelines, frameworks and directives on its diverse quality assurance processes; and
- Trained all officials involved in the examinations, including moderators and evaluators.

MTSF contribution

The Medium-Term Strategic Framework 2019-2024 has prioritised education and skills, and Umalusi is at the centre of quality education in this regard. The organisation continued to manage the qualifications on the General and Further Education and Training Qualifications Sub-Framework (GFETQSF) to ensure that learners and students gain lifelong skills. Umalusi has contributed to the 2019–2024 MTSF, as reflected in Table 2.

Table 2: Umalusi's contribution to the 2019–2024 MTSF

MTSF priority	Target	Indicator	Umalusi's contribution
Priority 3: Education, skills and health	Target 3: Improved quality of learning outcomes in the intermediate and senior phases, with inequalities reduced by 2024 (youths better prepared for further studies and the world of work beyond Grade 9)	Coding and Robotics curriculum implemented	Umalusi appraised the revised curricula for Coding and Robotics in Grade R-3, including the remaining grades.
		The number of youths obtaining Bachelor-level passes in the NSC	Umalusi continued to ensure that the quality of bachelor-level passes is of the required standard.
		The number of youths obtaining 60% and above in Mathematics	Umalusi continued to quality assure the assessment activities in schools and process the certification data.
	Target 4: More learners obtain an NSC with excellent marks in critically important subjects by 2024 (contribute towards a prosperous and equitable South Africa)	The number of youths obtaining 60% and above in Physical Science	
		100% of schools of skill implementing the technical-occupational curriculum	Umalusi appraised the curricula of occupationally oriented subjects.
		1 007 ordinary schools implementing the technical-occupational curriculum	Umalusi conducted research to investigate how learners from the Schools of Skill can be accommodated in the proposed General Education Certificate qualification.

2.5. Progress towards Achievement of Institutional Impacts and Outcomes

Impact Statement

Umalusi's impact statement in the five-year strategic plan is shown in table 3 below:

Table 3: Impact Statement

Impact statement	Relevant and credible qualifications
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The responsibility of managing qualifications and ensuring that standards are maintained to ensure that they remain relevant and competitive is no easy task for Umalusi. This is more difficult in a landscape where the organisation is not able to control other emerging global developments like the proliferation of online schooling. Umalusi is not certain about the tuition in these institutions, and this threatens the credibility of qualifications on its sub-framework. However, the continued evaluation and accreditation of private institutions that diligently follow the process of applying for accreditation directly contributes to the credibility of qualifications on the GFETQSF.

All quality assurance of assessment processes and activities done during the year and the results thereof systematically provide evidence of levels of

compliance to the set standards and the directives for improvement that Umalusi issues to assessment bodies. Where there are pockets of non-compliance, the organisation has consistently monitored and provided policies and regulations to guide processes at the school and district level. The implementation of directives issued after evaluating the state of readiness for each province is continuously monitored, and schools are provided with school-specific reports.

There are currently **four** qualifications that are active on the GFETQSF, namely, the National Senior Certificate (NSC), General Adult Education and Training (GETC: ABET Level 4), National Certificate (Vocational) (NC(V)), and NATED. Umalusi continually evaluates and reviews aspects of these qualifications to improve areas of weakness. In the last year, work

on the evaluation of the newly proposed General Education Certificate (GEC) qualification continued between the DBE, which proposed the qualification policy and Umalusi, which has evaluated the qualification including its curricula.

All the processes outlined in the section below are building blocks for ensuring that Umalusi qualifications remain credible and relevant.

Progress on Outcome statements

The Umalusi five-year strategic plan reflects the following outcome statements and five-year targets:

Table 4: Outcomes, Indicators and Targets and progress made

Programme	Outcomes
Programme 1	Efficient and effective administrative systems
Programmes 2 and 3	Enhanced educational standards

Progress made on the outcome: Efficient and effective administrative systems

This outcome statement embraces functions performed by business units in Programme 1: Administration except for Public Relations and Communication. As support programmes, the efficiency of their systems and controls are critical in supporting the core-function business units. The narrative below describes what the respective business units have done to ensure that efficient and effective systems are in place.

Regarding the management of performance information, the organisation started with monthly verification of evidence for data-intensive indicators e.g. indicator 3.2.1: *percentage of question papers approved per qualification* in this financial year to reduce the load of quarterly verification of evidence and eliminate errors at the time of reporting. The organisation continued to ensure the production of quality performance reports through the Performance Information Verification Committee (PIVC) sessions which deliberate on the content and correctness of quarterly reports. In addition, internal auditors review and validate the reported quarterly performance information before reports are submitted to oversight departments. As a result, the organisation obtained a clean audit on predetermined objectives for the 2023/24 financial year.

Finance and Supply Chain Management policies, which are regulated mainly by the Public Finance Management Act (PFMA), were reviewed and approved to align with developments in the public sector and relevant court rulings. In addition, Umalusi

is continuously improving its financial management systems and processes to improve its performance and compliance with the applicable legislative requirements. The service providers were also paid within 30 days after the submission of invoices during the period under review.

To contribute towards efficient systems, Umalusi first revised the ICT Service Continuity Plan, which enables the organisation to take a proactive approach to potential interruptions, ensuring that critical information technology and services are prioritised and restored in the event of a disaster or disruption. Secondly, a vulnerability management solution, Rapid7 was implemented to identify vulnerabilities within the on-premises network infrastructure. With the implemented systems, Umalusi's critical assets within the infrastructure are monitored and remediated from known and existing vulnerabilities. Thirdly, a network health score was maintained above 97% to ensure the smooth running of operations to achieve the organisation's objectives.

The HCM policies were also reviewed and implemented in the 2023/24 financial year to ensure alignment with legislation. In addition, organisation-wide communication was shared about changes in policy and regulation, including information about deadlines for submission of compliance-related information.

Progress made on the outcome: Enhanced educational standards

Section k(ii) of the NQF Act (200), as amended, provides that the advocacy of the qualifications in the sub-framework is a legislative mandate. Accordingly, Umalusi conducted numerous advocacy initiatives, through in-person visits to institutions and via digital platforms, to share information with different stakeholders about the sub-framework. In addition, the advocacy exhibitions, which were stopped in 2020 due to Covid-19, were resuscitated.

Umalusi drafted an evaluation instrument for African languages in the NASCA. The study produced a report comprising both the framework and draft evaluation instrument. However, the African language curricula have still not been submitted to Umalusi for quality assurance, which limited the direction of the evaluation instrument to some degree.

The GEC 35 Vocational and Occupation-oriented subjects were appraised in three phases to determine the degree of acceptability of the intended curriculum of the GEC (Grades 8 and 9 and Years 1-4). The study produced a consolidated report of the 35 Vocational and occupation-oriented subjects. In addition, the GEC Schools of Skill fundamental subjects were also

appraised. This appraisal was intended to determine the degree of acceptability of the standards of the Schools of Skill Year 1 to Year 4 Fundamentals.

The organisation conducted two studies in the period under review, namely, a study to develop an accreditation instrument for online schools to prepare for when and if Umalusi will be expected to accredit online schools, and a study on the accreditation of Grade R, guided by the implementation of the BELA Bill (Bill 2 of 2022), which makes Grade R compulsory in schools and suggests that Umalusi must review and strengthen the quality assurance processes in Grade R.

Umalusi has successfully reviewed the Recognition of Prior Learning (RPL) and Credit and Accumulation policies to comply with the Ministerial directives and align with SAQA policies, during the last five years. The RPL and CAT policies are critical policies that guide the implementation of qualifications on the GFETQSF and their underpinning curricula. The review of the RPL and CAT has further necessitated the development of the Umalusi Articulation policy to ensure that Umalusi qualifications do not lead to a cul-de-sac but articulate with other qualifications

within the GFETQSF and across other sub-frameworks for access and recognition to other qualifications or learning programmes.

The assessment bodies managed to achieve 100% over the past five years in the development of question papers. Achieving 100% is an indication of an appropriate degree of innovation in the setting of question papers.

In addition, the organisation was able to observe improved management of the examination irregularities in the period under review. The assessment bodies managed to deliver examinations that were free from systemic irregularities, and Umalusi noticed a significant reduction in reported cases of behavioural offences and acts of dishonesty. This is a great improvement over the five-year period. Of concern, remain the shortage of staff reported by the DBE due to vacancies which exist in the examination and assessment directorate.

Regarding standardisation data, all assessment bodies complied with the set threshold of 95% capture rate for standardisation to take place. All five qualifications were successfully standardised.



Mr MH van der Walt
Chief Financial Officer

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. Programme 1: Administration

Purpose of the programme

The purpose of the Administration Programme is to provide strategic leadership, management and administrative support services to the organisation.

Sub-programmes

The Administration Programme is comprised of the following five sub-programmes:

Table 5: Programme sub-programmes

Sub-programme	Purpose	Outcome
Sub-Programme 1.1 Strategy and Governance (S&G)	The purpose of the S&G sub-programme is to provide good corporate governance, to support Council, manage the office of the Chief Executive Officer, manage performance information, coordinate risk management, and facilitate the development of the organisational strategy	Efficient and effective administrative systems
Sub-Programme 1.2 Public Relations and Communications (PR & Comms)	The purpose of the PR & Comms sub-programme is to communicate the organisational mandate, strategy and services to stakeholders.	
Sub-Programme 1.3 Information and Communication Technology (ICT)	The purpose of the ICT sub-programme is to manage, support and maintain Umalusi's ICT resources and provide support to business units.	
Sub-Programme 1.4 Human Capital Management (HCM)	The purpose of this sub-programme is to implement HCM governance, attract top talent, cultivate a culture of continuous learning, ensure a transparent performance management system, offer attractive rewards and benefits and ensure intellectual property is retained in the organisation.	
Sub-Programme 1.5 Finance and Supply Chain Management (F&SCM)	The purpose of the F&SCM sub-programme is to ensure transparent, accountable and sound financial management, as well as to maintain a procurement system that is fair, equitable, transparent, competitive and cost-effective.	



Ms SB Mosimege
Senior Manager: S&G

Sub-Programme 1.1: Strategy and Governance (S&G)

Purpose

The purpose of the S&G sub-programme is to provide good corporate governance, support Council, manage the office of the Chief Executive Officer, manage performance information, coordinate risk management, and facilitate the development of the organisational strategy.

Overview of the work done

Summary of key achievements

Umalusi complied with legislation and submitted all its 2023/24 quarterly performance reports, the 2022/23 annual performance report, and the 2024/25 Annual Performance Plan (APP) on time to oversight departments. In addition, for the fourth consecutive time, Umalusi did not have external audit findings on the audit of pre-determined objectives for the 2022/23 financial year. This shows that the organisation continues to maintain and improve the management of its performance information to ensure that the reported information is relevant and reliable. However, towards the end of the 2023/24 financial year, some record-keeping gaps were identified in business units that have data-intensive indicators. This was mainly due to performance information being managed by newly appointed personnel who were not familiar with the established business processes.

Due to a high staff turnover in the previous financial year, the *indicator 1.3.1: average vacancy rate maintained at ≤10%*, was not achieved in the first

quarter. The high vacancy rate was exacerbated by the 12 new positions created in the organogram. The high vacancy rate had a rippling effect on the validity of organisational reports in some business units. This challenge was addressed when the vacant positions were filled in the second quarter.

In strengthening governance, Council appointed Professor Thabo Msibi as the Deputy Chairperson of Council with effect from May 2023. This appointment was made in line with Section 9.4 of the Council Charter as well as Sections 5.1 and 5.2 of the Terms of Reference (ToR) of the Executive Committee (EXCO) of the Council. The Minister of Basic Education further appointed Ms Thembeisa Futshane and Dr Barney Mthembu as Council members to represent the DBE and the Department of Higher Education and Training (DHET), respectively. To this end, only one vacancy exists in Council after the resignation of Professor Tinyiko Maluleke. Vacancies were also filled in other committees. This saw the appointment of Dr Bongjwe Hobololo to the Umalusi Research Forum and Dr Rechelle Jacobs appointed as a member of the Assessment Standards Committee (ASC).

The Council reviewed and approved the ToR of the EXCO. The review was done to close the gap of not having a Remuneration Committee as a committee of Council. EXCO has been addressing remuneration matters in the past as a delegated function; however, this was not stated in its Terms of Reference. The Council also approved the Information and Communications Technology Oversight Committee (ICTOC) ToR. ICTOC oversees the organisation's Information and Communications Technology (ICT) infrastructure, systems, security, and risks to ensure business operations dependent on ICT are not hampered.

The Council, in supporting effective administration and governance, approved the creation of the newly established position of Chief Risk Officer to ensure that risk management is performed to mitigate existing and emerging risks in the organisation. All risk matters were monitored by the Audit and Risk Committee (ARC) throughout the year and reports thereof were presented to Council.

The Council recently celebrated its 100th Council meeting in February 2024, which was seen as a great milestone in the 21 years of the Council's establishment.



Mr B Lepota
Senior Manager: PR & Comms

Sub-Programme 1.2: Public Relations and Communications (PR & Comms)

Purpose

The purpose of the PR & Comms sub-programme is to communicate the organisational mandate, strategy and services to stakeholders.

Overview of the work done

Summary of key achievements

Advocacy initiatives:

The focus of the APP has been on conducting eight (8) advocacy initiatives to interact with stakeholders and to communicate information about the GFETQSF. In this regard, a total of 14 advocacy initiatives were conducted during the year to interact with different stakeholders about the mandate of Umalusi. Of those initiatives, 11 were advocacy roadshows and three were webinars organised to engage different stakeholders, including senior academics and managers based at four universities, teachers and principals, educationists, education policy makers and implementors, members of teacher unions, Members of the Executive Committee (MECs) of education and senior officials of the Provincial Education Departments and employees of a sister quality council on the various legislated areas of Umalusi's work. Complementing the advocacy initiatives were exhibitions which were used to showcase Umalusi's services to the public. Accordingly, Umalusi showcased its services at seven exhibitions. The initiatives described herein have helped Umalusi to change the perceptions of the engaged stakeholders on the mandate of Umalusi, especially as it relates to standardisation of examination results.

Corporate digital media strategy:

Owing to the finalisation of a corporate digital media strategy, the purpose of which is to maintain the Umalusi brand visibility through the use of social media communication platforms (Facebook, X, LinkedIn and YouTube), Umalusi has experienced a significant increase in the number of stakeholders or followers on its four digital platforms. Overall, the number of followers increased significantly from 14 125 at the beginning of the financial year to 20 131 or 42.5% by the end of the reporting period. In addition, a video was developed and uploaded on YouTube to market the 40th Annual Conference of the Association for Educational Assessment in Africa (AEAA) which will be hosted by Umalusi on 19-23 August 2024.

Media briefings, interviews and monitoring:

Umalusi organised three media briefings with the third one being organised jointly with other quality councils. The briefings created a platform to educate members of the public about the safeguards implemented to ensure the credibility of Umalusi qualification and the measures taken by Umalusi to curb unaccredited institutions from registering candidates for the national examinations. Concerning interviews, Umalusi participated in 90 media interviews (71 on radio and 19 on television) which were conducted by different national and regional radio and television stations. These helped Umalusi to reinforce its messages to the public about the measures taken to curb unaccredited institutions from registering candidates and the safeguards implemented to ensure the authenticity and credibility of Umalusi certificates. In terms of media monitoring, Umalusi received wide and positive media coverage during the reporting period across different media types (print, broadcast and online). While at the end of the first quarter of the year the number of mentions stood at 295, the number increased significantly to 879 or by 198% at the end of the financial year.

Publications:

A total of five editions of Makoya, the external newsletter, were published on different areas of Umalusi's work and shared with stakeholders. The first four were the normal quarterly editions while the fifth one was a special issue dedicated to the Accreditation Forum and Certificate Presentation Ceremony. These newsletters, which were shared widely with external stakeholders via the four social media platforms mentioned above, communicate the latest key messages about the work of the organisation to internal and external stakeholders. Aside from Makoya, Umalusi contributed an article titled "*Umalusi: Its guardianship of the basic education and post*

school education and training in South Africa" to Issue No. 12 of the International Association of Educational Assessment's (IAEA) Newsletter.

The foregoing activities have not only contributed immensely to the improved publicity of Umalusi at the national and international levels but have also educated stakeholders about Umalusi as a quality council.

Summary of major challenges and actions taken

There are two major challenges that were experienced during the period. The first one was the absence of the Stakeholder Relations Officer who had been deployed in the office of the CEO for about ten months. The other challenge was the extended sick leave of the Assistant Manager between the second and third quarters of the year. That resulted in the new Stakeholder Relations Officer taking on some of the responsibilities of the Assistant Manager immediately after being appointed.

Report against the tabled Annual Performance Plan

Table 6: Sub-programme PR & Comms outputs

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned Annual target 2023/24	Actual Achievement 2023/24	Deviation from planned Target to actual achievement 2023/24	Reasons for deviation
Efficient and effective administrative systems	1.1 Advocacy initiatives	1.1.1 Number of advocacy initiatives conducted	5	8	8	14	+6	The over achievement was as a result of unsolicited invites received from external stakeholders

Strategy to overcome areas of under-performance

There is no underperformance in this sub-programme.



Mr V Mathebula

AG, Senior Manager: ICT

Sub-Programme 1.3: Information and Communication Technology (ICT)

Purpose

The purpose of the ICT sub-programme is to manage, support and maintain Umalusi's ICT resources and provide support to business units.

Overview of the work done

Summary of key achievements

An online accreditation system was developed and deployed in June 2023. The purpose of this system is to improve the efficiency of the accreditation process at Umalusi. An enhanced version was released in October 2023. The self-evaluation module of the system was developed and deployed at the beginning of April 2024. The organisation continues to enhance the Certificate Replacement System to improve its usability and certificate replacement process.

To improve the security posture of Umalusi systems, the organisation implemented vulnerability assessment solutions on both the cloud environment and the on-premises environment. A cloud vulnerability assessment system was implemented to monitor all the workloads on the cloud infrastructure, while another vulnerability assessment tool was implemented to perform vulnerability assessments on the on-premises servers. Scans are performed periodically to assess the vulnerabilities and remedy them.

Summary of major challenges and actions taken

Quality Assurance of Assessment project: The development of the Quality Assurance of Assessment project was placed on hold due to the high staff turnover of ICT developers. Considering the time delay due to developer vacancies, user requirements were validated to ensure the development was based on the latest QAA instruments. The revised prototype was developed. The filling of these vacancies is being prioritised to ensure that the project can resume as soon as possible. The timeframes of this system will be monitored in the new financial year.

Report against the tabled Annual Performance Plan

Table 7: Sub-programme ICT outputs

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned Annual target 2023/24	Actual Achievement 2023/24	Deviation from planned Target to actual achievement 2023/24	Reasons for deviation
Efficient and effective administrative systems	1.2 Achieved ICT Network health score	1.2.1 ICT Network health score maintained at ≥97%	97%	97% (98+97+97+97)/4	≥97%	98% (97+98+98+97)/4	None	N/A

Strategy to overcome areas of under-performance

There is no underperformance in this sub-programme.



Mr M Mabelebele
Senior Manager: HCM

Sub-Programme 1.4: Human Capital Management (HCM)

Purpose

The purpose of this sub-programme is to implement HCM governance, attract top talent, cultivate a culture of continuous learning, ensure a transparent performance management system, offer attractive rewards and benefits, and ensure intellectual property is retained in the organisation. The sub-programme is responsible for attracting and retaining human capital by developing, reviewing, and implementing policies and standards and ensure adherence thereof in strengthening governance within the organisation.

Overview of the work done

Summary of key achievements

Maintenance of the vacancy rate below 10%

At the end of the first quarter of the financial year, the vacancy rate was at 19% and at the end of the fourth quarter, it stood at 5%. There was a reduction of 14% in the vacancy rate during this financial year. Management has initiated an improved turnaround strategy to fill the vacant positions. A total of 39 positions were filled of which nine were internal appointments.

Improving employee well-being

Management approved conditions of service for employees at salary levels 1 to 12. This was implemented in May 2023. The same was done for Senior Management Services (SMS) officials from salary levels 13 to 16 which was implemented in June 2023. All the salary increments were backdated to 1 April 2023. The approved housing allowance increment for 2023/24 was implemented in August 2023 for employees on salary levels 1 -10 and backdated

to 1 July 2023. Performance bonus payouts and notch increases for qualifying employees were processed in August 2023 for the 2022/23 financial year and backdated to 1 April 2023.

Additionally, the Government Employee Medical Scheme (GEMS) was launched for implementation with effect from 1 August 2023. Maximum employer contributions for employees belonging to GEMS who are principal members were implemented in January 2024. A medical allowance increase, of R100 for employees on salary levels 1 – 10 belonging to a medical aid / medical insurance appointed before 1 January 2024 and who opted not to belong to GEMS was implemented.

Strengthening governance by enhancing the HCM policies to ensure the smooth administration of processes and procedures regarding human capital life cycle activities

Nine reviewed HCM policies namely; the Recruitment Policy, Leave Policy, Remuneration Policy, Termination of Employment Policy, Employment Equity Policy, Policy on Financial Study Assistance, Long Service Award Policy, Medical Allowance on Retirement and Relocation Policy were presented to Council and approved, to ensure that policies are aligned to the legislations and that consistency is maintained in terms of the wording and definitions and to make the HCM operational processes more efficient for implementation.

The HCM unit organised the policy workshop for all the employees to make them aware of the amendments to the policies.

Implementing awareness programmes to enhance the well-being of employees

The appointed Employee Wellness Programme (EWP) service provider assists employees in managing their psychosocial challenges and ensuring a balanced work lifestyle. Desk drops and webinars to increase health awareness are conducted by the Employee Assistant Programme (EAP) service provider. Several awareness talks to educate and enhance the well-being of employees were conducted and presented by various service providers. During this reporting period, the organisation held two Employee Wellness Days where employees' health and wellness were promoted and to assist employees in achieving optimal health and productivity in the workplace. The following activities were rendered during the two wellness days: a talk on saving and investments, neck and shoulder massages, health risk assessments, vitamin B injections and flu vaccines, colour therapy, yoga class, eye testing, virgin active exercise session, Iridologists and HIV/

AIDS testing. These activities were the initiative of the organisation to show that management cares and takes employee wellness seriously.

Implementation of training and development

A total of 43 training interventions were approved at the beginning of the 2023/24 financial year. During the implementation of the approved training plan, several awareness talks, group training and additional training emanated from the operational plan for the capacity-building needs of certain units. Due to the emerging training interventions and awareness talks, the number escalated to a total of 56 training interventions and nine awareness talks. These training interventions and awareness talks play a vital role in ensuring that employees' skills and knowledge are enhanced.

Training and Development Challenges

Challenges are experienced with training dates from service providers/ colleagues. Some service providers require a certain number of delegates before training can take place which causes delays with the implementation of the Training Plan.

Implementation of the Employment Equity Plan

The Employment Equity and Training Committee (EETC) held five meetings during this reporting period of which one was a special meeting to discuss the submission of the implementation of the Employment Equity Plan to the Department of Labour (DOL). The term of office of the previous committee ended and new members were nominated. An orientation programme for the new members was conducted in February 2024.

Implementation of the Health and Safety Committee

The Health and Safety Committee (OHS) members including first aiders and firefighters were appointed

in August 2023 and will be trained in the upcoming financial year.

Implementation of the Performance Management Development System (PMDS)

The HCM Unit coordinated the moderation of performance assessments for the 2022/23 financial year. Performance moderation aims to ensure that the PMDS Policy is appropriately implemented, that employees' performance is evaluated fairly and consistently across the organisation, and that the PMDS Policy is applied equitably and fairly. The timeous submission of probation assessments and performance agreements by some of the units remains a challenge. To mitigate this challenge, the HCM Unit constantly follows up with delaying units and line managers. The submission of the employees' annual Performance Agreements for the new financial year was due at the end of March 2024.

Employee Climate Survey

The employee climate survey was conducted during this reporting period to determine how satisfied employees are within the organisation and to develop solutions to resolve issues that might arise during the survey.

Recruitment

Applications from suitably qualified and experienced designated groups, such as persons living with disabilities and coloured people, are scarce in the labour market and from the economically active populations. Management engaged recruitment agencies to assist on these issues but failed to recruit qualified candidates.

Report against the tabled Annual Performance Plan

Table 8: Sub-programme HCM outputs

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned Annual target 2023/24	Actual Achievement 2023/24	Deviation from planned Target to actual achievement 2023/24	Reasons for deviation
Efficient and effective administrative systems	1.3 Minimised vacancy rate	1.3.1 Average vacancy rate maintained at ≤10%	6% (6+6+6+5)/4	8% (7+8+9+8)/4	≤10%	10% (19+9+7+5)/4	None	N/A

Strategy to overcome areas of under-performance

There is no underperformance in this sub-programme.



Mr K Monate

Senior Manager: F&SCM

Sub-Programme 1.5: Finance and Supply Chain Management (F&SCM)

Purpose

The purpose of the F&SCM sub-programme is to ensure transparent, accountable and sound financial management, as well as to maintain a procurement system that is fair, equitable, transparent, competitive and cost-effective.

Overview of Performance

Summary of key achievements

- a. During the current financial year "FY" Umalusi has, on average, paid 3 170 valid invoices within nine days, against a target of 30 days.
- b. Umalusi created an asset by opening an investment account to fund the liability for post-retirement medical aid after obtaining approval from the National Treasury in the 2022/23 FY. A total amount of R6 million was invested in the account. This investment has generated interest of R346,236 as of 31 March 2024. The total balance as of 31 March 2024 is R6.3 million.
- c. Alignment of F&SCM Policies with the latest developments and legislative changes in the public sector to ensure continuous compliance with applicable prescripts.

Major challenges and actions taken

- a) In November 2023, Umalusi terminated a contract with the service provider responsible for asset management. The termination was caused by the service provider's decision to file for voluntary liquidation and deregister the company

due to tax-related matters that affected its compliance. The asset management software provided by the service provider was disabled, leaving Umalusi with the challenge of rebuilding the asset register manually. Umalusi appointed a replacement service provider in January 2024 to assist in asset management. However, rebuilding the asset register has brought enormous pressure on the staff, and it took a long time to have all assets properly accounted for.

- b) The Occupational Health and Safety findings as previously reported remained unresolved as of 31 March 2024. This is because Umalusi was still waiting for the full approval of the building plans from the City of Tshwane. Toward the end of March 2024, Umalusi was informed that there was only one stage left to complete the approval process.
- c) The development of the funding model is still a work in progress.

Report against the tabled Annual Performance Plan

Table 9: Sub-programme F&SCM outputs

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned Annual target 2023/24	Actual Achievement 2023/24	Deviation from planned Target to actual achievement 2023/24	Reasons for deviation
Efficient and effective administrative systems	1.4 Paid invoices	1.4.1 Average number of days for payment of creditors and suppliers	-	7 days (10+8+4+6)/4	30	9 days (6+10+9+10)/4	+21 days	Filled the vacant posts and streamlined the internal processes to improve the turnaround time.

Strategy to overcome areas of under-performance

There is no underperformance in this sub-programme.

Table 10: Linking performance with budgets

Sub-programme name	2022/2023			2023/2024		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
Programme/activity/objective	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Administration	76,132	69,177	6,955	80,050	96,975	(16,925)
Total	76,132	69,177	6,955	80,050	96,975	(16,925)

The Programme was allocated R80 million to provide support to core functions of Umalusi. However, the actual expenditure amounted to R97 million, which was 21% above budget. The over-expenditure was mainly caused by an increase in depreciation, computer software & licensing, and other IT-related equipment. A total amount of R43 million was spent on compensation for this Programme. The overspending on compensation was 5% more than the budget.



Mr E Sibanda

Executive Manager: Q&R

3.2. Programme 2: Qualifications and Research Programme

Purpose of the Programme

The purpose of the programme is to develop and manage an efficient and effective GFETQSF within the NQF and to undertake strategic research in support of that goal.

Sub-programmes

The Qualifications and Research programme is comprised of the following two sub-programmes:

Table 11: Programme 2 sub-programmes

Sub-programme		Purpose	Outcome
Sub-Programme 2.1	Qualifications, Curriculum and Certification (QCC)	The purpose of the QCC sub-programme is to manage the GFETQSF qualifications.	Enhanced educational standards
Sub-Programme 2.2	Statistical Information and Research (SIR)	The purpose of the SIR sub-programme is to provide a platform for research, statistical support and maintenance of learner databases to inform the Council's professional work and organisational strategy.	



Mr D Twala
Senior Manager: QCC

Sub-Programme 2.1: Qualifications, Curriculum and Certification (QCC)

The purpose of the QCC sub-programme is to manage the GFETQSF qualifications.

Overview of the work done

Summary of key achievements

Umalusi has gazetted its Policy and Criteria for Credit Accumulation and Transfer (as amended, 2022) for implementation. Umalusi Articulation policy within the GFETQSF and across the sub-frameworks of the NQF has been developed in terms of Section 8(2)(b) of the NQF Act (Act No. 67 of 2008), which requires the Minister to determine policy on NQF matters of the NQF Act and to publish the policy in the gazette. The Articulation policy has been submitted to the Department of Planning, Monitoring and Evaluation (DPME) for evaluation and vetting based on the Socio-Economic Impact Assessment Systems (SEIAS).

Umalusi has developed directives for the development of new curricula for an existing qualification and/or new qualification. The document also gives directives for reviewing examination or assessment guidelines and the intention to change the structure of a subject.

Summary of major challenges and actions taken

The application for online certification replacement has grown exponentially as the public becomes more aware of its benefits and convenience. Regarding the online certification system for replacement certificates, the number of inquiries has increased, as have the number of persons collecting certificates and the number of certificates couriered to candidates.

The DHET is working towards developing an assessment-driven approach to aid the implementation of the NASCA and has submitted a proposal to stakeholders to constitute a task team for this purpose. Umalusi has yet to receive a concept document from the DHET for the revised approach to the NASCA implementation. Umalusi has no control over this activity as it depends on the DHET. Similarly, developing certification directives for the General Education Certificate (GEC) is linked to the approval of the GEC and subsequent registration on the NQF. At this stage, the process has not commenced, pending the finalisation of the GEC Policy. Umalusi has no control over this activity as it depends on the DBE to finalise and submit the GEC Policy.

Report against the tabled Annual Performance Plan

Table 12: Sub-programme QCC outputs

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned Annual target 2023/24	Actual Achievement 2023/24	Deviation from planned Target to actual achievement 2023/24	Reasons for deviation
Enhanced educational standards	2.1 Reports on management of qualifications	2.1.1 Number of reports produced on the management of qualifications in the sub-framework	1	1	1	1	None	None
	2.2 Reports on the certification of learner achievements	2.2.1 Number of reports produced on the certification of learner achievements for qualifications in the sub-framework	-	4	4	4	None	N/A
	2.3 Reports on the verification of certificates issued	2.3.1 Number of reports produced on the verification of qualifications (certificates) in the sub-framework	-	4	4	4	None	N/A

Strategy to overcome areas of under-performance

There is no underperformance in this sub-programme.



Dr MA Mohale
Senior Manager: SIR

Sub-Programme 2.2: Statistical Information and Research (SIR)

Purpose

The purpose of the SIR sub-programme is to conduct research as identified by the needs of the organisation and report on the key indicators of quality and standards in the GFETQSF, create and maintain a culture of research in the organisation, establish and maintain databases, lead statistical research and analysis, inform and provide statistical support for the work in other units, and manage standardisation and statistical moderation processes.

Overview of the work done

Summary of key achievements

Umalusi has investigated how learners at the School of Skills can be accommodated in the General Education Certificate (GEC). The GEC requires a quality assurance model befitting its proposed assessment structure. Data was collected at the Schools of Skills; a report has been completed.

Umalusi conducted a literature review study to explore possible pass requirement approaches for the National Senior Certificate for Adults (NASCA), General Education and Training Certificate for Adults (GETCA), and GEC, considering their distinct characters, structures, outcomes, and systemic fit. The literature review aims to understand how other international education systems have set their pass requirements for their qualifications, similar to the NASCA, GETCA, and GEC. This ignites internal discussions on possible pass requirement approaches for NASCA, GETCA, and GEC. A literature review

report on pass requirements has been completed. Umalusi conducted another literature review study to devise an effective quality assurance model for Umalusi, focusing on maintaining educational standards at the Foundation, Intermediate, and Senior Phases exit points. Recognising the limitations of relying solely on high-stakes exams, the study explored diverse quality assurance approaches used in various sampled countries such as Brazil, China, Finland, Zambia, Namibia, and Malawi. A report has been completed.

Umalusi conducted a study to identify essential details and determine the comprehensibility level of examination guidelines. This was done by developing a framework for guiding the development and evaluation of these guidelines, ensuring that anyone using the examination guidelines for any subject receives adequate information and guidance when developing assessments. The framework was piloted, and recommendations from the pilot were incorporated into the framework and instrument. The report and instrument have been completed.

Umalusi has also conducted an investigation to establish whether the extent of similarity of the curricula of the NSC subjects and the comparable NC(V) subjects are adequate to allow for credit transfer for subject exemptions and certification purposes. The rationale of this study is twofold: Inform policy directives that will guide the articulation of learners within the GFETQSF by establishing the possibilities of credit transfer between the NSC and the NC(V) Level 4 qualifications for comparable subjects and to promote learners' learning pathways and lifelong learning and avoid repetition of learning already acquired. Data has been collected and analysed through subject reports and consolidated into a main report.

Finally, Umalusi has conducted the 2023 Post-Examination Analysis (PEA) for selected National Senior Certificate (NSC) examination subjects across the three assessment bodies. Ten DBE subjects and nine SACAI and IEB subjects were analysed. The findings were presented to the Assessment Standard Committee (ASC) in December 2023 and January 2024 standardisation meetings. The PEA resulted in three reports:

- a. 2022 NSC Post Examination Analysis: A focus on selected examinations administered by the Department of Basic Education (DBE)
- b. 2022 NSC Post Examination Analysis: A focus on selected examinations administered by the Independent Examinations Board (IEB)
- c. 2022 NSC Post Examination Analysis: A focus on selected examinations administered by the South African Comprehensive Assessment Institute (SACAI)

For continued advocacy and for maintaining the standards of Umalusi's quality assurance, Umalusi hosted a webinar on 4 October 2023 under the title "Online teaching and learning: Benefits, challenges and possible solutions". The webinar unpacked the impact of online learning and teaching, highlighted its advantages and common challenges, and proposed possible solutions. Umalusi must understand the different perspectives of experts in the newly emerging field of online assessments.

Umalusi has successfully standardised the examination results of the 2023 mid-of-year and 2024 end-of-year NSC, SC (a), GETC, NCV L2-4, Report 190/191 N2-

N3 Engineering studies, and IEB EOR March 2024 examination results.

Summary of major challenges and actions taken

Umalusi had planned to appraise NASCA African languages curricula, develop a NASCA discussion document and develop an all-encompassing plan to implement the NASCA. Umalusi could not conduct the appraisal solely because of the DHET's non-submission of key policy documents. Additionally, the Department of Basic Education (DBE) has not submitted the GEC's assessed curricula. Consequently, Umalusi will not be able to appraise the GEC-assessed curricula.

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Table 13: Sub-programme SIR outputs

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned Annual target 2023/24	Actual Achievement 2023/24	Deviation from planned Target to actual achievement 2023/24	Reasons for deviation
Enhanced educational standards	2.4 Completed research reports	2.4.1 Number of research reports completed in various formats	5	5	6	6	None	N/A

Strategy to overcome areas of under-performance

There is no underperformance in this sub-programme.

Table 14: Linking performance with budgets

Sub-programme name	2022/2023			2023/2024		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
Programme/activity/objective	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Qualifications and Research	30,089	33,876	3,787	32,853	28,656	4,197
Total	30,089	33,876	3,787	32,853	28,656	4,197

The programme was allocated R32.9 million in the current financial year. The actual expenditure was R28.7 million, which was 13% less than the budget. The underspending emanated mainly from compensation. The Programme was allocated R21.8

million for compensation in the current financial year and only spent R19.5 million. The Programme has also underspent on goods and services by 29%. Allocation for goods and services was R11 million, and only R7.9 million was spent during the current financial year.



Dr E Sujee
Executive Manager: QAM

3.3. Programme 3: Quality Assurance and Monitoring Programme

Purpose of the programme

The purpose of this programme is to ensure that the providers of education and training have the capacity to deliver and assess qualifications registered on the GFETQSF and are doing so to the expected standards and quality.

Sub-programmes

The Quality Assurance and Monitoring programme is comprised of the following three sub-programmes:

Table 15: Programme sub-programmes

Sub-programme		Purpose	Outcome
Sub-Programme 3.1	Quality Assurance of Assessment: School Qualifications	The purpose of this sub-programme is to ensure the credibility of the assessment and examination results of school qualifications registered on the GFETQSF.	Enhanced educational standards
Sub-Programme 3.2	Quality Assurance of Assessment: Post-School Qualifications	The purpose of this sub-programme is to ensure the credibility of assessment and examination results of post-school qualifications registered on the GFETQSF.	
Sub-Programme 3.2	Evaluation and Accreditation	The purpose of this sub-programme is to quality assure the delivery of qualifications registered on the GFETQSF at private education institutions and the capacity of private assessment bodies to assess those qualifications.	



Ms ML Madalane
Senior Manager: QAA: SQ

Sub-Programme 3.1: Quality Assurance of Assessment: School Qualifications

Purpose

The function of the sub-programme is to establish, maintain and improve standards in the assessment of school qualifications registered on the GFETQSF through quality assurance of assessment processes in general and further education and training through quality assurance processes as noted below.

Overview of the work done

Summary of key achievements

Umalusi met its targets to conduct quality assurance of all the processes leading to the NSC qualification administered by three assessment bodies offering the NSC qualification, namely, DBE, IEB and SACAI. The following are some of the notable achievements:

Moderation of question papers

The question papers and accompanying marking guidelines for the November 2023 and June 2024 NSC examinations were moderated and approved before the commencement of the examinations. All the approved question papers and the accompanying marking guidelines met the required standard. The candidates who undertook the June 2023 and November 2023 NSC examinations were neither advantaged nor disadvantaged.

Moderation of SBA

The quality assurance of school-based assessments (SBA) is pivotal as the SBA mark contributes twenty-five per cent to the candidate's final mark. The entity quality assures the SBA to ensure that common standards in the quality of SBA tasks are maintained across subjects and assessment bodies. Umalusi

quality assured SBA across the three assessment bodies (DBE, IEB and SACAI).

For the DBE, the entity conducted the quality assurance of the SBA across the nine provincial education departments (PED) in two phases. Phase 1 entailed the moderation of the teacher files to verify the quality and standard of the assessment tasks carried out, as well as the effectiveness of the measures put in place to ensure the quality of assessment of the tasks, including moderation. Phase 2 of the DBE SBA moderation focused on the teacher and learner files. The focus of Phase 2 was on learner evidence of performance. An improvement in the quality of reports provided by the provincial and national moderators, especially the feedback provided to learners and teachers, was noted. However, the administration of assessment tasks that are not Curriculum and Assessment Policy Statement (CAPS) compliant and poor quality of internal moderation or lack thereof remain challenges that the DBE needs to address.

There was evidence of the maintenance of appropriate standards in the conduct, administration and management of internal assessment (SBA, practical assessment task (PAT) and oral assessment) for SACAI across subjects sampled for moderation. Marked improvement in the quality of internal moderation in mathematics was noted in all centres/schools sampled for moderation compared to previous years.

The entity noted significant improvements in the internal moderation of the IEB SBA, PAT, and oral assessment of the subjects sampled for moderation.

Monitoring the conduct, administration, and management of examination processes

The state of readiness (SOR) is among the key critical quality assurance processes conducted by Umalusi. During the period under review, the key focus area of tracking the issued directives was monitored closely, and it was found that all three assessment bodies, i.e. the IEB, DBE and SACAI, were able to action the mitigating strategies they presented during the audit satisfactorily. The collaborative effort between the entity and assessment bodies was achieved to ensure that the required evidence was verified. A report on the state of readiness was presented to the Portfolio Committee on Basic Education and the public was briefed during the media briefing held on 13 October 2023.

This year, monitoring of the writing and marking of the examinations was undertaken across sampled examination and marking centres to determine

the credibility of the National Senior Certificate examinations. Overall, there was an acceptable level of compliance across the monitored centres. The reports suggested that the examinations were administered in accordance with the prescripts of the Regulations Pertaining to the Conduct, Administration and Management of the NSC examinations. A reduction of examination irregularities was noted, and the reported irregularities were not systemic and, therefore, did not compromise the overall credibility and integrity of the NSC examinations.

Standardisation of marking guidelines

Umalusi participated in the marking guideline standardisation meetings for all the DBE question papers for both the June and November examinations and for the sampled subjects in the IEB and SACAI as well as for both the June and the November examinations. All the marking guidelines were approved for use after a rigorous process of enhancing them by considering the responses that the markers picked up during the pre-marking process.

Verification of marking and remarking

Verification of marking and remarking is conducted to determine whether the approved marking guidelines are adhered to by assessment bodies and applied consistently across the subjects and marking centres. This was done to confirm if marking was fair, reliable and valid. Notable improvement was observed in the application of the approved marking guidelines and moderation across various levels in most marking centres in all assessment bodies in December 2023. However, for the DBE, substandard or poor quality of marking and internal moderation were observed, especially in South African Sign Language (SASL) Home Language Paper 2 and Paper 3.

The quality of marking in subjects sampled for the verification of marking for the SACAI was mainly up to the required standard. However, the candidates' performance in the subjects verified was of concern. The lack of evidence of internal moderation in the IEB Mandarin Second Additional Language (SAL) Paper 1 and Paper 2 was of particular concern.

The entity participated in verifying the remarking of the SACAI November 2023 examinations in five subjects. This resulted from the public outcry on the SACAI November 2023 NSC results. The findings on

verifying the remarking confirmed that the marking of the SACAI November 2023 NSC examinations was generally accurate.

Approval of examination results

Following the conduct, administration and management of the examinations by the assessment bodies and the monitoring thereof by the entity, both the assessment bodies and the entity present their reports to the Executive Committee (EXCO). EXCO, which is mandated to approve the results, considers the reports to make an informed decision on whether to approve the examination results.

The June and November 2023 NSC examination results were approved for release during meetings held as follows:

- IEB approval of June 2023 NSC examination results was held on 28 June 2023,
- SACAI approval of June 2023 NSC examination results was held on 24 July 2023,
- DBE approval of June 2023 NSC/SC(a) examination results was held 31 July 2023, and
- The November 2023 NSC examination results were approved for all three assessment bodies on 12 January 2024.

Quality assurance of assessment report

Reports were produced for all the examinations, and quality was assured. Three reports were published for the period under review.

Summary of major challenges and actions taken

The change of examination centres without notifying Umalusi timeously during the conduct and administration of the June 2023 NSC examinations was a challenge. The Assessment Bodies were urged to submit updated lists.

The assessment bodies' late submission of internal moderator reports compelled the staff to work overtime to ensure that the qualitative input reports were finalised and shared timeously with the Assessment Standards Committee.

The late finalisation of the plans for centralised marking impacted the planning of the Verification of Marking process. As a result, the entity constantly reminded the DBE to share the plans.



Dr M Dliwayo
Senior Manager: QAA: PSQ

Sub-Programme 3.2: Quality Assurance of Assessment: Post-School Qualifications

The purpose of this sub-programme is to ensure the credibility of assessment and examination results of post-school qualifications registered on the GFETQSF.

Purpose

The function of the sub-programme is to establish, maintain and improve standards in the assessment of post school qualifications registered on the GFETQSF through quality assurance of assessment processes.

Overview of the work done

Summary of key achievements

The following achievements are noted for the year under review:

Overview of completed tasks

The achievements of the Quality Assurance of Assessment: Post School Qualifications (QAA: PSQ) sub-programme are listed below.

Moderation of Question Papers

Umalusi conducts external moderation of question papers and marking guidelines to maintain standards. The moderation of question papers is a critical quality assurance process, and it ensures that question papers are relatively fair, valid, and reliable. The moderation process also ensures that question papers are presented in the appropriate format and are technically correct. During this reporting period, 100% of sampled post school qualifications question papers were received, quality assured in accordance with the Umalusi criteria and approved if they met all set criteria. Question papers that did not meet all criteria at first moderation were either conditionally approved

or rejected. These question papers were further moderated until the required standard was met.

Moderation of Site Based Assessment Tasks (SBA)

The moderation of SBA tasks is a critical stage in the quality assurance process. It ensures that SBA tasks comply with Umalusi quality assurance of assessment requirements and the assessment bodies' subject assessment guidelines. Umalusi conducts the external moderation of SBA tasks to ensure that common standards in terms of the quality of SBA tasks, are maintained. Umalusi received, quality assured and approved 52 SBA tasks from the Department of Higher Education and Training (DHET) and three SBA tasks from the Independent Examinations Board (IEB).

Moderation of ICASS/SBA Portfolios/ISAT Conduct

Umalusi verifies compliance with the stipulations of the internal continuous assessment (ICASS) Instructions/SBA guidelines for different qualifications and programmes. Through this process, Umalusi identifies problem areas in the implementation of ICASS/SBA, recommends solutions to the challenges identified and reports on the quality of ICASS/SBA portfolios to the assessment bodies.

In the 2023/24 financial year, Umalusi conducted internal assessments moderation for 195 subjects for the Technical and Vocational Education and Training (TVET) qualifications. The sample for the period 2023/24 included a new NC(V) subject (Robotics Fundamentals Level 2) that was introduced by the DHET in 2024.

The monitoring and moderation of internal assessment was conducted in line with Umalusi's criteria for the quality assurance of internal assessment. Preliminary feedback was provided at the sites visited. Consolidated reports on the findings, including areas of best practice, areas of non-compliance, and directives for compliance and improvement that need to be addressed, were communicated to the assessment bodies as part of the Quality Assurance of Assessment (QAA) reports.

Monitoring of the Writing and Marking of Examinations

Monitoring of the conduct, administration and management of examinations is undertaken to determine compliance with policies and guidelines that govern examinations.

Umalusi monitored the writing and marking of the following examinations:

- i. NATED Report 190/191 Engineering Studies N2-N3 April 2023, August 2023 and November 2023 examinations.

- ii. National Certificate (Vocational) November 2023 and March 2024 supplementary examinations.
- iii. GETC: ABET June 2023 and November 2023 examinations of the DHET, SACAI and IEB.
- iv. Examinations on Request for September 2023 and March 2024 of the IEB.

Umalusi monitored the writing of examinations at 216 GETC: ABET centres in the 2023/24 financial year; 145 for DHET, 43 for IEB and 28 for SACAI. For the TVET qualifications, writing was monitored at 101 examination centres across the nine provinces for the November 2023 and March 2024 supplementary examinations.

The marking of the April, August and November 2023 NATED Report 190/191 Engineering Studies N2-N3 examinations was monitored at 23 marking centres across the nine provinces. Eight marking centres were monitored for marking the November 2023 NC(V) and three for the March 2024 NC(V) supplementary examinations. A total of eight GETC: ABET marking centres were monitored in the 2023/24 period for four IEB examination cycles, two DHET examination cycles, and two examination cycles for the SACAI.

The monitoring of the conduct, administration and management of examinations provided Umalusi with information on the credibility of the examinations enabling it to make informed decisions regarding the approval of the release of results.

Standardisation of Marking Guidelines

The marking guidelines undergo standardisation to ensure that the finalised marking guidelines are fair, accurate and consistent so that fairness is achieved to the marking process. It is essential that marking guidelines are discussed with markers to ensure that all possible responses and corrections are agreed upon and that any changes or additions are approved.

Umalusi attended 46 GETC: ABET standardisation of marking guideline meetings of the DHET, 17 for the IEB and 14 for the SACAI June and November 2023 examinations. The IEB meetings included those for the March and September examinations on request.

For the NC(V) qualification, the standardisation of marking guidelines was monitored in 69 subjects for the November 2023 examinations. The standardisation of marking guidelines was monitored for eight instructional offerings each during the April and August 2023 NATED Report 190/191 Engineering Studies N2-N3 examinations and 42 instructional offerings during the November 2023 examinations.

The marking guidelines were standardised according to Umalusi's management plans and reported in line with the revised reporting instruments for this process. Consolidated reports include directives to the

assessment bodies on areas that require improvement to ensure compliance. These reports were shared with the assessment bodies as part of the QAA reports.

Verification of Marking

This process is conducted to ensure that marking is credible and accurate, to determine whether the approved marking guidelines are adhered to and applied consistently, to ascertain that effective internal moderation takes place, to identify possible irregularities and to confirm that marking is fair, reliable and valid.

Umalusi verified marking in 35 GETC: ABET learning areas of the DHET and 14 learning areas of SACAI covering the June and November 2023 examinations. For the IEB, Umalusi verified the marking of 17 learning areas, including that of the March and September examinations on request. Verification of marking was also conducted for 91 subjects for the NC(V) November 2023 examinations. This sample included three new subjects (Robotics Fundamentals Level 2, Introduction to Technical Programming Level 2 and Electronics Control and Digital Concepts for Robotics Level 2) introduced in 2023. For the NATED Report 190/191 Engineering Studies N2-N3 examinations, the marking of scripts was verified for 32 instructional offerings during August 2023 and 45 during November 2023.

The verification of marking was conducted by the external moderators according to Umalusi's criteria for this quality assurance of assessment process for 12 examination cycles. Umalusi staff members monitored the verification of marking at various marking centres. The consolidated reports were shared with the assessment bodies.

Approval of examination results

Post the conduct, administration and management of the examinations, Umalusi and the assessment bodies present reports to the Executive Committee (EXCO) of Council on the quality assurance and the conduct, administration and management of the examinations, respectively. Based on these reports, the EXCO can approve or not approve the release of the examination results.

The EXCO approved the release of 13 examination results conducted in the period 2023/24:

- a. The IEB GETC: ABET June 2023 examinations on 26 July 2023;
- b. The SACAI GETC: ABET June 2023 examinations on 26 July 2023
- c. The DHET GETC: ABET June 2023 examinations on 4 August 2023;
- d. The IEB GETC: ABET September 2023 EoR on 6 October 2023;
- e. The DHET GETC: ABET November 2023 examinations on 9 January 2024;

- f. The IEB GETC: ABET November 2023 examinations on 12 January 2024;
- g. The SACAI GETC: ABET November 2023 examinations on 12 January 2024;
- h. The IEB GETC: ABET March 2024 EoR on 26 March 2024;
- i. The DHET NC(V) March 2023 supplementary examinations on 11 April 2023;
- j. The DHET NATED Report 190/191 Engineering Studies N2-N3 April 2023 examinations on 19 May 2023;
- k. The DHET NATED Report 190/191 Engineering Studies N2-N3 August 2023 examinations on 6 September 2023;
- l. The DHET NATED Report 190/191 Engineering Studies N2-N3 November 2023 examinations on 9 January 2024; and
- m. The DHET NC(V) Level 2-4 2023 November 2023 examinations on 9 January 2024.

Quality Assurance of Assessment Reports

Six consolidated quality assurance reports were published in the period under review.

Umalusi achieved the APP targets even though the samples were reduced due to the budget cuts.

Report against the tabled Annual Performance Plan

Table 16: Sub-programme QAA outputs

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned Annual target 2023/24	Actual Achievement 2023/24	Deviation from planned Target to actual achievement 2023/24	Reasons for deviation
Enhanced educational standards	3.1 Published quality assurance of assessment reports	3.1.1 Number of quality assurance of assessment reports published for qualifications registered on the GFETQSF	10	9	9	9	None	N/A
	3.2 Approved question papers	3.2.1 Percentage of question papers approved per qualification	100% (982/982)	100% (1 014/1 014)	100%	100% (1 079/1 079)	None	N/A
	3.3 Audited assessment bodies for state of readiness	3.3.1 Number of assessment bodies audited for their state of readiness to conduct examinations	4	4	4	4	None	N/A
	3.4 Verified marking	3.4.1 Number of subjects for which verification of marking is conducted	93	92	92	92	None	N/A
	3.5 Moderated internal assessment	3.5.1 Number of subjects for which moderation of internal assessment is conducted	198	190	195	195	None	N/A

Strategy to overcome areas of under-performance

There is no underperformance in this sub-programme.



Ms C Thomas
Senior Manager: E&A

Sub-Programme 3.3: Evaluation and Accreditation

Purpose

The purpose of this sub-programme is to quality assure the delivery of qualifications registered on the GFETQSF at private education institutions and the capacity of private assessment bodies to assess those qualifications.

Overview of the work done

Summary of key achievements

Over and above the day-to-day processes involved in evaluating and reporting on applications for accreditation, there have been a number of key achievements in the 2023/24 financial year. Of note was a successful hybrid Accreditation Forum and Accreditation Certificate Award Ceremony with 115 attendees in person and 993 online attendees. There was much engagement on issues pertaining to private education institutions, proving that this type of event is vital to provide a platform to engage directly with stakeholders on matters relating to the work of Umalusi.

The mushrooming of online schools offering the National Curriculum Statement (NCS) leading to the National Senior Certificate (NSC) has required Umalusi to engage in earnest on this matter. In so doing, input has been provided to the Department of Basic Education on the Framework for Regulation of Online Schools. Further, staff of Umalusi have undertaken visits to some online schools to gain a better understanding of the sector, and an instrument for accreditation of online schools is being developed in preparation for the regulation of online schools. Furthermore, there has been engagement with assessment bodies about

Umalusi's non-negotiables that assessment bodies registering candidates from online schools offering the NSC must adhere to.

Although registration and accreditation are separate processes by separate entities, the processes are interrelated. Formal engagement with the Department of Basic Education, Provincial Education Departments, and the Department of Higher Education and Training has contributed to a better understanding of Umalusi's processes and how they relate to private education institutions.

The Accreditation Committee of Council made the following recommendations in the financial year:

- **Accreditation:**
48 independent schools
- **7 years accreditation:**
2 FET private colleges and 1 AET private college
- **2 years provisional accreditation:**
43 independent schools and 3 FET private colleges
- **No accreditation:**
30 independent schools, 20 FET and 2 AET private colleges
- **Window period to improve:**
57 independent schools, 10 FET and 1 AET private colleges
- **Extension of scope granted:**
7 independent schools
- **Continued accreditation (monitored institutions):**
180 independent schools, 3 FET and 1 AET private colleges
- **Final notice of intent to withdraw accreditation:**
15 independent schools, 3 FET and 2 AET private colleges
- **Withdrawal of accreditation:**
8 independent schools and 1 FET private college

In addition, a private assessment body was monitored and granted continued accreditation to assess the National Senior Certificate (NSC) and the General Education and Training Certificate: Adult Basic Education and Training.

Summary of major challenges and actions taken

The online accreditation system continues to pose challenges to the organisation and institutions applying for accreditation. The challenges are referred to ICT developers for technical assistance. The unit staff maintain spreadsheets to keep records of the processes followed. The manual record-keeping and processes add workload to an already overstretched workforce.

An increase in misrepresented evidence submitted by institutions during the accreditation process means that those involved in processing applications must be vigilant. A Memorandum of Understanding

has been signed with the South African Council for Educators to facilitate checking of documents for authenticity.

There is an evident lack of understanding of the mandate of Umalusi amongst the public, leading to queries about the accreditation status of institutions and qualifications across all three Quality Councils as well as registration queries which should be directed to the relevant education departments, instead are being directed to Umalusi. Continual awareness programmes are encouraged, as well as using opportunities to educate the public through media briefings and webinars.

Report against the tabled Annual Performance Plan

Table 17: Sub-programme E&A outputs

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned Annual target 2023/24	Actual Achievement 2023/24	Deviation from planned Target to actual achievement 2023/24	Reasons for deviation
Enhanced educational standards	3.6: Accreditation outcomes for private education institutions	3.6.1: Percentage of accreditation outcomes for private education institutions finalised within 12 months of the site visit	100% (176/176)	99.26% (270/272)	87%	98.16% (213/217)	+11.16%	It is difficult to control the circumstances that lead to the delay of finalising a report. The aim is to finalise all reports as soon as possible.
	3.7: Monitored private education institutions	3.7.1: Percentage of identified private education institutions monitored after being granted accreditation	90.1% (336/373)	94.67% (142/150)	90%	97.09% (200/206)	+7.09%	A concerted effort by staff to follow up with institutions to be monitored

Strategy to overcome areas of under-performance

There is no underperformance in this sub-programme.

Table 18: Linking performance with budgets

Sub-programme name	2022/2023			2023/2024		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
Programme/activity/objective	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Quality Assurance and Monitoring	82,977	85,726	(2,749)	84,525	79,279	5,246
Total	82,977	85,726	(2,749)	84,525	79,279	5,246

This Programme received a budget of R84.5 million in the current financial year. The actual expenditure for the year was R79.3 million, which was 6% below budget. The Programme spent a significant portion of its budget during the year for the moderation of question papers, verification of marking and examination monitoring for both schools and further education and training (FET). The underspending emanated mainly from compensation. The Programme was allocated R33 million for compensation, and only spent R30 million. E&A had also underspent by R2.2 million on goods and services.

Response to prioritising women, youth, and persons with disabilities



PILLAR: ACCOUNTABILITY, COORDINATION AND LEADERSHIP

Bold leadership and strengthened accountability across government and society that responds strategically to gender-based violence and femicide (GBVF) with clear messaging and adequate technical and financial resources

Umalusi is reviewing its sub-framework policy, which will address some of the issues of GBVF. The organisation has appointed an Employment Equity and Training Committee to monitor the implementation of the Employment Equity (EE) Plan and to make recommendations to management to ensure that the EE targets are prioritised within the organisation.

The contract for independent contract workers was reviewed to accommodate the lesbian, gay, bisexual, transgender, queer, intersex and asexual (LGBTQIA+) community. The policy will be presented at the next Policy Advisory Forum meeting.

Umalusi uses the approved Disciplinary and Procedure Policy and the Grievance and Procedure Policy to address misconduct and harassment in the workplace. Through the Human Capital Management sub-programme, the organisation reviewed the Employment Equity Plan. The Department of Labour approved the plan.

The organisation held two awareness talks in the quarter under review on conflict management and diversity inclusiveness to empower Umalusi staff members to have a culture of tolerance towards their colleagues and to encourage team cohesion and a harmonious workplace.

Strengthened multisectoral coordination and collaboration across different tiers of government and sections of society based on relationships of trust that give effect to the pillars of the national strategic plan on GBVF

The DBE's SAGs are being reviewed to ensure that topics dealing with GBVF are covered in the curriculum.



PILLAR: PREVENTION AND REBUILDING SOCIAL COHESION

Changed behaviour and social norms within key groups as a result of the rollout of evidence-based prevention interventions

Umalusi has decided to recognise non-Christian holidays and celebrations to accommodate other faiths and religions. This will promote inclusivity and diversity within the organisation. The organisation has also embarked on a process to review the directives for developing new curricula and the existing ones to address issues of sexual and gender identities.

Umalusi collaborates with the Employee Wellness Programme (EWP) service provider to conduct awareness talks in line with the global calendar activities. In addition, an awareness talk, on gender-based violence (GBV) was organised through a service provider on 11 March 2024 to provide staff with knowledge about GBV.

Shift away from toxic masculinities towards embracing positive alternative approaches for expressing masculinities and other sexual and gender identities within specific communities and groups

Umalusi has appointed the EETC to oversee the fair and equal treatment of all employees within the organisation and to ensure that none of the organisational policies are discriminatory against any employee of Umalusi.

Directives for the quality assurance of curricula have been reviewed to include the provision that all curricula must conform to the provisions of the South African Constitution.

In addition, Umalusi uses the criteria for the moderation of question papers to ensure no bias against GBV and any social norms. To this effect, all the approved question papers met this criterion.

Umalusi's quality assurance of assessment (QAA) instruments are free from bias against social norms and gender. In addition, one of the criteria for the moderation of question papers ensures that there is no bias against gender-based violence (GBV) and any social norms. All the approved question papers met this criterion in Quarter 3.



PILLAR: ECONOMIC EMPOWERMENT

Accelerated initiatives that address women's unequal economic and social position through access to government and private sector procurement, employment, housing, access to land, financial resources and other income-generating initiatives

To empower the designated groups, the organisation renewed the contracts of 32 independent contract workers, 20 (62.5%) of which were for women in the first quarter. Umalusi also extended the contract for one deaf moderator in quarter 1. In addition, 54% of the applicants recommended for the final stage in the appointment process as Independent Contract Workers for independent schools in quarter 3 were female. As a result, two females were appointed in Quarter 3. The organisation continues to encourage all the designated groups to apply for the vacant positions at Umalusi in line with the Employment Equity Plan.

The organisation increased parking for people with disabilities from three to five parking bays, two of which were added at the Thuto-Mfudo Building.

Umalusi updated its Supply Chain Management Policy to prioritise the designated groups when sourcing quotations. During the year under review, Umalusi appointed twelve (12) suppliers categorised as Small, Medium and Macro Enterprises (SMMEs) for procurement of goods and services with a total contract value of R13 866 264. These enterprises are 84.9% owned by black people. In addition, 46.8% of these black people are black women and 28% are youth.

During this financial year, all the HCM employment documents have been amended to include "other" as an option for those who do not identify as male or female. The HCM Unit is in the process of investigating the possibility of developing a GBV Policy.

Safe workplaces that are free of violence against women and LGBTQIA+ persons, including, but not limited to sexual harassment

The recruitment policy was reviewed to ensure that employees are not discriminated against and that all adverts are advertised internally and externally.

Umalusi has an approved recruitment policy that does not condone discrimination. The policy also allows union representatives to attend the interviews to ensure that no candidates are disadvantaged or discriminated against.

Umalusi is contacting various sector education and training authorities (SETAs) to secure the Discretionary Grant to employ interns within the organisation.



PILLAR: RESEARCH AND INFORMATION MANAGEMENT

Improved understanding of the extent and nature of GBVF, broadly and in relation to specific groups and forms in South Africa

A research project has been completed to understand how the GEC can accommodate learners in schools of skills. These are learners who, compared to their peers, exhibit a pronounced delay in the development of higher-order thinking abilities and have trouble grasping and retaining information.

Strengthened use of existing research findings to shape GBV policy and programming interventions

Findings from the appraisal of the Year 1 to 4 curricula of the School of Skills are being used to strengthen gaps in Umalusi's policies.

The organisation engaged moderators of the DBE's Mathematical Literacy question paper, who were found not to be sensitive in using the word "Palestine" in the question paper, as this could spark issues of bias. The moderators were advised always to be sensitive to issues of this nature.

Challenges encountered by the public entity when prioritising delivery for these designated groups

The following challenges are encountered in the recruitment prioritisation of the designated groups:

- a. Umalusi does not have people with disability in its employ. Although this aspect is indicated in the advert, there were no applications from this designated group.

Corrective steps to be taken in dealing with challenges

The organisation will continue to indicate in the recruitment advertisements and encourage youth and people with disabilities to apply.

4. REVENUE COLLECTION

Sources of revenue	2022/2023			2023/2024		
	Estimate	Actual amount collected	(Over)/under collection	Estimate	Actual amount collected	(Over)/under collection
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
DBE grant	162 031	162 031	-	162 945	162 945	-
Accreditation	7 320	7 321	1	10 796	7 264	3 532
Certification	5 706	4 418	1 288	2 776	7 827	(5 051)
Verification	11 472	15 488	(4 016)	13 249	18 448	(5 199)
Other income	13 121	9 858	3 263	7 662	9 154	(1 492)
Total	195 023	199 115	1 401	186 636	205 640	(8 210)

A grant from DBE increased by 0.6% from R162 million in the 2022/23 financial year to R162.9 in the 2023/24 financial year. Own revenue has increased by 15% from R37 million in the 2022/23 financial year to 42.7 million in the 2023/24 financial year. The 15% increase in own revenue has moved the grant and own revenue ratio from 81:19 in the 2022/23 financial year to 79:21 in the 2023/24 financial year.

5. CAPITAL INVESTMENT

Infrastructure projects	2022/2023			2023/2024		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Refurbishment of the Thuto-Mfundo building	41,713	36,116	5,597	-	9,174	(9,174)
Total	41,713	36,116	5,597	-	9,174	(9,174)

The refurbishment of the Thuto-Mfundo building has been completed and has been in use by Umalusi's employees since 12 February 2023. The final account was settled in the current financial year and final certificate of completion was also handed over to Umalusi in the current financial year.

PART

C

Governance



1. THE ACCOUNTING AUTHORITY – COUNCIL

1.1. Introduction

The Public Finance Management Act (PFMA), Act 1 of 1999, as amended, provides for the establishment of accounting authorities for public entities to be accountable for the purposes of the Act. The Council is an accounting authority for Umalusi and is accountable and responsible to the Minister of Basic Education for the performance and affairs of Umalusi.

Chapter 4 of the Umalusi Council Charter, as reviewed and approved by the Council in November 2021, sets out the responsibilities of the Council as established in terms of Section 6 (1)(a) of the GENFETQA (Act no. 58 of 2001), as amended in 2008. The Charter empowers the Council to facilitate effective operation per the principles of good corporate governance.

The Council's key critical responsibilities include formulating, monitoring, and reviewing the organisation's strategy, annual budgets and business plans, and the risk management strategy of Umalusi.

1.2 Achievements

As reported in Part B of this report, the Council strengthened leadership in governance through the appointment of Professor Thabo Msibi as the Deputy Chairperson of the Council in line with Chapter 9.4 of the Council Charter as well as Chapters 5.1 and 5.2 of the Terms of Reference (ToR) of the Executive Committee (EXCO) of the Council. Vacancies that occurred in the period under review were also filled in the governance committees, including Dr Bongwiwe

Hobololo's appointment to the Umalusi Research Forum and Dr Rechelle Jacobs to the Assessment Standards Committee (ASC).

In addition, the Minister of Basic Education, Mrs MA Motshekga, appointed Ms Thembisa Futshane and Dr Barney Mthembu as the Council members representing the DBE as well as the Department of Higher Education and Training (DHET). To this end, only one vacancy exists in the Council after the resignation of Professor Tinyiko Maluleke. Though it is outside the current reporting period, Dr R.E Moraka has since been appointed as his replacement.

The Council further, in the same principles, reviewed the ToRs of the EXCO. The changes in these Terms of Reference have been introduced to close the gap of not having a Remuneration Committee (RemCom) as a committee of the Council. EXCO has been addressing remuneration matters in the past as a delegated function; however, this was not stated in the current EXCO's Terms of Reference.

The Council also strengthened internal controls in the organisation by approving the reviewed Charter of the Information and Communications Technology Oversight Committee (ICTOC). In addition, the Council approved the creation of the newly established position of Chief Risk Officer to ensure effective risk management in the organisation.

The Council recently celebrated its 100th Council meeting in February 2024, which is seen as a great milestone in its fiduciary role to ensure that there is proper governance administration in the organisation.

1.3. Composition of the Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise
Prof. Y Ballim	Chairperson	8/06/2022	n/a	• PhD	• Civil Engineering, Education and Leadership
Mr D Hindle	Member	8/06/2022	n/a	• BEd Hons	• Sociology & Comparative Education
Dr MS Rakometsi	CEO	8/06/2022	n/a	• PhD	• Education
Mr NT Johnstone	Member	8/06/2022	n/a	• BSc • HE Diploma	• Physiology • Education • Finance • Governance
Advocate MJ Merabe	Member	8/06/2022	n/a	• LLM	• Education Law
Prof. M Metcalfe	Member	8/06/2022	n/a	• Masters in education	• Education
Dr C Myburgh	Member	8/06/2022	n/a	• PhD	• Industrial Psychology, Higher Education • Governance
Mr V Naidoo	Member	8/06/2022	n/a	• B. Paed • BEd (Hon)	• Vocational Education and Training • Quality Assurance • Skills Development
Dr W Green	Member	8/06/2022	n/a	• PhD	• Teacher Education • Higher Education
Ms F Solomon	Member	8/06/2022	n/a	• Diploma in Education • BA • ACE	• Education Policy • Education Labour Relations
Prof. TP Msibi	Deputy Chairperson	8/06/2022	n/a	• B.Ed. • B.Ed. (Hons) • Ed. M • PhD	• Education

Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
<ul style="list-style-type: none"> • CSIR; ABB Education Trust; • Gallagher Foundation Trust 	<ul style="list-style-type: none"> • EXCO • Assessment Standards Committee (ASC) 	6/6
<ul style="list-style-type: none"> • ETDp SETA • SADTU SACCO 	<ul style="list-style-type: none"> • EXCO • Qualifications Standards Committee (QSC) 	6/6
<ul style="list-style-type: none"> • CHE • Helderberg College Council • QCTO • SAQA 	<ul style="list-style-type: none"> • <i>Ex-officio</i> member of all Umalusi Council Committees 	6/6
<ul style="list-style-type: none"> • Independent Examinations Board • JET Education Services • Christian Brothers Association 	<ul style="list-style-type: none"> • Member Umalusi Audit and Risk Committee (ARC) 	5/6
N/a	<ul style="list-style-type: none"> • Chairperson: Accreditation Appeals Committee 	5/6
<ul style="list-style-type: none"> • PILO • SAIDE • Claude Leon Trust 	<ul style="list-style-type: none"> • Research Forum 	6/6
N/a	<ul style="list-style-type: none"> • Chairperson of the Accreditation Committee of Council (ACC) 	5/6
<ul style="list-style-type: none"> • SAQA • Umalusi • QCTO • NSA 	<ul style="list-style-type: none"> • <i>Ex-officio</i> member of all QCTO Governance Committees • Committee for Integrated Post-Schooling Education and Training (PSET) Planning • <i>Ex-officio</i> member of NAADAB • CEO Committee 	4/6
<ul style="list-style-type: none"> • SAQA • UMALUSI • QCTO 	<ul style="list-style-type: none"> • <i>Ex-officio</i> member of all CHE Governance Committees • CEO Committee • USAf Teaching and Learning Strategy Group • Southern African Quality Assurance Network (SAQAN) Executive Committee • DHET National Steering Committee_SB-DP (Sibusiso Bengu Development Programme) • Committee for Integrated Post-Schooling Education and Training (PSET) Planning. • SARChI Teaching and Learning Advisory Board • Higher Education Learning and Teaching (HELTASA) Board • Teaching Advancement in Universities (TAU) Advisory Board • Centre for International Teacher Education (CITE) Advisory Board 	1/6
<ul style="list-style-type: none"> • ETDp SETA • SACE • SAQA 	<ul style="list-style-type: none"> • SADTU NEC • NEAC • NEIC 	6/6
<ul style="list-style-type: none"> • SAIDE • GALA • UKZN Extended Learning 	<ul style="list-style-type: none"> • EXCO 	6/6

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise
Dr KM Dos Reis	Member	8/06/2022	n/a	<ul style="list-style-type: none"> D Ed 	<ul style="list-style-type: none"> Accounting Education Mentoring Service Learning Teacher Professional Development Postgraduate supervision
Dr L Mokotjo	Member	8/06/2022	n/a	<ul style="list-style-type: none"> PhD in Mathematics Education 	<ul style="list-style-type: none"> Education
Prof. L Jita	Member	8/06/2022	n/a	<ul style="list-style-type: none"> PhD 	<ul style="list-style-type: none"> Science Education/ Mathematics Education / Curriculum and Education Policy
Ms N Starr	CEO: SAQA	8/06/2022	n/a	<ul style="list-style-type: none"> Masters in Education 	<ul style="list-style-type: none"> Education
Ms LH Moyane	Member	06/09/2022	n/a	<ul style="list-style-type: none"> Secondary Teachers Diploma BA Diploma in Special Education BA (Hon) Cum Laude MA African Languages 	<ul style="list-style-type: none"> Education and Leadership
Ms T Futshane	DHET representative	28/10/2023	n/a	<ul style="list-style-type: none"> Master of Social Change and Development Post Graduate Certificate in Social Change and Development 	<ul style="list-style-type: none"> Higher and Basic Education. Training and Development. Strategic and Operational Planning. Policy Development and Implementation. Organisational Development. Change Management. Human Development.
Dr B Mthembu	DBE representative	21/11/2023	n/a	PhD in Philosophy	Education

	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
	<ul style="list-style-type: none"> CHE Institutional Audit Committee 	<ul style="list-style-type: none"> Chairperson of the Information and Communication Technology Oversight Committee (ICTOC) 	6/6
	n/a	<ul style="list-style-type: none"> Govan Mbeki Mathematics Development Centre (GMMDC) 	6/6
	N/a	<ul style="list-style-type: none"> Assessment Standards Committee (ASC) 	4/6
	<ul style="list-style-type: none"> CHE QCTO SAQA CEO Committee HRDC 	n/a	6/6
	None	None	4/6
	<ul style="list-style-type: none"> ETDP SETA Accounting Authority 	<ul style="list-style-type: none"> ETDP SETA Accounting Authority Human Resource Committee 	2/6 Considering the time she joined the Council
	n/a	n/a	2/6 Considering the time he joined the Council

2. COMMITTEES OF THE COUNCIL

Chapter 10, Section 9.15 of the Umalusi Council Charter sets out the establishment of the Council Committees. It further states that the Council may establish one or more committees which may perform such functions of the Council as the Council may determine.

The Council is entrusted with the responsibility to ensure that each committee is capacitated with the necessary knowledge and skills to execute its functions.

There are various governance Committees established by the Council delegated with the responsibilities to deal with various specific operational matters in terms of the organisation.

These Committees are:

- i. Executive Committee of Council (EXCO),
- ii. Accreditation Appeals Committee (AAC)
- iii. Accreditation Committee of Council (ACC)
- iv. Audit and Risk Committee (ARC)
- v. Assessment Standards Committee (ASC)
- vi. Information and Communications Technology Oversight Committee (ICTOC)
- vii. Qualifications Standards Committee (QSC), and
- viii. Research Forum (RF)

All the above-listed committees, headed by the various chairpersons who are members and non-members of the Council, have been tasked, guided by the Charters and Terms of Reference, with assisting the Council in delivering on its mandate. It is further worth noting that membership in these committees except the EXCO, is composed of external non-council members who have expertise in the various relevant fields.

Notwithstanding the critical roles of these other committees, it is worth noting that the Audit and Risk Committee was established to advise the Council on risk management strategy, fraud prevention, and a strategy as a norm to ensure that the principles of good corporate governance are followed.

2.1. Executive Committee of Council (EXCO)

The EXCO like other Committees of the Council has been established and tasked with the following roles and responsibilities and powers:

- To act on behalf of Council on urgent matters with subsequent reporting to Council.
- To approve the strategic plans, annual performance plans, quarterly and annual performance reports, and the budget of the organisation on an annual basis.

- To approve transactions within its delegated authority limit.
- To review material strategic initiatives and recommend such to Council.
- To consider emerging issues that may be material to the business and affairs of the entity and the realisation of the entity's agreed strategy.
- To make recommendations to Council on policy issues.
- To review financial reports from management as well as approve fees and rates applicable to various processes within the organisation.
- To initiate any special investigations within the entity.
- To approve examination results as delegated by the Council.
- To report to Council at each Council meeting and so often as may otherwise is deemed necessary.
- To address remuneration matters whenever the need arises.
- To deal with any other matter delegated to it by Council.

2.1.1. Membership of the EXCO

The Executive Committee consists of members appointed by Council. The members of the committee are strictly Council members. The Chairperson and Deputy Chairperson of EXCO are the Chairperson and Deputy Chairperson of Council. In addition to Council members, the Chief Executive Officer is a member by virtue of his office.

2.1.2. Achievements

The EXCO managed to hold a total of four meetings as per the approved schedule of meetings of the organisation. In the period under review, EXCO successfully recommended the 2024/25 Annual Performance Plan, all quarterly reports, and financial reports to Council for approval. The EXCO recommended the revision of its Terms of Reference, empowering it to deal with Umalusi remunerative matters, and the Council approved the recommendation. In addition, EXCO successfully recommended the approval of all the examination results for qualifications offered by the various assessment bodies registered on the Umalusi Qualifications Sub-Framework for the three assessment bodies. The EXCO also recommended the approval of the 2024/25 quality assurance services fees and tariffs, including the appointment of the Umalusi External Auditors.

2.1.3. Meetings

The table below provides details of the EXCO meetings held in the period under review.

Committee	No. of meetings held	No. of members	Names of members
Executive Committee	4 Ordinary meetings: <ul style="list-style-type: none"> • 26 April 2023 • 31 July 2023 • 25 October 2023 • 31 January 2024 	6	<ol style="list-style-type: none"> 1. Prof Y Ballim (Chairperson) 2. Prof TP Msibi (Deputy Chairperson) 3. Mr D Hindle 4. Dr L Mokotjo 5. Dr C Myburgh 6. Dr MS Rakometsi (CEO)

2.2. Accreditation Appeals Committee (AAC)

The functions of the AAC, as contained in its approved Terms of Reference, are as follows:

- To ensure that private providers of education and training and assessment bodies have an opportunity to appeal against a decision or outcome felt to be unjust.
- Hearing of provider and external stakeholder appeals in adherence with Umalusi's appeals policies and procedures; and making recommendations to Council.
- To provide or source appropriate advice and guidance in respect of the legal aspects / implications of policies and/or official positions related to Umalusi's quality assurance initiatives and related functions.

2.2.1. Membership of the AAC

The Accreditation Appeals Committee consists of one legal expert and two professional persons qualified

and experienced in accreditation, appointed by Umalusi Council.

The Chairperson of the Committee is a member of Umalusi Council, and the two professional persons are nominated by the two other Quality Councils, namely the Council on Higher Education (CHE) and the Quality Council for Trades and Occupations (QCTO).

2.2.2. Achievements

The following achievements were noted for the AAC in the period under review.

Appeals against the no accreditation decisions

A total of five appeals against the no accreditation decisions were presented to the AAC between 1 April 2023, and 31 March 2024, three from independent schools and two from FET private colleges. After consideration of the evidence presented, the AAC recommended to the EXCO that each of the appeals should fail. The EXCO considered the recommendations, and all five appeals (100%) were unsuccessful.

2.2.3. Meetings

Committee	No. of meetings held	No. of members	Names of members
Accreditation Appeals Committee (AAC)	2 <ul style="list-style-type: none"> • 5 July 2023 • 28 November 2023 	3	<ol style="list-style-type: none"> 1. Adv. Maisa Merabe (Chairperson) 2. Dr Phumzile Dlamini 3. Mr David Thaga

2.3. Accreditation Committee of Council (ACC)

The functions of the ACC, as contained in its approved Terms of Reference, are as follows:

- To consider the recommendations of the E&A secretariat in respect of the accreditation of an institution.
- To work on reports on the accreditation applications of private education institutions and present findings at the ACC meetings.
- To recommend the accreditation status of a private education institution / private assessment body.
- To recommend the withdrawal of the accreditation status of a private education institution / private assessment body.
- To provide input into the development of policies on the accreditation and monitoring of private education institutions and private assessment bodies.

2.3.1. Membership of the ACC

The Committee consists of 13 Council-appointed members plus a chairperson selected from the Council membership. The Council appointed members are from the private and public provider sectors that Umalusi serves.

Umalusi full-time staff members act as ex-officio members.

2.3.2. Achievements

The Accreditation Committee of the Council made a total of 437 recommendations on the outcome of accreditation applications during the financial year, as follows:

- Accreditation: 48 independent schools
- 7 years accreditation: 2 FET private colleges and 1 AET private college
- 2 years provisional accreditation: 43 independent schools and 3 FET private colleges
- No accreditation: 30 independent schools, 20 FET and 2 AET private colleges
- Window period to improve: 57 independent schools, 10 FET and 1 AET private colleges
- Extension of scope granted: 7 independent schools
- Continued accreditation (monitored institutions): 180 independent schools, 3 FET and 1 AET private colleges
- Final notice of intent to withdraw accreditation: 15 independent schools, 3 FET and 2 AET private colleges
- Withdrawal of accreditation: 8 independent schools and 1 FET private college

2.3.3. Meetings

Name of the Committee	No. of meetings held	No. of members	Names of members
Accreditation Committee of Council (ACC)	5 <ul style="list-style-type: none"> • 15 – 16 May 2023 • 17 – 18 July 2023 • 18 – 19 September 2023 • 13 – 14 November 2023 • 12 – 13 February 2024 	14	1. Dr Cila Myburgh (Chairperson) 2. Dr Surendran Govender (Deputy Chairperson) 3. Mr Jacob Abraham 4. Mr Gideon Barnard 5. Dr Michael Buthelezi 6. Ms Marianne Cilliers 7. Ms Michelle Mbaco 8. Ms Nomsa Mbuli 9. Mr Ralph Mehl 10. Dr Nokuthula Mthethwa 11. Dr Nonhlanhla Mthiyane 12. Dr Perumal Naicker 13. Prof. Zanele Ngcobo 14. Mr Jacob Pienaar

2.4. Audit and Risk Committee (ARC)

The Audit and Risk Committee provides independent, objective oversight and reviews. However, it does not assume any management responsibilities or performs any management functions. The Audit and Risk Committee makes decisions on matters relating

to the scope of its responsibilities and presents such decisions to the Council for ratification.

The Audit and Risk Committee executes its function through close liaison and communication with management, the external and internal auditors and other governance risk and control service providers.

2.4.1. Membership of the ARC

Name	Qualifications	Internal or External	Date appointed	Date resigned	Number of meetings attended
Mr P Benade	BCom; National Diploma (State Accounting and Finance)	External	22 September 2022 01 September 2018	N/A	7
Mr NT Johnstone (Council Member)	BSc Physiology	External	22 September 2022 01 September 2018	N/A	7
Adv WJ Lubbe	Bachelor of Law; LLB Postgraduate Diploma in Compliance	External	22 September 2022 01 September 2018	N/A	7
Mr P Khunou (CFO at DBE)	BCom (Accounting); Senior Leadership Development Programme	External	22 September 2022 01 September 2018	N/A	3
Mr VG Magan	CA(SA) Master's Degree in Business Leadership	External	22 September 2022	N/A	7
Ms MM Phiri	CA(SA)	External	22 September 2022	N/A	7
Adv A Chowan	LLB(Cum laude); CA(SA)	External	22 September 2022	N/A	7
Dr L Mphahlele-Ntsasa	PhD: Leadership (Strategic Management Framework for Intragovernmental Collaborations)	External	22 September 2022	N/A	7

2.4.2. Achievements

The Committee adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with the charter and has discharged all its responsibilities as contained therein. The Council has approved the charter.

2.4.3. Meetings

Committee	No. of meetings held	No. of members	Names of members
Audit and Risk Committee (ARC) 6 th Council	7 <ul style="list-style-type: none"> 19 April 2023 25 May 2023 (Special meeting) 17 July 2023 11 August (special meeting) 23 October 2023 22 January 2024 22 April 2024 	8	Mr P Benadè (Chairperson) Mr NT Johnstone Adv WJ Lubbe Mr P Khunou Mr VG Magan CA(SA) Ms MM Phiri CA(SA) Dr L Mphahlele-Ntsasa Adv A Chowan CA(SA)

2.5. Qualifications Standards Committee (QSC)

The QSC is tasked to perform the following functions:

- Provide guidance on the formulation of suitable qualifications, which will meet the requirements of the Minister and South African Qualifications Authority (SAQA);
- Consider the implications of the development or review of a particular qualification or curriculum and advise Umalusi regarding the approach taken toward stakeholders, including departments;
- Provides in-principle an agreement for developing or reviewing a particular qualification or curriculum. Such a decision is based on an evaluation against predetermined criteria and proposals resulting from Umalusi's internal processes;
- Develop criteria for the appointment of members that will serve on Qualifications Reference Groups, which constitute sub-committees of the Committee and appoint the members when such a need arises;
- Approve the delegation of responsibilities such as curriculum development to the relevant committee/department/ assessment body or other suitable body or bodies and

- Recommend the qualification or curriculum in its final form to the Council.

2.5.1. Membership of the QSC

- The committee consists of 13 Council-appointed members.
- The chairperson of the committee is a member of Umalusi Council.

2.5.2. Achievements

In the 2023/24 financial year, the QSC recommended the following policies for approval to the Council for gazetting for the public's comments:

- The reviewed Policy for Credit Accumulation and Transfer.
- The Articulation Policy within the General and Further Education.
- Training Qualifications Sub-framework (GFETQSF) and across the Sub-frameworks of the National Qualifications Framework (NQF).

In addition, the QSC provided input to the recommendations of the Task Team Report on Offering Foreign Qualifications in South Africa as well as the amendments to the National Qualifications Framework Amendment Act 12 of 2019.

2.5.3. Meetings

Committee	No. of meetings held	No. of members	Names of members
Qualifications Standards Committee (QSC)	3 <ul style="list-style-type: none"> • 09 May 2023 • 14 August 2023 • 09 February 2024 	13	Mr D Hindle Mr HT Amoore Mr T McBride Mr J Nel Dr B Mahlobo Ms F Kanise Mr T Lata Mr C Pereira Dr L Maluleke Ms MS du Toit Mr J Moloisane Dr S Khumalo Dr C America

2.6. Assessment Standards Committee (ASC)

The functions of the ASC, as contained in its approved Terms of Reference, are as follows:

- Support the work of the Quality Assurance of Assessment and Statistical Information and Research units.
- Provide guidance to the Quality Assurance of Assessment and Statistical Information and Research units on matters relating to its work in establishing, maintaining, and improving the standard and quality of assessments in the South African education system;
- Provide guidance to Council on all matters related to assessment standards and statistical research aimed at establishing and improving the standard and quality of assessments and examinations in the South African education system;
- Carry out the process of standardisation of internal assessment and examination results for all qualifications registered on the GFETQSF, including the Senior Certificate (amended) (SC(a)), the National Senior Certificate (NSC), the National Certificate (Vocational) [NC(V)], NATED Report 190/191 Engineering Studies N2-N3 and the General Education and Training Certificate: Adult Basic Education and Training (GETC: ABET);
- Engage with reports on the quality of assessments of qualifications registered on the GFETQSF;
- Review, on a regular basis, the statistical and educational validity of the moderation and standardisation policies, processes, and procedures;

- Provide input to the development of policies on the quality assurance of assessment;
- Where applicable, the Committee will assist with identifying research needs that will enhance the quality of assessments and examinations of qualifications registered on the GFETQSF.

2.6.1. Membership of the ASC

- The Committee consists of thirteen 13 Council-appointed members.
- The Chairperson of the Committee is a member of Umalusi Council.

2.6.2. Achievements

2.6.2.1 Standardisation of results

The Assessment Standards Committee successfully standardised the following examination results during the 2023/2024 fiscal year:

- DHET NATED N2-N3 Report 191 April 2023,
- IEB GETC: ABET June 2023,
- SACAI GETC: ABET June 2023,
- DHET GETC: ABET June 2023,
- SACAI NSC May/June 2023,
- DBE NSC May/June 2023,
- DBE SC(a) May/June 2023,
- DHET NATED N2-N3 Report 191 August 2023,
- IEB EoR GETC: ABET September 2023
- IEB GETC: ABET October 2023,
- SACAI GETC: ABET October 2023,
- DHET GETC: ABET October 2023,
- SACAI NSC November 2023,
- SACAI NSC November 2023,
- DBE NSC November 2023,
- DHET NATED N2-N3 Report 191 November 2023.
- IEB EoR GETC: ABET September 2023

2.6.3. Meetings

Committee	No. of meetings held	No. of members	Names of members
Assessment Standards Committee (ASC)	2 <ul style="list-style-type: none"> • 20 July 2023 • 02 November 2023 	15	<ol style="list-style-type: none"> 1. Professor LC Jita 2. M Monnapula-Mapesela 3. Professor M Moodley 4. Professor S Maistry 5. Dr M Basitere 6. Dr KB Samuel 7. Dr SM Mosia 8. Dr NP Zondo 9. Professor MR Mampane 10. Professor DE North 11. Mr M Monnane 12. Professor NS Zulu 13. Professor MA Lesaoana 14. Professor S Hansraj 15. Dr R Jacobs

2.7. Information and Communications Technology Oversight Committee (ICTOC)

Umalusi Council established the ICTOC to oversee ICT governance within the organisation. The strategic role of the of the committee is stated in the Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF), September 2022 as developed by the Department of Public Service and Administration (DPSA).

2.7.1. Membership of the ICTOC

- The committee consists of five members.
- The chairperson of the committee is a member of the Umalusi Council.

2.7.2. Achievements

For the period under review the ICTOC recommended the approval of the committees Terms of reference (TOR) to the CEO and Council.

2.7.3. Meetings

The table below reflects the number of meetings held and information on the committee members :

Committee	No. of meetings held	No. of members	Names of members
Information Technology Oversight Committee (ICTOC)	4 <ul style="list-style-type: none"> • 14 April 2023 • 10 July 2023 • 17 October 2023 • 19 January 2024 	5	1. Dr Karen Dos Reis 2. Mr Potlaki Maine 3. Mr Sandile Ndaba 4. Ms Margaret Phiri 5. Mr Ashley Latchu

2.8. Research Forum (RF)

The functions of the RF, as contained in its approved Terms of Reference, are as follows:

Members serving on the Research Forum will provide input and support to Umalusi's Statistical Information and Research unit. The Forum strengthens the research function in the organization through support and guidance provided to the Statistical Information and Research unit with regard to:

- Act in an advisory capacity;
- Provide relevant strategic input in terms of research direction;
- Provide a platform for networking with other research organisations;
- Promote the dissemination of research results through Umalusi's publications and other media.

2.8.1. Membership of the RF

The Research Forum (RF) of Umalusi is a committee of the Umalusi Council comprising not more than 12 members. The Research Forum should consist of a balanced selection of professionals in education with specific knowledge and expertise in:

- i. Design, conduct, and evaluation of research projects;
- ii. Handling system-wide research projects;
- iii. Working in general and further education and training system (schools, colleges, and adult education and training); and

- iv. An interest in improving quality in education.

2.8.2. Achievements

The Research Forum of Umalusi started the 2023/24 financial cycle with a Research Forum (RF) meeting held on 04 May 2023. The meeting critically reviewed the sample assessments piloted by the DBE in the Eastern Cape through the Mother Tongue-based Bilingual Education project. The RF also critically reviewed and made recommendations on the findings from the General Education Certificate Assessment Framework project completed in the 2022/23 cycle. The second meeting of the 2023/24 cycle was held on 04 October 2023. The meeting tabled updates from the Department of Basic Education on the status of the GEC and the Three Streams Model. The representative of the Quality Council for Trades and Occupation (QCTO) who is a member of the Research Forum clarified the matter accordingly. The response centred on the articulation possibilities in the Occupational Qualifications Sub-Framework (OQSF).

The Research Forum continues to be an efficient critical committee of the council supporting the research mandate of Umalusi and forging directions on the strategic and operationalisation of Umalusi's mandate.

The table below illustrates the number of meetings held and information on the committee member:

2.8.3. Meetings

Committee	No. of meetings held	No. of members	Names of members
Research Forum	2 <ul style="list-style-type: none"> • 04 May 2023 • 04 October 2023 	13	Prof. M Metcalfe Dr H Bolton Prof S Vandeyar Dr V Schoer Dr S Rapeta Mr M MacFarlane Dr V Reddy Prof S Akoojee Prof M Madiba Dr Rankhumise Mr T Khorommbi Prof S Gravett Dr B Hobololo

3. RISK MANAGEMENT

The purpose of Risk Management is to systematically identify, assess, and mitigate threats or uncertainties that can affect an organisation.

Umalusi has a Risk Management Framework in place that incorporates the Risk Management Strategy and the Risk Management Policy. In the period under review, the organisation continued to implement risk management processes as per the approved risk management policy to ensure that the strategic objectives were achieved. A comprehensive risk assessment was conducted with executive management with the aim of updating the Strategic Risk Register. The assessment was aligned with the annual performance plan to ensure that efficient management of risks contributes to improved performance.

The results of this assessment were reviewed by the Risk Management Committee (RMC) and the Audit and Risk Committee (ARC) and subsequently approved by the Council. These assessment results also formed the basis for the internal audit plans. The continuous identification of emerging risks was done as part of risk management monitoring, thus enhancing Umalusi's performance. All employees have been taken through workshop on risk management and assessment thereof, including communicating the approved risk management related policies. Umalusi's Risk Management strive to improve on National Risk Maturity survey each year.

The monitoring of the implementation of risk mitigation plans is conducted, and the progress thereof is reported to the RMC and the ARC.

Umalusi has an internal Risk Management Committee that is chaired by the CEO. The RMC submits quarterly

reports to the Audit and Risk Committee and advises the ARC on the identified risks and progress made in implementing controls aimed at mitigating those risks that have been identified.

4. INTERNAL CONTROL UNIT

The organisation does have a separate internal control unit, given its size. Each business unit (Programme) is responsible for the proper functioning of the internal controls. The organisation's system of internal controls. The organisation's system of internal controls is designed to be adequate and effective to achieve good performance. The controls also ensure that proper financial records, which are complete, accurate, reliable and verifiable, are maintained.

The internal controls are further strengthened by approved policies that are reviewed regularly, taking into consideration recommendations from auditors, changes in the legislative environment and identified risks.

Policies and procedures are communicated to staff and are constantly updated to correspond with the ever-changing environment. Monitoring of internal controls takes place daily and is reported to executive management monthly, through meetings of the CEO. Internal controls are reviewed independently by the appointed internal auditors, a function outsourced to Nexia SAB&T, who report to the ARC. During the year under review, the internal auditors conducted all planned audits, in line with the approved audit plan and as per the approved Three-Year Rolling Plan. All audit findings were reported to the ARC and management took corrective action as recommended by the auditors.

5. INTERNAL AUDIT AND AUDIT COMMITTEES

The function of internal audit is outsourced to Nexia SAB&T. This is due to the nature and size of Umalusi. The Council does not consider it economical to establish an in-house internal audit function. Nexia SAB&T report functionally to the ARC and administratively to the CEO. Internal auditors are given unrestricted access to Umalusi's financial records and performance information. The internal auditors developed a Three-Year Plan, with inputs from management.

The ARC is responsible for monitoring the internal audit function and evaluating the effectiveness of internal controls. It also recommends improvements to the Council, as appropriate. All internal audit work conducted during the year was in line with the approved Internal Audit Plan. The role of the ARC is to provide independent assurance to Council on

control, governance and risk management. This committee does not assume any management responsibilities or perform any management function; it makes decisions on matters within the scope of its responsibilities and present such decisions to the Council for ratification.

The ARC is tasked with assisting the Council in discharging its duties related to:

- The safeguarding of assets;
- Council's compliance with legal and regulatory requirements;
- The external auditors' independence and the performance of the entity's internal and external auditor functions;
- Recommending approval of accurate financial statements and ensuring compliance with all applicable legal requirements and accounting standards; and
- Overseeing the quality, integrity and reliability of Umalusi's risk management.

Name	Qualifications	Internal or External	Date appointed	Date resigned	Number of meetings attended
Mr P Benade	BCom; National Diploma (State Accounting and Finance)	External	22 September 2022	N/A	7
Mr NT Johnstone (Council Member)	BSc Physiology	External	22 September 2022	N/A	7
Adv WJ Lubbe	Bachelor of Law; LLB Postgraduate Diploma in Compliance	External	22 September 2022	N/A	7
Mr P Khunou (CFO at DBE)	BCom (Accounting); Senior Leadership Development Programme	External	22 September 2022	N/A	3
Mr VG Magan	CA(SA) Master's Degree in Business Leadership	External	22 September 2022	N/A	7
Ms MM Phiri	CA(SA)	External	22 September 2022	N/A	7
Adv A Chowan	LLB(Cum laude); CA(SA)	External	22 September 2022	N/A	7
Dr L Mphahlele-Ntsasa	PhD: Leadership(Strategic Management Framework for Intragovernmental Collaborations)	External	22 September 2022	N/A	7

6. COMPLIANCE WITH LAWS AND REGULATIONS

A compliance checklist has been developed and is updated each quarter. Policy is developed in consideration of the legislative environment, to ensure that compliance with laws and regulations. Umalusi reports, quarterly, to the Department of Basic Education (DBE) and National Treasury on its compliance with laws and regulations, according to prescribed compliance checklist. It also provides confirmation to the ARC and the Council in its compliance. Additionally, during the year under review the external and internal auditors tested compliance with laws and regulations. The instances of non-compliance were reported to management and the ARC,

7. FRAUD AND CORRUPTION

Umalusi has established a fraud and ethics hotline number as a platform for internal and external stakeholders to report alleged incidents of fraud related to the work and mandate of the organisation. The organisation is currently using the following anti-fraud hotline number: 0800 408 409 and email address: umalusi@whistleblowing.org.za. In the work of Umalusi, typical anti-corruption reports include, but are not exclusive to, examination irregularities, the use of fraudulent certificates and institutions operating without accreditation, among others. During the reporting period the organisation received eight of such reports complains, which were processed through established channels in the organisation.

8. MINIMISING CONFLICT OF INTEREST

The organisation appoints bid committees on an ad-hoc basis, owing to capacity constrains. Bid committee members are required to declare any potential conflict of interest at each committee meeting. This is recorded in the minutes and each member is required to complete a declaration form. Members with significant conflicts, whether real or perceived, must be recused and may not make decisions on such matters,

Umalusi continues to enforce the minimisation of conflict of interest among Council and staff members. At all meetings, Council and staff members are required to declare conflicts of interests; they are also encouraged to avoid any material conflict between their own interests and the interests of the Council. In particular, they should:

- Not derive any personal economic benefit to which they are not entitled: and

- Notify the Council at the earliest possible opportunity of the nature and extend of any direct or indirect material conflict of interest they may have in any dealings with the Council. Should staff, a member of Council or a Council committee member foresee a conflict of interest during a meeting, this individual should not participate in any decision-making process that might affect his or her personal interests.

The member of Council or Council committee must recuse himself or herself from further deliberations and the Council or committee must take a decision that furthers the interests of the Council or committee. The recusal must be recorded. No material conflict of interest was reported during this financial year under review.

9. CODE OF CONDUCT

Employees are required to sign a Code of Conduct that sets rules as to how they should behave in the work environment. 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 approved and implemented Code of Ethics. This code provides clear guidelines for the behaviour of all employees at all levels. Management continuously ensures that employees abide by the Code of Ethics and the value espoused in the entity's Strategic Plan. No violations of the Code of Conduct were reported during the year.

10. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Umalusi regards the health and safety of its employees and people affected by the entity's operations to be of vital importance. The primary objective is to achieve and maintain the highest practical levels of health and safety control; a working environment that is safe and without risk to the health of its employees. In ensuring a safe and healthy working environment, Umalusi works with employees' representative and other stakeholders in an appropriate forum to develop programmes and guidelines that provide for the health and safety of all stakeholders as far as reasonably practicable.

Environmental Sustainability

In making sure that Umalusi complies with other environmental aspects, efforts have been made to make sure that we keep our environment as sustainable as possible.

The following is in place:

- Recycling of all used paper; recycling of all

- printing consumables;
- Solar geyser at the refurbished Thuto-Mfundo Building;
- Making sure all electrical appliances are switched off at the end of the business day; and
- Encouraging staff to be paperless.

Health and Safety Committee

The CEO has appointed individual employees to form part of the Health and Safety Committee. This committee consists of 10 members (Safety representatives, first aiders and firefighters).

Their responsibilities include, among others, the following:

- Identify potential hazards that may be present while work is being done, something is being produced, processed, used, stored or transported, and any equipment is being used;
- Establish the precautionary measures that are necessary to protect his or her workers against the identified hazards and provide the means to implement these precautionary measures;
- Provide the necessary information, instructions, training and supervision while keeping the extent of workers' competence in mind. In other words, what they may do and may not do;
- Not permit anyone to carry on with any task unless the necessary precautionary measures have been taken;
- Take steps to ensure that every person under his or her control complies with the requirements of the Act; and
- Enforce the necessary control measures in the interests of health and safety.

11. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is pleased to present its report for the financial year ending 31 March 2024.

Terms of Reference

The Committee adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all of its responsibilities as contained therein. The Council has approved the charter.

Role and Responsibilities

Statutory Duties

The Committee's role and responsibilities include the statutory duties set out in sections 76(4) (d) and 77 of the Public Finance Management Act (PFMA) 1999 and sections 3.1 and 27.1 of the Treasury Regulations issued in terms of that Act, and further responsibilities assigned to it by the Council. The Committee also executed its duties where applicable in terms of the requirements

of the King Code on Corporate Governance.

External Audit

The external auditor is RSM South Africa. The Committee, in consultation with executive management, agreed to the engagement letter, audit plan and budgeted audit fees for the 2023/24 financial year. RSM South Africa was not requested to provide any non-audit services.

Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

- Reviewed and discussed the audited Annual Financial Statements included in the Annual Report with the approved external auditor, RSM South Africa.
- Reviewed the external auditor's management report and management's response to it.
- Reviewed changes in accounting policies and practices.
- Reviewed the entity's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Committee concurs with and accepts the auditor's report on the Annual Financial Statements and believes that the audited Annual Financial Statements should be accepted and read together with the external auditor's report. The Committee has raised concerns about the lack of compliance with the legislative requirements regarding material adjustments to the annual financial statements submitted for audit.

The Effectiveness of Internal Control

The system of internal controls applied by Umalusi over financial and risk management is effective, efficient and transparent. In line with the PFMA and the applicable King Code on Corporate Governance requirements, the internal audit function assures the Audit and Risk Committee and management that the internal controls are appropriate and effective in most areas, but some improvements are required. This is achieved through the risk management process and the identification of corrective actions and suggested enhancements to the controls and procedures. From the reports of the internal auditors, Nexia SAB&T the audit report on the Annual Financial Statements, and the management report of the external auditor, RSM South Africa, it was noted that material adjustments were made to the annual financial statements, resulting in an unqualified audit opinion.

External and internal audits identified some weaknesses during the past financial year, which were reported to the Audit and Risk Committee. These items were added to the Audit Action Plan for continuous follow-up by executive management and internal audit as part of their regular fieldwork. The Committee also considered

the risk register and ensured that this informed the Internal Audit Plan. Ongoing monitoring of progress against the risk register was conducted quarterly.

Accordingly, the Committee can report that the system of internal controls over financial reporting for the period under review was efficient and effective in most instances.

Duties Assigned by the Council

In addition to the statutory duties of the Committee, as reported above, the Council determined additional functions for the Committee to be performed, as set out in the Committee's charter. They include the following:

Combined Assurance

The Committee ensured that a combined assurance model was applied. The combined assurance received is appropriate to address all the significant risks facing the entity and is in line with the applicable King Code on Corporate Governance.

Governance of Risk

The Council assigned oversight of the risk management function to the Committee. The Committee reviewed the risk management process, the effectiveness of risk management activities, the entity's key risks and responses to address them. The Committee is satisfied that it fulfilled its oversight role regarding financial reporting risks, internal financial controls and fraud and information technology risks related to financial reporting.

Internal Audit

The Committee ensured that the internal audit function performed by Nexia SAB&T was independent and had the necessary resources, standing and authority to enable it to discharge its duties. Furthermore, the Committee oversaw cooperation between the internal and external auditors and served as the link between the Council and these functions.

The internal auditor reported to the Committee. The internal audit function reviewed and provided assurance on the adequacy of the internal control environment across all of Umalusi's operations. The head of the internal audit team had direct access to the Committee through its chairperson. The Committee assessed and is satisfied with the performance of the internal audit function in the last financial year.

Evaluation of the Expertise and Experience of the Chief Financial Officer and Finance Function

The Committee satisfied itself that the Chief Financial Officer had appropriate expertise and experience. The Committee satisfied itself with the appropriateness of the finance function's expertise and adequacy of resources and the experience of the senior members of management responsible for the finance function.



Mr P Benadè

Chairperson of the Audit and Risk Committee
Umalusi
19 August 2024

12. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) COMPLIANCE PERFORMANCE INFORMATION

Relevant Code of Good Practice (B-BBEE certificate levels 1-8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	N/A
Developing and implementing a preferential procurement policy?	Yes	This forms part of Supply Chain Management (SCM) Policy. Procurement of goods and services is done in accordance with the policy.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	N/A	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	N/A	N/A

PART

D

Human
Resource
Management

1. INTRODUCTION

Provide commentary on the following:

1.1. Overview of HR matters at the public entity

The Human Capital Management (HCM) sub-programme is the strategic business partner that plays a significant role with regards in rendering efficient and effective general human capital administration processes within the organisation. The main role of this sub-programme is to strengthen governance by implementing the organisational policies to ensure smooth administration of processes and procedures regarding the human capital life cycle activities, to attract talented employees and to reinforce the employee retention strategies of the organisation as well as to endeavour to maintain the vacancy rate below 10% to enable the organisation to achieve its mandate. The sub-programme also maintains excellent customer relations with all its internal stakeholders with regard to the services it renders.

1.2. Set HR priorities for the year under review and the impact of these priorities.

The sub-programme has the approved operational plan from which the key performance areas are outlined, which include inter-alia the following activities which are laid out as its operational priorities:

(i) Maintenance of the vacancy rate of below 10%

The HCM sub-programme as the business partner and a support unit has human capital planning strategies in place to expedite the filling of vacancies to ensure the business continuity and achievement of the organisational mandate.

(ii) Strengthening of the HCM governance

To effectively strengthen the HCM governance the HCM sub-programme constantly review and implement the HCM policies to ensure that all the employees are treated in an equitable, fair and transparent manner; to ensure that its policies comply with the current legislative framework and the current HCM practices. This is done by presenting the HCM policies and standard operational procedure documents to the Policy Advisory Forum (PAF) for it to deliberate and make the inputs on these policies.

(iii) Transformation awareness/ policy advocacy

The HCM sub-programme periodically conducts HCM policy advocacy on approved policies by workshoping its stakeholders and publishing of policy extracts through the issuing of various

snippets during the financial year to keep Umalusi's employees informed on the HCM related policies. The sub-programme also arranges informative talks which address various psycho-social aspects which is beneficial to all employees.

(iv) Implementation of the employee induction program

During the period under review, HCM conducted two full scale induction programmes to ensure that all newly appointed employees are integrating well into the organisation and to ensure that their job commitment and job satisfaction have increased thereby ensuring that they are well versed within the organisational structure; the mandate and culture of the organisation and the applicable policies and conditions of service.

(v) Implementation of the employee wellness program

During the financial year under review the organisation appointed the new employee wellness service provider to render the employee wellness programme to Umalusi's employees and their immediate families with the psycho-social challenges, including but not limited to financial challenges; emotional and family challenges that might impact the employee's performance and to enhance their wellbeing.

Two employee wellness days were also arranged during this reporting period for all employees as part of staff wellness where they were allowed to focus on their mental and physical wellbeing.

(vi) Implementation of the training and development

The purpose of the implementation of the training and development is to enhance the employees' skills and knowledge and to be proficient in performance outputs. During the period under review the organisation implemented 93% of its approved planned training plan for the financial year 2022/ 2023. A total of 18 issued financial assistance applications for qualifying employees to study towards various programmes were processed from undergraduate to the post-graduate programmes. The organisation has the return-on-investment mechanism in place in that every employee who is offered training is required to remain with the organization for a certain period of time and required to pay back a pro-rata amount should the employee leave the organisation within 12 months of receiving training. In the event that financial study assistance is offered to employees, there is a payback clause which is applicable and used as an employee retention strategy.

(vii) Implementation of employment equity plan

Umalusi is the designated employer in terms of the Employment Equity Act no. 55 of 1998. As a result it has a 5-year Employment Equity (EE) Plan (2022 to 2025). The Chief Executive Officer has appointed the Employment Equity and Training Committee (EETC) on a two (2) year interval to monitor the implementation of the employment equity plan. The current term of the EETC has come to an end and the new committee will be appointed for the remaining term of the EE Plan.

(viii) Implementation of the approved file plan

The sub-programme has obtained the file plan approval from the National Archives and Records Service of South Africa (NARSSA) towards the end of the financial year 2022/2023. This will ensure that the organisation's filing of documents maintained and any documents destroyed is in compliance with the organisation's Records and Information Management Policy and to comply with the relevant records management legislative framework. The sub-programme has embarked on the review of

the personnel files; and is planning to convert all the manual files into the electronic files, to constantly conduct the self-file, audit and to appoint the new service provider to render the external storage of the organisation's confidential documents. The sub-programme will also initiate the document clean-up operations to destroy the old document from the various sub-programmes to create an office space which will be free from hazards and clutter to instil a conducive work environment.

(ix) Compliance with legislation

During the financial year 2022/ 2023 the sub-programme implemented compliance with the requirement of the Protection of Personal Information (POPI) Act 4 of 2013 by issuing consent forms to be completed by all Umalusi staff; Council Members and all the Council Committee members to Umalusi for processing personal information. The HCM sub-programme will continue to align all its processes and practises with the applicable legislation that governs the HCM services.

2. WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE:

During the financial year under review the sub-programme maintained the vacancy rate to less than 10%. This was achieved due to the collaborative efforts with the effective business partnerships with line managers and the support of the executive management. Management promoted several employees to management positions for instance the Manager: QAA to the Manager: Statistics and Resulting and made a lateral transfer of the Senior Manager to the Public Relations and Communications unit to strengthen the service delivery of the organisation to give internal employees promotional opportunities. Several employees have been appointed to act in senior positions which have been vacant to ensure the skills transfer and to prepare the internal employees for taking up the responsibilities of higher roles.

Several surveys such as the age analysis of Umalusi workforce and the exit interviews of all the employees who resigned were conducted to enable

management to assess the workforce which it has and to implement the retention strategies for the employees who have institutional knowledge.

Analysis of results revealed that there are certain programmes which are experiencing high workloads which resulted in causing high labour turnover. To resolve this challenge the Council approved 12 additional new positions during the fourth quarter of the 2022/2023 financial year to increase the human capital capacity from 138 to 150 positions to achieve the organisational mandate effectively and efficiently and to address the increased workload of the employees which is caused by the high level of resignations within the organisation. The creation of additional 12 positions resulted in the vacancy rate escalation from 9% to 17% and the sub-programme has already started with the plan to fill these positions to reduce the vacancy rate.

3. EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

Umalusi has a solid culture of setting and maintaining employee high performance standards as the quality assurance Council which is achieved through the rigorous implementation of the Performance Management and Development System (PMDS). The effective implementation of PMDS is linked to continuous

performance planning; performance reviews and transparent and frank performance feedback which is given to employees and the rewarding of outstanding and satisfactory performance outputs which contributes positively towards the achievement of the organisation's mandate.

The organisation has procured the services of the service provider to assist the organisation to implement the online PMDS during the financial year 2023/ 2024. This system will be automated to replace the manual performance assessment mechanism with an online

system which will be efficient and save time for both the employees and their line managers and enable them enough time to focus on the mandate of the organisation.

4. EMPLOYEE WELLNESS PROGRAMMES

The sub programme conducted two Wellness Days where various activities were held for all employees

to participate in and where they were able to learn more about their health and wellbeing.

5. POLICY DEVELOPMENT

The HCM sub-programme periodically reviews and develops the HCM policies to ensure that they are aligned with the legislative framework and the current HCM practices and trends. The sub-programme also ensures that the HCM policies are consistently applied to ensure that all the employees of Umalusi are treated fairly and in an equitable manner.

In the previous financial year, the HCM policy register was reviewed and updated on the policies life cycles. In the same period the Council also approved the following reviewed policies, Recruitment Policy; Leave Policy and Performance Management and Development System. The implementation of these policies will enable the organisation to provide better working conditions and promotional opportunities.

6. HIGHLIGHT ACHIEVEMENTS

- 6.1. The implementation of the EE Plan is in progress and 4 Employment Equity and Training Committee (EETC) meetings conducted. The Employment Equity report was successfully and timeously submitted to the Department of Labour and Employment during this period. This makes the organisation fully compliant with Employment Equity Act.
- 6.2. The larger percentage of the approved training interventions on the approved Training Plan for the financial year 2022/ 2023 were successfully implemented to upskill Umalusi's employees.
- 6.3. Two (2) wellness days were successfully conducted. Health risk assessments were conducted for Umalusi's employees as well as neck and shoulder massages in both sessions. This is the way in which the employer displays its care to the employee's wellbeing.
- 6.4. Umalusi's organogram was reviewed and approved by the Executive Management to feature the restructuring of several positions and to integrate the 12 additional positions which were approved by Council.
- 6.5. Three policies namely Recruitment Policy; Leave Policy and Performance Management and Development System (PMDS) were reviewed and approved by Council. The approval of

- the Recruitment Policy has provided for the efficient filling of the vacant positions. While the Leave Policy has provided for the efficient administration of leave transactions and the PMDS has provided for better performance awards which are envisaged will encourage the high performing employees.
- 6.6. Three surveys were conducted, and the recommendations thereof were seriously considered by management namely analysis of the aging workforce; exit interviews; PDMS feedback and Wellness Day satisfaction surveys were conducted using the monkey surveys. This survey enabled management to provide management feedback on their initiatives to provide conducive working conditions.
- 6.7. Approval of Umalusi's File Plan by the National Archives and Records Service of South Africa (NARSSA). This will enable the sub-programme to destroy the old documents and to create a hazard-free working environment.

7. CHALLENGES FACED BY THE PUBLIC ENTITY

- 7.1. **High workload:** The Council has approved 12 additional positions to address this challenge, and it is envisaged that they will be filled in the new financial year 2023/2024.
- 7.2. **Insufficient funding from the Department of Basic Education:** Umalusi has a lean organisational structure which makes it hard to expand according to its mandate and due to the insufficient funding to maintain the salary bill hire more employees.
- 7.3. **The high labour turnover:** The organisation has the approved Retention Policy in place, and it conduct the exit interviews and compiles the report for Management's consideration. The resigning employees also provide the head writeup to ensure that the institutional memory is maintained. Management is on a mission to address this problem by improving the conditions of service in that from the 1st January 2024 management will implement the Government Employees Medical Scheme (GEMS) and all the employees who are employed from the public services who belong to GEMS are able to carry over their GEMS medical aid.
- 7.4. **The aging workforce:** The workforce of Umalusi is aging it is therefore required that the organisation implements the succession plan to fill the critical positions within the organisation this would allow the nearing retirement employees to hand over their duties. .
- 7.5. **The crashing of the payroll system:** caused by the aging infrastructure of the old Sage system. The new service provider was appointed to resolve the payroll challenges and ensure the system completes the payroll transactions efficiently.

8. FUTURE HR PLANS /GOALS

- 8.1. To keep the vacancy rate as low as possible; to implement the recruitment online system; the job application form and improve the turnaround time to fill the vacant positions.
- 8.2. To implementation of the online PMDS to automate the performance contracting and assessment which will free lots of administrative time for both the employees and their line managers.
- 8.3. Digitalisation of the personnel files in line with the environment regulations and to achieve a paperless filling process.
- 8.4. The destruction of the old and unused documents which are taking up lots of the workspace.
- 8.5. Filling of the approved additional posts and the other critical posts within the organisation and implement the retention strategy.
- 8.6. Implementation of the effective and efficient HCM and payroll system which will enable the efficient payroll and other HCM transactions.
- 8.7. Appointment of the training providers pool to draw training providers efficiently without impeding the effective implementation of the training plan to deliver the required training interventions at the right time.

9. HUMAN RESOURCE OVERSIGHT STATISTICS

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate reasons for variances are provided.

9.1. Personnel related expenditure

Table 1: Personnel Cost by programme/ activity/ objective

Programme/activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Program 1: Administration	96,975	42,947	44%	57	753
Program 2: Qualifications and Research	28,656	19,476	147%	30	649
Program 3: Quality Assurance and Monitoring	79,209	30,469	38%	40	762

Table 2: Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	9,132	10%	4	2,283
Senior Management	11,941	13%	9	1,327
Professional qualified	48,765	52%	56	871
Skilled	5,105	5%	12	425
Semi-skilled	15,594	17%	40	390
Unskilled	2,354	3%	6	392
TOTAL	92,891	100%	127	731

Table 3: Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	501	9,132	5%
Senior Management	398	11,941	3%
Professional qualified	860	48,765	2%
Skilled	412	5,105	8%
Semi-skilled	429	15,594	3%
Unskilled	18	2,354	1%
TOTAL	2,618	92,891	3%

Table 4: Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
Program 1: Administration	42,947	398	1%	57	753
Program 2: Qualifications and Research	19,476	126	1%	30	649
Program 3: Quality Assurance and Monitoring	30,469	224	1%	40	762

Table 5: Employment and vacancies

Programme/activity/objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Administration	57	69	65	4	3%
Qualification, Curriculum Certifications	20	22	22	-	0%
Statistical Information & Research	10	10	9	1	1%
QAA SQ	9	14	14	-	0%
QAA PSQ	9	13	11	2	1%
Evaluation & Accreditation	22	23	23	-	0%
Total	127	151	144	7	5%

The Council approved organogram has one hundred and fifty-one (151) permanent positions, out of one hundred and fifty-one (151) positions, one hundred and forty-four (144) positions are filled, with seven (7) vacant positions which translates to vacancy rate of five (5%).

Table 6: Total number of employees against vacancy rate

Programme/activity/objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Top Management	4	4	4	-	0%
Senior Management	9	10	9	1	1%
Professional qualified	56	67	62	5	4%
Skilled	10	13	12	1	1%
Semi-skilled	42	51	51	-	0%
Unskilled	6	6	6	-	0%
TOTAL	127	151	144	7	5%

During the financial year under review the HCM sub-programme maintained the vacancy rate to less than 10%. This was achieved due to the collaborative efforts with the effective business partnering with the line managers and the support of the Executive Management. The filling of the Senior Management positions was problematic in that the three (3) internal positions were filled by internal promotion while the other two senior posts were re-advertised with the reviewed job requirements to increase the pool of suitable candidates. In the interim management appointed internal personnel to act in these positions to ensure that the responsibilities in the vacant positions were upheld. On the other hand, this opportunity provides these employees with skills and experience and on-the-job training opportunities.

Employment changes

Umalusi's vacancy rate was kept below 10% although there were several employee resignations, but management was able to fill the vacant positions with the appointment of either the acting appointments and or with fixed term contract appointments to carry out the responsibilities in these positions.

Table 7: Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	-	-	4
Senior Management	8	2	1	9
Professional qualified	54	13	7	62
Skilled	11	1	-	12
Semi-skilled	44	10	3	51
Unskilled	6	1	1	6
Expiry of contracts	-	-	4	-
Total	127	27	17	144

A total of twenty 27 various positions were filled in the financial year under review to fill in the vacated positions to enable the organisation to meet its mandate.

Table 8: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	-	0%
Resignations	11	8%
Dismissals	-	0%
Retirements	2	2%
Ill-Health	-	0%
Expiry of contracts	4	3%
Total	17	13%

Although the organisation has improved on the it retention strategies to retain its workforce, the average of 13% staff turnover was reported which translates to 17 employee who either resigned, retired and contracts expires. According to the exit interviews by the employees who resigned most them indicated that they were leaving the organisation due to promotional opportunities. This proof that Umalusi's retention strategy bears fruit.

Table 9: Misconduct and Disciplinary Actions

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	0
Dismissal	0
Total	1

The organisation and the approved Disciplinary and Procedure Policy in place for which management use as a tool to correct the unwanted actions of the employees to this effect in the current financial year under reporting only One (1) written warning was issued to correct the unwanted behaviour of the employees. Through this policy the culture of high performance and professionalism is highly maintained by committed work force of Umalusi.

Table 10: Equity targets and employment equity status: Males

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	-	-	-	-	-	1	-
Senior Management	4	2	-	-	-	-	-	-
Professional qualified	30	-	-	-	1	1	4	-
Skilled	4	-	-	1	-	-	-	-
Semi-skilled	19	-	-	-	-	-	-	-
Unskilled	4	-	-	-	-	-	-	-
TOTAL	63	2	-	1	1	1	5	-

The organisation in its employment equity plan is targeting the members of the designated groups such as the Indian males and particularly the Coloured male category which is not represented unlike the African male in the organisation's staff complement. The organisation is giving the preference to the identified designated racial groups to meet its employment equity targets within the prescribed period of its plan's duration.

Table 11: Equity targets and employment equity status: Females

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	-	-	-	-	-	-	1
Senior Management	3	-	1	-	-	-	1	-
Professional qualified	20	-	-	-	1	-	5	-
Skilled	7	-	-	-	2	-	1	-
Semi-skilled	24	-	1	-	1	-	1	-
Unskilled	3	-	-	-	-	-	-	-
TOTAL	58	-	2	-	4	-	8	1

Table 12: Equity targets and employment equity status: People living with disabilities

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

PART

E

Financial
Report



INDEPENDENT AUDITOR'S REPORT

to the Parliament on Umalusi trading as Council for Quality Assurance in General and Further Education and Training

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of Umalusi – Quality Council for General and Further Education and Training (Umalusi) as set out on pages 5 to 35, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Umalusi as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.
4. We are independent of the public entity in accordance with the Code of professional conduct for auditors of the Independent Regulatory Board for Auditors (IRBA) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants

(including International Independence Standards).

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

Responsibilities of Council for the financial statements

6. The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of GRAP and the requirements of the PFMA and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the Council is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The Council is responsible for the preparation of the annual performance report.
11. We selected the following programme presented in the annual performance report for the year ended 31 March 2024 for auditing. We selected programme that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Quality Assurance and Monitoring	37 to 44	The purpose of the programme is to ensure that the providers of education and training have the capacity to deliver and assess qualifications registered on the GFETQSF and are doing so to the expected standards and quality.

12. We were engaged to evaluate the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. An annual performance report prepared using these criteria provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and planned objectives.
13. We performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that we can confirm the methods and processes to be used for measuring achievements.

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over or underachievement of targets.

14. We performed the procedures for the purpose of reporting material findings only and not to express an assurance opinion or a conclusion.
15. We did not identify any material findings on the reported performance information of the quality and assurance monitoring subject matter.

Other matter

16. We draw attention to the matter below:

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over and under achievements.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Council is responsible for Umalusi's compliance with legislation.
19. We performed procedures to test compliance with selected requirements in key legislation in accordance with the Auditor General of South Africa's (AGSA) findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

20. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
21. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

22. The financial statements submitted for auditing were not in all instances prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA as there were material adjustments made to financial statements.

Material misstatements on non-current assets, current liabilities, revaluation reserve, accumulated surplus, expenditure and other disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information

23. The Council is responsible for the other information included in the annual report. The other information comprises the annual report. The other information does not include the financial statements, the audit report and the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
24. Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.
25. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

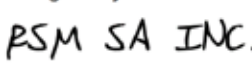
26. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact, we have nothing to report in this regard.

Internal control deficiencies

27. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.
28. The matters reported below are limited to the significant internal control deficiencies that resulted in the material finding on compliance with legislation included in this report.

29. Matters to be reported:

Material misstatements were identified in the financial statements, which can be attributed to a breakdown in controls and lack of monitoring controls to ensure that the financial statements agree to the underlying records and comply with the requirements of the relevant GRAP standards.

Signed by:

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RSM South Africa Incorporated

M Ndlovu

Director

Registered auditor

Date: 27 August 2024



ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected programme and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 public entity's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions may cast significant doubt on the ability of the public entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i); Section 56(1); 56(2); Section 57(b); Section 66(3)(c); 66(5)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulations 8.2.1; 8.2.2 Regulations 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2 (1) and (2); 16A 8.3; 16A8.3(d); 16A 8.4; 16A9; 16A9.1 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(ii) Regulations 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulations 31.1.2(c'); 31.2.5; 31.2.7(a) Regulations 32.1.1(a); 32.1.1(b); 32.1.1(c') Regulations 33.1.1; 33.1.3 Regulations 29.2.1;29.2.2
Public Service Regulations (PSR)	PSR 18; 18(1) and (2);
CIDB Act	Section 18(1)
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)
CIDB Regulations	CIDB regulations 17 & 25(7A)
PPR 2017	Paragraphs 4.1; 4.2 Paragraphs 5.1; 5.3; 5.6; 5.7 Paragraphs 6.1; 6.2; 6.3; 6.5; 6.6 Paragraphs 7.1; 7.2; 7.3; 7.5; 7.6 Paragraphs 8.2; 8.5 Paragraphs 9.1; 9.2 Paragraph 11.2 Paragraphs 12.1 and 12.2
PPR 2022	Paragraphs 4.1; 4.2; 4.3; 4.4 Paragraphs 5.1; 5.2; 5.3; 5.4
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021-22	Paragraphs 4.3; 4.4 (a); 4.4(c); 4.4(d);
NT SCM Instruction Note 11 2020-21	Paragraph 3.1; Paragraph 3.4(b) Paragraph 3.9
NT SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1; Paragraphs 3.2.1; 3.2.4(a); 3.3.1;
NT Instruction Note 4 of 2015-16	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
NT Instruction Note 1 of 2021-22	Paragraph 4.1
Practice Note 7 of 2009-10	Paragraph 4.1.2

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for the year ended 31 March 2024

COUNCIL'S RESPONSIBILITIES AND APPROVAL

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

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity depends mostly on the Department of Basic Education for continued funding of operations. The Annual Financial Statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

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

The external auditors are responsible for independently reviewing and reporting on the entity's Annual Financial Statements. The Annual Financial Statements have been examined by the entity's external auditors.

The Annual Financial Statements have been prepared on the going concern basis and were approved by the Council on 19 August 2024.



Dr MS Rakometsi
CEO Umalusi



Prof Y Ballim
Chairperson

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

REPORT OF THE COUNCIL

The Council submits its report for the year ended 31 March 2024.

1. Incorporation

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

2. Review of activities

Main business and operations

Umalusi, the Council for Quality Assurance in General and Further Education and Training, is the Quality Council in terms of the National Qualifications Framework Act (Act 67 of 2008), responsible for the management of the General and Further Education and Training Qualifications Sub-framework of the National Qualifications Framework (NQF). The Council acts as an external and independent assurance body, mandated to set and maintain standards in general and further education and training through the development of the General and Further Education and Training Qualifications Sub-framework of the NQF.

3. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on it receiving a statutory grant. At the time of the approval of these Annual Financial Statements, in the Medium-Term Expenditure Framework published by National Treasury, the Department of Basic Education had committed to funding the entity for the period 2024/25 to 2027/28.

4. Subsequent events

The Council is not aware of any matter or circumstance which has arisen between the end of the financial year and the date of approval of the financial statements that would require an adjustment of the financial statements.

5. Retention of surplus and approval by the National Treasury

The entity intends to apply to retain the cash surplus once the financial statements have been audited. At the time of approval of the Annual Financial Statements, the request to retain the surplus had not yet been made to National Treasury.

6. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

7. Losses through fraud, fruitless, wasteful and irregular expenditure

The Council has considered the provision of the PFMA relating to fruitless and wasteful expenditure. In terms of the materiality framework as agreed with the Executive Authority in terms of Section 55(1)(d) of the PFMA, any material losses due to criminal conduct or irregular or fruitless and wasteful expenditure must be reported in the Annual Financial Statements.

In the current year, Umalusi did not identify any internal or external related fraudulent activities. Umalusi has disclosed fruitless, wasteful and irregular expenditure incurred during the period under review in note 29 and 30. The Council is committed to continuously reviewing and strengthening the internal control environment in order to prevent the fruitless, wasteful and irregular expenditure within the organisation.

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for the year ended 31 March 2024

8. Internal controls

In accordance with the PFMA, the Council is accountable for internal controls. The Council has the responsibility of maintaining a sound system of internal controls that supports the achievement of Umalusi's objectives; accordingly, it reviews the effectiveness on an ongoing basis through the internal audit function.

9. Council Members

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

- Prof Y Ballim (Chairperson)
- Prof TP Msibi (Deputy Chairperson)
- Dr MS Rakometsi (CEO Umalusi)
- Dr W Green (Council on Higher Education - CEO)
- Mr D Hindle
- Mr NT Johnstone
- Dr C Myburgh
- Ms F Solomon
- Adv MJ Merabe
- Prof ME Metcalfe
- Mr V Naidoo (Quality Council for Trades and Occupations - CEO)
- Ms N Starr (South African Qualifications Authority - CEO)
- Dr KM Dos Reis
- Dr L Mokotjo
- Prof L Jita
- Ms L Moyane

10. Secretary

The secretary of the council is Mr NH Moloise.
Business address: 37 General Van Ryneveld Street,
Persequor Technopark, Pretoria
Postal address: PO Box 151, Persequor Technopark,
Pretoria, 0020

11. Executive Authority

The entity reports to the Department of Basic Education.

12. Auditors

RSM South Africa has been appointed to conduct the external audit in accordance with section 25 (2) of the Public Audit Act. Umalusi has obtained approval from the Auditor General South Africa to appoint RSM South Africa for 2023/24 financial year.



Dr MS Rakometsi
CEO Umalusi



Prof Y Ballim
Chairperson

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

STATEMENT OF FINANCIAL POSITION as at 31 March 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	3	1 832 327	1 926 723
Statutory receivables from exchange transactions	4	5 027 514	4 669 361
Other receivables	5	132 376	89 668
Prepayments	7	5 600 569	2 121 766
Cash and cash equivalents	6	32 276 300	44 111 275
		44 869 086	52 918 793
Non-Current Assets			
Property, plant and equipment	8	85 438 492	71 744 404
Total Assets		130 307 578	124 663 197
Liabilities			
Current Liabilities			
Operating lease liability	9	84 767	47 260
Payables from exchange transactions	10	10 601 612	12 633 019
Provisions	11	2 719 852	5 492 121
Deferred income	12	10 624 792	10 890 084
		24 031 023	29 062 484
Non-Current Liabilities			
Net Defined Benefit Liability	13	5 865 000	9 549 000
Total Liabilities		29 896 023	38 611 484
Net Assets		100 411 555	86 051 713
Reserves			
Revaluation reserve	14	23 393 588	9 842 290
Accumulated surplus		77 017 966	76 209 422
Total Net Assets		100 411 554	86 051 712

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for the year ended 31 March 2024

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Accreditation fees		7 263 915	7 320 568
Certification		7 827 491	4 416 650
Verification fees		18 448 401	15 488 390
Royalty income		1 298 137	866 074
Other income		3 185 426	3 360 103
Interest received - investment		4 671 619	3 959 495
Remeasurement - Defined benefit obligation		-	1 673 040
Total revenue from exchange transactions	15	42 694 989	37 084 320
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies		162 945 000	162 031 000
Total revenue		205 639 989	199 115 320
Expenditure			
Employee related costs	20	(92 076 616)	(87 057 565)
Depreciation and amortisation		(10 047 578)	(5 699 716)
Lease rentals on operating lease	17	(398 200)	(390 089)
Provision for doubtful debts	18	(537 010)	2 386 651
Moderation and verification costs	21	(40 443 667)	(41 646 860)
Remeasurement - Defined benefit obligation		(1 145 000)	-
Loss on disposal of assets and liabilities		(367 065)	(1 102 875)
General Expenses	19	(59 816 309)	(50 167 441)
Total expenditure		(204 831 445)	(183 677 895)
Surplus for the year		808 544	15 437 425

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for the year ended 31 March 2024

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2022	34 804 310	60 771 997	95 576 307
Changes in net assets			
Impairment losses on revalued capital assets	(22 691 285)	-	(22 691 285)
Surplus for the year	-	9 026 277	9 026 277
Total recognised income and expenses for the year	(22 691 285)	9 026 277	(13 665 008)
Correction of prior year errors	(2 270 735)	6 411 148	4 140 413
Restated* Balance at 01 April 2023	9 842 290	76 209 422	86 051 712
Changes in net assets			
Revaluation of Land	1 020 000	-	1 020 000
Revaluation of Buildings	12 531 298	-	12 531 298
Net income (losses) recognised directly in net assets	13 551 298	-	13 551 298
Surplus for the year	-	808 544	808 544
Total recognised income and expenses for the year	13 551 298	808 544	14 359 842
Total changes	13 551 298	808 544	14 359 842
Balance at 31 March 2024	23 393 588	77 017 966	100 411 554
Note(s)	14		

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for the year ended 31 March 2024

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Own revenue		36 087 863	34 347 881
Grants		162 945 000	162 031 700
Interest income		4 671 619	3 959 495
		203 704 482	200 339 076
Payments			
Employee costs		(106 583 638)	(97 827 675)
Suppliers		(99 781 765)	(75 286 376)
		(206 365 403)	(173 114 051)
Net cash flows from operating activities	22	(2 660 921)	27 225 025
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(9 174 054)	(36 588 810)
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents			
		(11 834 975)	(9 363 785)
Cash and cash equivalents at the beginning of the year		44 111 275	53 475 060
Cash and cash equivalents at the end of the year	6	32 276 300	44 111 275

* See Note 31 & 32.

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis					
Figures in Rand	Approved budget	Approved and Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Accreditation fees	10 795 699	10 795 699	7 263 915	(3 531 784)	1
Certification fees	2 776 402	2 776 402	7 827 491	5 051 089	2
Verification fees	13 249 178	13 249 178	18 448 401	5 199 223	3
Rental income	1 811 989	1 811 989	1 298 137	(513 852)	4
Other income	3 781 775	3 781 775	3 185 426	(596 349)	
Interest received - CPD	2 067 957	2 067 957	4 671 619	2 603 662	5
Total revenue from exchange transactions	34 483 000	34 483 000	42 694 989	8 211 989	
Revenue from non-exchange transactions					
Transfer revenue					
Government grants and subsidies	162 945 000	162 945 000	162 945 000	-	
Total revenue	197 428 000	197 428 000	205 639 989	8 211 989	
Expenditure					
Personnel	(99 151 000)	(99 151 000)	(92 076 616)	7 074 384	6
Depreciation and amortisation	(5 500 000)	(5 500 000)	(10 047 578)	(4 547 578)	7
Lease rentals - Printers	-	-	(398 200)	(398 200)	
Moderation and verification cost	(45 949 126)	(45 949 126)	(40 443 667)	5 505 459	8
General Expenses	(46 827 874)	(46 827 874)	(59 816 309)	(12 988 435)	9
Total expenditure	(197 428 000)	(197 428 000)	(202 782 370)	(5 354 370)	
Operating surplus	-	-	2 857 619	2 857 619	
Remeasurement -Defined benefit obligation	-	-	(1 145 000)	(1 145 000)	

- The accreditation fees were 33% (R7 263 915/ R10 795 699) below budget. There was a decrease in site visits and desktop evaluations in the current year compared to the previous financial year
- The certification fees were 182% (R7 827 491/ R2 776 402) above budget due to increase number of learners and introduction of on-line certification.
- The verification fees were 39% (R18 448 401/ R13 249 178) above budget due to increase in demand for verification services from employers and various agencies.
- The rental income was 28% (R1 298 137/ R1 811 989) below budget due to accounting adjustments relating to smoothing of operating leases and the low number of tenants.
- The interest income (CPD) was 126% (R4 671 619/ R2 067 957) above budget due to increased interest rates and a favourable investment balance.
- Employee cost was 7% (R92 076 616/ R99 151 000) below budget due to vacant posts.
- The increased depreciation amount was due to increased capital expenditure on Thuto Mfundo Building refurbishment.
- Umalusi has implemented several cost-cutting measures, which includes, among others, online meetings, workshops and training.
- The increase in general expenses is due to increase in ICT expenditure and the travelling costs.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

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

- a) Determination of the useful lives of assets
- b) Reassessment of the useful lives of assets
- c) Impairment of assets
- d) Revaluation of assets
- e) Actuarial valuation of defined obligation or plan asset

Where significant judgements or estimation are made, such information will be disclosed in the notes to the annual financial statements and referenceing will also be made in the face of the annual financial statement.

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

The following property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses:

- Plant and Machinery
- Furniture and Fittings
- Motor vehicles
- Office equipment
- Computer equipment
- Other equipment

Land and Buildings

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The land and buildings are revalued independently every four years.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period.

The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

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

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

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	20 years
Plant and machinery	Straight-line	5 years
Furniture and fittings	Straight-line	4-6 years
Motor vehicles	Straight-line	7 years
Office equipment	Straight-line	5 years
Computer equipment	Straight-line	3 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

there are no further economic benefits or service potential expected from the use of the asset.

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

1.6 Financial instruments

The financial asset or financial liability is initially measured at fair value and subsequently measured at amortised cost. If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as a difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables for exchange transactions	Financial liability measured at amortised cost

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following:

- Financial instruments at amortised cost.

1.7 Statutory receivables

Identification

Statutory receivables comprise of quality assurance and certification fees. Certification fees are charged by Umalusi for certifying qualifications registered on the General and Further Education and Training Qualifications Sub-Framework (GFETQSF). Quality assurance fees are by Umalusi base on input cost of professional services rendered to the assessment bodies registered on the GFETQSF.

Initial measurement

Statutory receivables are measured at fair value as per the approved fee tariff structure.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

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for the year ended 31 March 2024

1.8 Leases

Umalusi is currently leasing office space to two(2) tenants on three year terms. Umalusi retains significant risks and rewards to the leased office space. The tenant pay monthly rental fees. The leases are classified as operating leases.

Operating leases - lessor

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

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

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise bank balances, petty cash and deposits held at call with banks and other short-term highly liquid investment which are available on demand.

1.10 Provisions

Umalusi's provision comprise employee short term benefits such as accumulated leave. Provision for leave is based on unused number of days at the end of the reporting period for each employee. According to Umalusi, leave policy, employees are allowed to accumulate leave days. However, Umalusi can only pay accumulated leave days limited to each employee's entitlement per annum. Where employees have negative annual leave balances at the end of the financial year, these annual negative leave will be accounted for as prepayment.

1.11 Commitments

Items are classified as commitments when Umalusi has committed itself to future transactions that will normally result in the outflow of cash. Umalusi discloses

commitments in respect of unrecognised contractual obligations.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost
- Contracts should relate to something other than the routine, steady, state business of the entity.

1.12 Revenue from exchange transactions

Umalusi derives its revenue from both exchange and non-exchange transactions. Section 13(1) of GENFETQA Act outlines sources of revenue for Umalusi

1.12.1 Revenue from exchange transactions.

Umalusi's revenue from exchange includes the following:

- Certification fees
- Verification fees
- Accreditation fees
- Quality assurance of assessment fees
- Interest from exchange of transactions
- Rental income

1.12.2 Revenue from non-exchange transactions

Umalusi's revenue from non-exchange transactions includes:

- Government grant
- Donations and contributions
- Interest from non-exchange transactions

Measurement

The government grant is recognised as revenue when it is probable that economic benefits or service potential associated with the allocation of the government grant to Umalusi by the Department of Basic Education (DBE) will flow to the entity and that Umalusi can reliably estimate amounts receivable.

Accreditation fees are recognised as revenue when it is probable that economic benefits or service potential associated with the service rendered will flow to Umalusi. Revenue is measured at fair value as per the approved fee structure and by reference to the stage of completion of the transaction at the reporting date. Revenue is recognised once Umalusi has rendered the services.

ANNUAL FINANCIAL STATEMENTS

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Certification fees are recognised as revenue when it is probable that economic benefits or service potential associated with the services rendered will flow to Umalusi. Revenue is measured at fair value as per the approved fee structure.

Verification fees are recognised as revenue when it is probable that economic benefits or services potential associated with the services rendered will flow to Umalusi. Revenue is measured at fair value as per the approved fee structure.

Interest income is recognised as revenue using the effective interest rate method when it is probable that the economic benefits will flow to Umalusi and that the organisation can reliably measure the interest amount receivable from investments made by Umalusi.

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

1.13 Investment income

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

1.14 Comparative figures

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

1.15 Budget information

Umalusi prepares the statement of comparison of budget and actual amount which provides information on the resources that are utilised in line with the approved budget. The approved budget is prepared on a cash basis and presented by expenditure on economic classification. The budget covers the period of twelve months, from 1 April to 31 March of each year.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 Mergers	To be confirmed	Unlikely there will be a material impact
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	To be confirmed	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	To be confirmed	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be confirmed	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be confirmed	Impact is currently being assessed
• GRAP 103 (as revised): Heritage Assets	To be confirmed	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Impact is currently being assessed

3. Receivables from exchange transactions

	2024 R	2023 Restated*
Trade receivables	1 832 327	1 926 723
Reconciliation of receivables from exchange transactions		
Gross amount	2 425 942	2 348 104
Provision for bad debts	(593 615)	(421 381)
	1 832 327	1 926 723
Reconciliation for Provisions on receivables from exchange transactions		
Opening balance provision	(421 381)	322 082
Total debtors over 120 days	1 014 996	99 299
	593 615	421 381

Receivables from exchange transactions - past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired. At 31 March 2024, R339 054 (2023: R1 002 320) were past due but not impaired.

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for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

3. Receivables from exchange transactions (continued)

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

	2024 R	2023 Restated*
1 month past due	206 533	934 740
2 months past due	184 495	49 228
3 months past due	8 026	18 352

Receivables from exchange transactions - impaired

As of 31 March 2024, trade and other receivables of R 593 615 (2023: R 421 381) were impaired and provided for.

The ageing of these receivables is as follows:

Over 120 days	593 615	421 381
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The provision for bad debts pertains to debts that are more than 120 days overdue.

4. Statutory receivables from exchange transactions

Statutory receivables	5 027 514	4 669 361
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Statutory receivables included in receivables from non-exchange transactions above are as follows:

Gross amount	5 292 250	3 892 059
Provision for bad debts	(2 063 355)	(1 698 577)
Quality assurance fees	1 798 619	2 475 879
	5 027 514	4 669 361

Reconciliation for Provisions on statutory receivables from non-exchange transactions

Opening balance provision	1 698 577	(2 485 952)
Total debtors over 120 days	364 778	9 430 598
Bad debts written off	-	(5 246 069)
	2 063 355	1 698 577

Statutory receivables general information

Statutory receivables past due but not impaired

Statutory receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2024, R271 394 (2023: R183 625) past due but not impaired.

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

1 month past due	69 250	145 876
2 months past due	180 334	24 875
3 months past due	21 810	12 874

Statutory receivables impaired

As of 31 March 2024, Statutory receivables of R2 063 355 (2023: R1 698 577) were impaired and provided for.

The ageing of these loans is as follows:

Over 120 days	2 063 355	1 698 577
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ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

5. Other receivables

Deposits
Staff debtors
Creditors with debit balances

	2024 R	2023 Restated*
	3 450	15 810
	128 926	68 337
	-	5 521
	132 376	89 668

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash
Bank
Short-term deposits
Bank - SAAEA conference
Pay-fast

	2 146	1 558
	1 569 998	2 395 259
	30 296 618	41 598 168
	360 000	-
	47 538	116 290
	32 276 300	44 111 275

Cash and cash equivalents held by Umalusi is not available for use by any other entity. There are no restrictions on the utilisation of cash and cash equivalents imposed on Umalusi.

7. Prepayments

Prepayments

The prepayments relate to the following:

Software licence
Accommodation - AEAA conference August 2024
Leave utilised in advance

	2 946 173	2 121 766
	2 554 423	-
	99 973	-
	5 600 569	2 121 766

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

8. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	11 020 000	-	11 020 000	10 000 000	-	10 000 000
Buildings	66 818 819	(5 138 818)	61 680 001	52 300 001	(1 500 308)	50 799 693
Plant and machinery	58 600	(24 772)	33 828	411 425	(411 425)	-
Furniture and fixtures	3 787 689	(3 037 386)	750 303	3 022 454	(2 098 698)	923 756
Motor vehicles	360 445	(275 244)	85 201	360 445	(254 216)	106 229
Office equipment	5 084 429	(1 930 145)	3 154 284	3 578 506	(1 558 750)	2 019 756
Computer equipment	16 404 552	(8 800 174)	7 604 378	14 414 840	(7 921 847)	6 492 993
Computer software	216 900	(216 900)	-	216 900	(216 900)	-
Other equipment	2 035 258	(924 761)	1 110 497	2 035 258	(633 281)	1 401 977
Total	105 786 692	(20 348 200)	85 438 492	86 339 829	(14 595 425)	71 744 404

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Revaluations	Reassessment	Depreciation	Total
Land	10 000 000	-	-	1 020 000	-	-	11 020 000
Buildings	50 799 693	1 574 355	-	12 910 872	-	(3 604 919)	61 680 001
Plant and machinery	-	32 600	-	-	6 609	(5 381)	33 828
Furniture and fixtures	923 756	958 565	(12 831)	-	117 160	(1 236 347)	750 303
Motor vehicles	106 229	-	-	-	-	(21 028)	85 201
Office equipment	2 019 756	1 804 466	(29 692)	-	140 719	(780 965)	3 154 284
Computer equipment	6 492 993	4 804 068	(319 886)	-	677 923	(4 050 720)	7 604 378
Other equipment	1 401 977	-	-	-	56 738	(348 218)	1 110 497
	71 744 404	9 174 054	(362 409)	13 930 872	999 149	(10 047 578)	85 438 492

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers received	Transfers	Revaluations	Depreciation	Total
Land	10 000 000	-	-	-	-	-	-	10 000 000
Buildings	41 241 378	25 648 278	-	11 689 708	-	(24 933 636)	(2 846 035)	50 799 693
Furniture and fixtures	371 418	695 195	-	-	-	-	(142 857)	923 756
Motor vehicles	157 721	-	-	-	-	-	(51 492)	106 229
Office equipment	353 431	2 039 405	-	-	-	-	(373 080)	2 019 756
Computer equipment	1 992 205	6 565 639	(65 554)	-	-	-	(1 999 297)	6 492 993
Work in progress - building	12 666 451	80 962	(1 057 705)	-	(11 689 708)	-	-	-
Other equipment	129 601	1 559 331	-	-	-	-	(286 955)	1 401 977
	66 912 205	36 588 810	(1 123 259)	11 689 708	(11 689 708)	(24 933 636)	(5 699 716)	71 744 404

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

The revaluations took effect on 31 March 2024 and were conducted by independent valuers. The evaluation was performed by a registered member (6602/8) of the South African Institute of Valuers. The service provider and its directors are independent of Umalusi. Land and buildings are re-valued independently every four years.

The valuation was performed using the income capitalisation method. This method involves assessing the net normalised annual income of the property, assuming it is fully leased at market related rentals and market escalations. The land and buildings, located at both 37 and 41 van Reneveld street, portion of 1 and 2 of Erf2, Persekor Township, Gauteng and measuring 5 721 and 5 879 square meters respectively. The properties are valued at R40 200 000 and R32 500 000 respectively.

Work in progress - Building

Refurbishment of the Thuto-Mfundo Building was concluded in the 2022/23 financial year and the final account was received in 2023/24. The cumulative expenditure on the Thuto-Mfundo project over the timeline from December 2021 to the final account in November 2023 amounted to R44 935 190.

Other information

Expenditure incurred to repair and maintain property, plant and equipment

Land
Building
Office equipment

	2024 R	2023 Restated*
	431 003	222 333
	1 150 627	595 914
	376 345	191 905
	1 957 975	1 010 152

9. Operating lease asset (liability)

Current liabilities

Umalusi has operating lease agreements with two entities. The lease agreements have a three year lease term with options for renewal. There are no restrictions on the leased properties. The operating lease liability is as a result of smoothing between the actual lease payments and straight lining.

Minimum lease payments due

- within one year
- in second to fifth year inclusive

	2024 R	2023 Restated*
	(84 767)	(47 260)
	1 402 521	360 002
	2 676 808	1 550 703
	4 079 329	1 910 705

10. Payables from exchange transactions

Trade payables
Unknown deposits
Accrued bonus
Accrued expense
Payroll creditors
Credit card

	2024 R	2023 Restated*
	2 267 167	4 430 465
	315 089	241 534
	1 159 594	760 827
	6 770 643	3 873 353
	82 925	3 325 260
	6 194	1 580
	10 601 612	12 633 019

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for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. Provisions

Reconciliation of provisions - 2024	Utilised during			Total
	Opening Balance	Additions	the year	
Provision for leave	5 492 121	8 738 677	(11 510 946)	2 719 852

Reconciliation of provisions - 2023	Utilised during			Total
	Opening Balance	Additions	the year	
Provision for leave	6 015 008	1 527 248	(2 050 135)	5 492 121

12. Deferred income

The deferred income is comprised of advance payments made by the applicants to Umalusi when applying for the accreditation status as an assesment body in terms of GEFETQA Act. The amount is recognised as revenue after service has been rendered by Umalusi. Revenue is recognised by reference to the stage of completion.

	2024 R	2023 Restated*
Movement in deferred income		
Opening balance	10 890 084	8 727 885
Movement in deferred income	(265 292)	2 162 199
	10 624 792	10 890 084

13. Employee benefit obligations

Defined benefit plans - General information

Defined benefit obligation

Umalusi offers active employees and continuation pensioners the opportunity to belong to one medical aid scheme of their choice. Upon retirement, a continuation pensioner may continue membership in the medical aid scheme. Umalusi will provide a contribution per month to retirees, provided the employee has completed a minimum of ten (10) years of unbroken service in government and has retired from the organisation.

During the 2023/24 financial year, Umalusi opened an investment account for the post-retirement medical aid scheme to fund the future liability of the medical aid obligation. Umalusi invested R6 million in the investment account. As 31 March 2024, the investment generated a total of R346 236.

The actuarial valuation was done by Pangaea Expertise & Solutions, whose directors and employees are independent from Umalusi. In accordance with the requirements of GRAP 25, the Projected Unit Credit method has been applied. The assumption underlying the funding method is that the employer's post-employment medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age. The valuation has been made with reference to the Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 301, and is consistent with the requirements of GRAP 25.

Defined benefit plan (Medical aid)

During the 2023/24 financial year, Umalusi opened an investment account for the post-retirement medical aid scheme to fund the future liability of the medical aid obligation. Umalusi invested R6 million in the investment account. To 31 March 2024, the investment generated interest income amounting to R346 236.

ANNUAL FINANCIAL STATEMENTS

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Movement in the present value of defined benefit obligation

	2024 R	2023 Restated*
Opening balance	9 549 000	9 912 000
Service cost	597 000	765 000
Interest cost	990 000	930 000
Remeasurements	1 145 000	(1 673 040)
Actual medical contributions for continuation pensioners	(416 000)	(384 960)
Fair value of plan assets	(6 000 000)	-
	5 865 000	9 549 000
Key assumptions used		
Assumptions used at the reporting date:		
Discount rate	13,27 %	10,61 %
Consumer price inflation	7,76 %	7,06 %
Healthcare cost inflation	9,26 %	8,06 %
Maximum subsidy inflation	3,88 %	- %
Net discount rate	3,67 %	2,35 %

Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one

percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One point increase point decrease
2024		
Employer's accrued liability	1 058 400	12 752 000
Employee's service cost	1 686 000	2 035 000
Employee's interest cost	1 482 000	1 540 000
2023		
Employer's accrued liability	8 781 000	10 433 000
Employee's service cost	540 000	663 000
Employee's interest cost	995 000	983 000

14. Revaluation reserve

	2024 R	2023 Restated*
Opening balance	9 842 290	34 804 310
Revaluations of both Buildings: Umalusi House and Thuto fundo	13 551 298	(22 691 285)
Unbundling	-	(2 270 735)
	23 393 588	9 842 290

The movement of the revaluation reserve was as a result of revaluation of land and buildings in the current financial year amounting to R13 551 298.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

15. Revenue

	2024 R	2023 Restated*
Accreditation	7 263 915	7 320 568
Certification	7 827 491	4 416 650
Verification	18 448 401	15 488 390
Rental income	1 298 137	866 074
Other income	3 185 426	3 360 103
Interest received - investment	4 671 619	3 959 495
Grant: Department of Basic Education	162 945 000	162 031 000
	205 639 989	197 442 280

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

Accreditation	7 263 915	7 320 568
Certification	7 827 491	4 416 650
Verification	18 448 401	15 488 390
Rental income	1 298 137	866 074
Interest received - investment	4 671 619	3 959 495
	39 509 563	32 051 177

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

Transfer revenue

Grant: Department of Basic Education

The government grant is the total budget allocation transferred to Umalusi by the Department of Basic Education during the 2023/24 financial year.

	162 945 000	162 031 000
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16. Other income

Other income	3 185 426	3 360 103
Other income		
Quality assurance fees	1 798 619	2 475 879
AEEA conference fees	360 000	-
Recovery - SETA	984 277	-
Sundry income	42 530	884 224
	3 185 426	3 360 103

17. Lease rentals on operating lease

Equipment

Contractual amounts	398 200	390 089
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Minimum lease payments due

Within one year	66 367	398 200
1 to 5 years	-	66 367
	66 367	464 567

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

18. Provision for doubtful debts

	2024 R	2023 Restated*
Contributions to debt impairment provision	537 010	(7 632 720)
Bad debts written off	-	5 246 069
	537 010	(2 386 651)

19. General expenses

Auditors fees	1 249 269	5 442
Bank charges	387 232	309 592
Cleaning	992 737	801 064
Computer and licensing	6 566 069	3 991 923
Consulting and professional fees	3 181 365	5 932 523
Insurance	384 024	249 462
IT expenses	13 690 409	10 070 133
Levies	1 514 139	1 517 764
Service cost	181 000	380 040
Printing and stationery	1 107 571	1 565 332
Repairs and maintenance	2 828 566	1 442 891
Security	1 970 513	1 985 796
Subscriptions and membership fees	207 995	181 217
Telephone and fax	1 200 313	1 048 105
Training	653 079	380 561
Travel - local	11 243 004	8 541 295
Travel - overseas	1 223 493	944 391
Electricity	2 053 121	1 555 449
Certificate Papers	2 599 000	3 460 759
Development and maintenance of database	-	82 033
Other Expenses	5 100 597	3 683 448
Conferences and Workshops	52 654	15 022
Net interest on defined benefit liability	643 763	930 000
Venue expenses	786 396	1 093 199
	59 816 309	50 167 441

20. Employee related costs

Total Earnings and other costs	77 590 360	78 655 245
Medical aid	2 932 343	1 791 643
UIF	589 634	283 878
Post retirement medical aid	416 000	320 934
Pension	10 548 279	6 005 865
	92 076 616	87 057 565

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for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

21. Moderation and verification costs

Umalusi contracts external moderators to conduct external moderation of question papers and marking guidelines to ensure that standards are maintained. The moderation of question papers is a critical quality assurance process that ensures that question papers are relatively fair, valid and reliable.

Moderation and verification costs

	2024 R	2023 Restated*
Moderation and verification costs	40 443 667	41 646 860

22. Cash (used in) generated from operations

Surplus

Adjustments for:

Depreciation and amortisation

Loss on disposal of assets and liabilities

Movements in operating lease assets and accruals

Movements in retirement benefit assets and liabilities

Movements in provisions

Deferred Income

Reassessment

Lease rentals on operating lease

Remeasurement

Rental smoothing

Changes in working capital:

Receivables from exchange transactions

Consumer debtors

Other receivables from non-exchange transactions

Statutory receivables

Prepayments

Payables from exchange transactions

Surplus	808 544	15 437 425
Adjustments for:		
Depreciation and amortisation	10 047 578	5 699 716
Loss on disposal of assets and liabilities	367 065	1 102 875
Movements in operating lease assets and accruals	37 507	47 260
Movements in retirement benefit assets and liabilities	(3 684 000)	9 549 000
Movements in provisions	(1 125 551)	5 492 121
Deferred Income	(265 292)	2 162 199
Reassessment	(443 494)	-
Lease rentals on operating lease	398 200	-
Remeasurement	(1 145 000)	-
Rental smoothing	(1 298 137)	-
Changes in working capital:		
Receivables from exchange transactions	94 396	(1 926 723)
Consumer debtors	(537 010)	-
Other receivables from non-exchange transactions	(358 153)	-
Statutory receivables	(42 708)	-
Prepayments	(3 478 803)	(2 121 766)
Payables from exchange transactions	(2 036 063)	(8 217 082)
	(2 660 921)	27 225 025

23. Commitments

Total commitments

Authorised capital expenditure

Authorised operational expenditure

• Open Purchase orders

Authorised capital expenditure	-	5 596 856
Authorised operational expenditure	53 670 609	33 245 259
• Open Purchase orders	3 700 238	-
	57 370 847	38 842 115

24. Related parties

Relationships

Executive Authority: Department of Basic Education

Associated Institution: Associated Institutions Pension Fund (AIPF)

Non-executive Council members

Executive and Senior Management

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Related party transactions

	2024 R	2023 Restated*
Department of Basic Education	(162 945 000)	(162 031 000)
Associated Institutions Pensions Fund (AIPF)	11 773 803	6 005 864
Council members	1 044 406	918 850
Executive and Senior Management	22 341 145	19 929 317

Remuneration of management

Executive and senior Management

2024 Name	Salary or fee	Bonuses and performance related payments	Retirement fund contributions	Medical contributions	Other benefits received	Total package
CEO: Dr MS Rakometsi	3 348 892	145 730	291 978	-	311 889	4 098 489
CFO: Mr MH van der Walt	1 290 462	89 870	125 818	34 800	72 589	1 613 539
EM: Q&R - Mr E Sibanda	1 318 447	88 560	123 984	34 800	22 544	1 588 335
EM: QAM - Ms Z Modimakwane (Retired - 30/04/2023)	183 155	102 795	11 302	2 900	163 466	463 618
EM: QAM - Dr E Sujee (Promoted - 01/05/2023)	1 166 824	73 937	106 023	-	21 027	1 367 811
SM: QAA (SQ) - Ms ML Madalane	1 114 986	50 757	114 203	34 800	14 797	1 329 543
SM: QAA (PSQ) - Dr Dliwayo	1 062 467	23 934	100 525	34 800	10 998	1 232 724
SM: E&A - Ms C Thomas	1 152 087	75 028	105 039	-	17 722	1 349 876
SM: S&G - Ms S Mosimege	1 309 101	85 997	120 396	-	9 000	1 524 494
SM: SIR - Dr A Mohale	1 102 299	-	100 525	-	24 691	1 227 515
SM: QCC - Dr E Sujee (Promoted - 30/04/2023)	83 335	-	8 213	-	-	91 548
SM: ICT - Mr S Maluleka (31/01/2024)	846 368	76 135	88 824	29 000	243 760	1 284 087
SM: PR&COMMS - Mr B Lepota	1 102 577	47 869	100 525	-	149 883	1 400 854
SM: HCM - Mr M Mabelebele (Commenced - 01/09/2023)	627 263	-	57 788	2 900	3 746	691 697
SM: F&SCM - Mr MK Monate	678 450	-	63 616	14 500	83 065	839 631
SM: QCC - Mr D Twala (Promoted - 01/07/2023)	818 828	38 099	73 508	-	38 190	968 625
	17 205 541	898 711	1 592 267	188 500	1 187 367	21 072 386

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for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

24. Related parties (continued)

2023 Name	Basic salary	Bonuses and performance related payments	Retirement fund contributions	Medical contributions	Other benefits received	Total
CEO: Dr MS Rakometsi	2 227 366	135 735	195 730	34 800	447 166	3 040 797
CFO: Mr MH van der Walt	1 203 422	-	118 369	34 800	24 950	1 381 541
EM: Q&R - Mr E Sibanda	1 260 822	79 678	116 620	34 800	29 741	1 521 661
EM: QAM - Ms Z Modimakwane (Retired - 30/04/2023)	1 360 113	91 295	133 623	33 840	13 959	1 632 830
SM: QAA (SQ) - Ms ML Madalane	1 175 735	45 562	107 174	34 800	2 007	1 365 278
SM: QAA (PSQ) - Dr Dliwayo	958 230	-	94 246	34 800	4 114	1 091 390
SM: HCM - RA Selesho (Resigned - 31/01/2023)	846 914	45 562	83 358	29 000	79 411	1 084 245
SM: E&A - Ms C Thomas	1 035 490	67 334	98 551	-	11 730	1 213 105
SM: S&G - Ms S Mosimege	1 206 067	77 341	113 199	-	14 000	1 410 607
SM: SIR - Dr A Mohale	83 813	-	7 971	-	-	91 784
SM: F&SCM - Mr D Maluleke (Resigned - 31/03/2023)	1 054 571	68 343	93 810	-	141 497	1 358 221
SM: QCC - Dr E Sujee (Promoted - 30/04/2023)	1 016 110	66 338	99 783	-	41 936	1 224 167
SM: ICT - Mr S Maluleka (31/01/2024)	1 014 189	45 562	100 029	34 800	21 183	1 215 763
SM: PR&COMMS - Mr B Lepota	993 234	-	94 246	-	9 434	1 096 914
	15 436 076	722 750	1 456 709	271 640	841 128	18 728 303

Council Members 2024

Name	Salary or fee	Other benefits received	Total
Prof Y Ballim (Chairperson)	255 874	5 795	261 669
Prof TP Msibi (Deputy Chair)	116 655	1 040	117 695
Mr D Hindle	82 364	6 714	89 078
Dr L Mokojo	80 940	2 957	83 897
Dr C Myburgh	138 424	1 850	140 274
Dr KM Dos Reis	62 376	300	62 676
Adv MJ Merabe	26 806	216	27 022
Prof M Metcalfe	44 764	400	45 164
Prof L Jita	124 976	2 115	127 091
Mr NT Johnstone	53 960	3 719	57 679
Ms F Solomon	26 980	200	27 180
Ms L Moyane	-	4 981	4 981
	1 014 119	30 287	1 044 406

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for the year ended 31 March 2024

2023

Name	Basic salary	Other benefits received	Total
Prof Y Ballim (Chairperson)	173 803	8 029	181 832
Prof TP Msibi (Deputy Chair)	36 727	2 661	39 388
Mr D Hindle	61 620	13 254	74 874
Dr L Mokotjo	26 450	5 408	31 858
Dr C Myburgh	83 870	2 189	86 059
Dr KM Dos Reis	29 880	100	29 980
Adv MJ Merabe	18 515	6 289	24 804
Prof M Metcalfe	12 295	1 062	13 357
Prof L Jita	113 818	2 617	116 435
Mr NT Johnstone	21 134	1 908	23 042
Ms F Solomon	10 580	100	10 680
Ms L Moyane	-	9 497	9 497
Prof JD Volmink (Previous Chairperson)	83 177	6 950	90 127
Prof MLE Monnapula-Mapesela (Previous Deputy Chairperson)	92 462	750	93 212
Dr MR Mampane	70 458	1 387	71 845
Prof L Makalela	18 515	600	19 115
Prof PD Mulaudzi	2 645	100	2 745
	855 949	62 901	918 850

25. Risk management

Financial risk management

The entity's activities expose it to credit risk and liquidity risk.

Liquidity risk

The entity is only exposed to liquidity risk with regards to the payment of its payables. These payables are all due within the short term. The entity manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in investment accounts (Corporation for Public Deposits).

The Corporation for Public Deposits (CPD) was established as a subsidiary of the South African Reserve Bank in 1984. The CPD is governed by the Corporation for Public Deposits Act 46 of 1984. The CPD accepts call deposits from the public sector and invest the funds in short-term money-market instruments and special Treasury bills. With the permission of the Minister of Finance, the CPD may also accept call deposits from other depositors. All funds invested with the CPD, and other interest earned on these funds, are payable on demand.

	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years
At 31 March 2024				
• Payables from exchange transactions	2 267 167	-	-	-
At 31 March 2023				
• Payables from exchange transactions	4 430 465	-	-	-

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

24. Related parties (continued)

Credit risk

The bank balances are held with a registered banking institution and are regarded as having an insignificant credit risk. The short-term deposit is held at the Corporation for Public Deposits (CPD), which has the same rating as the South African Reserve Bank. Cash in investment accounts is kept at maximum in order to maximise interest earned. Rates on funds deposited with the CPD are higher than those earned on funds on the short-term money market. Trade receivables have been adequately assessed for impairment. Credit risk is managed on a group basis.

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

Financial instrument	2024 R	2023 Restated*
Receivables from exchange transactions	2 425 942	2 348 104
Cash and cash equivalents	32 276 300	44 111 275

26. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on it receiving a statutory grant. As at the time of the preparation of these Annual Statement, in the Medium-Term Expenditure Framework published by Treasury, the Department of Basic Education had committed to funding the entity for the period 2025/26 to 2027/28.

27. Contingent Asset

In the 2017/18 financial year, a contract was awarded for the refurbishment of the Umalusi property at 41 van Reyneveld Street. This contract was cancelled due to fraudulent allegations amongst the members of the Joint Venture. At the time of cancellation, Umalusi had paid for long-lead items and these have not been delivered. The matter has since been reported to law enforcement to recover the amount and is still under investigation. Umalusi has instituted legal action against the parties of the Joint Venture to recover the outstanding amount of R7 748 565. It is anticipated that the process will be concluded during the 2024/25 financial year.

28. Contingent liabilities

There were no contingent liabilities identified in 2023/24 financial year.

29. Fruitless and wasteful expenditure

	2024 R	2023 Restated*
Fruitless and wasteful expenditure identified - current	1 057 705	-
Fruitless and wasteful expenditure identified - current	16 831	-
Closing balance	1 074 536	-

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

The amount of R1 057 705 was paid to Kabini Joint Venture for goods and services that were not received. There is a pending arbitration for the recovery R1 057 705. An interest of R16 831 was charged by Nedbank for the late payment of the credit card balance.

30. Irregular expenditure

	2024 R	2023 Restated*
Current year irregular expenditure	-	-
Procurement of groceries without a contract	346 501	-
Utilisation of incorrect/repealed standard bidding documents -Nexia SAB& T	138 089	-
Entered into a contract with Government on-line without following the SCM processes of three quotations/competitive bidding.	34 431	-
Closing balance	519 021	-

31. Changes in accounting policy

Umalusi decided to apply GRAP108 (Statutory receivables) on its statutory receivables and to separate them from the receivables from exchange transactions in terms of GRAP 104 (Financial Instruments). This was done to provide more reliable and relevant information on the receivables. The prior year's information was restated.

Statement of Financial Position

	Amounts previously presented as at 31 March 2023	Adjustments	Restated amounts
Receivables from exchange transactions	6 685 751	(4 759 028)	1 926 723
Statutory Receivables	-	4 669 361	4 669 361
Other Statutory Receivables	-	89 667	89 667
	6 685 751	-	6 685 751

32. Prior-year errors

- The accruals to the value of R2 677 677 were duplicated in 2022/23 financial year. The prior year period was adjusted retrospectively.
- The accruals to the value of R89 344 for MIS system subscription (Teknatic) were not recognised in the 2022/23 financial year. The prior year period was adjusted retrospectively, Internal Audit Fees amounting to R649 871 for commitments were incorrectly recognised as accruals in 2022/23 financial year. The prior year period was adjusted retrospectively.
- The movable assets (unbundling) to the value of R1 110 622 were incorrectly capitalised to building costs in the 2022/23 financial year. The prior year was adjusted retrospectively.
- Buildings(unbundling) The revaluation surplus of R1 110 622 was not recognised in the 2022/23 financial year. The prior year period was adjusted retrospectively.
- The amount of R3 381 357 (assets under construction) was incorrectly written off in the 2022/23 financial year. The prior year period was adjusted retrospectively.
- The amount of R10 890 084 for deferred income was incorrectly classified as part of accounts payable in the previous financial years. The prior prior period was adjusted retrospectively
- The amount of R1 310 040 for remeasurement of defined benefit obligation (previously referred to as actuarial gain or loss resulted from the amendments made to GRAP 25 (Employee Benefits) which became effective from the 2023/24 financial year. The adjustment was made retrospectively.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

32. Prior-year errors (continued)

Statement of financial position

	Amounts previously presented as at 31 March 2023	Adjustments	Re- classification	Restated amounts
2023				
Property plant and equipment	70 818 401	926 003	-	71 744 404
Payables from exchange	(26 735 932)	3 212 829	10 890 084	(12 633 019)
Deferred income	-	-	(10 890 084)	(10 890 084)
Credit card	(1 580)	1 580	-	-
Revaluation reserve	(12 113 025)	2 270 735	-	(9 842 290)
Accumulated surplus	(69 798 274)	(6 411 147)	-	(76 209 421)
	(37 830 410)	-	-	(37 830 410)

Statement of financial performance

	Amounts previously presented as at 31 March 2023	Adjustments	Restated amounts
2023			
Moderation and verification costs	44 324 529	(2 677 667)	41 646 862
General Expenses	49 754 161	413 280	50 167 441
Depreciation	5 515 097	184 619	5 699 716
Loss on disposal of assets and liabilities	4 484 232	(3 381 357)	1 102 875
Remeasurement- Defined benefit obligation	(363 000)	(1 310 040)	(1 673 040)
Lease rentals on operating lease	30 071	360 018	390 089
Surplus for the year	103 745 090	(6 411 147)	97 333 943

33. Change in estimate

Property, plant and equipment

Umalusi reassessed the useful lives of its property, plant and equipment in the current financial year. The reassessment was done in line with paragraph 38 of GRAP 3 (Accounting Policies, Changes in Accounting Estimates and Errors). The categories that were affected by the changes are the following:

- a) Furniture and Fittings
- b) Computer Equipment
- c) Plant and Equipment
- d) Other Equipment.

The portion of the accumulated depreciation that is reversed is calculated as the difference between the total depreciation recognised in the previous periods using the previous expected useful life of the asset and the total depreciation that would have been charged for those periods based on the revised useful life of the asset. The adjustments were done prospectively. The impact of the adjustment on depreciation and accumulated depreciation.

Furniture and Fittings

Accumulated depreciation reversed R117 157

Impact of reassessment on current year depreciation - R408 962

Impact of reassessment on future year's depreciation - R408 962

Computer Equipment

Accumulated depreciation reversed R140 719

Impact of reassessment on current year depreciation - R110 763

Impact of reassessment on future year's depreciation - R110 763

Plant and Equipment

Impact of reassessment on current year depreciation - R4 406

Impact of reassessment on future year's depreciation - R4 406

Other Equipment

Impact of reassessment on current year depreciation - R73 857

Impact of reassessment on future year's depreciation - R73 857

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General and Further Education and Training